

HEMAN E. PERRY: DOCUMENTARY MATERIALS
FOR THE LIFE HISTORY OF A BUSINESS MAN

3-6

A THESIS
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INTRODUCTION

BACKGROUND AND STATEMENT OF PROBLEM

This study is an outgrowth of the interest of the Department of Sociology in the life and works of Heman E. Perry which interest dates back to 1935 when Mr. J. B. Blayton was asked to submit a memorandum on this subject to Dr. W. E. B. Du Bois.¹ Later, graduate students in the Department observed in the Atlanta Independent a series of editorials, in which the rise and fall of The Standard Life Insurance Company, organized and directed by Heman E. Perry, were discussed in detail. These editorials were brought to the attention of the writer who decided that it might be revealing as well as sociologically significant to make an intensive study of the life of Heman E. Perry and of the Standard Life Insurance Company Enterprises, thereby obtaining a complete file of source materials. It was with this end in view that this study was undertaken.

In 1911, the Standard Life Insurance Company was organized by Heman E. Perry with a reserve capital stock of \$100,000.00.² From this company other business enterprises were organized: (1) The Citizens Trust Company; (2) Service Company; (3) Citizens Company; (4) Service Realty Company;

¹See Document No. X.

²See Standard Life Year Book, 1923.

(5) Service Engineering and Construction Company; (6) Service Printing Company; (7) Service Pharmacies; (8) Service Farm Bureau; (9) National Fuel Corporation; (10) Service Foundation Incorporated.¹ At the peak of the operation of the Standard Life Insurance Company, it had twenty-three million (\$23,000,000.00) dollars of insurance in force.²

In 1921, the company encountered difficulties which became progressively worse until in 1925 it was merged with the Southern Insurance Company of Tennessee in a vain attempt to keep the policyholders from losing their investments.³ At this time Heman E. Perry's connections with the company came to an end. The company, however, struggled along, being known first as the Standard Life Company of Eureka Springs, Arkansas. It was purchased by the National Benefit Life Insurance Company of Washington, D. C. In 1931, this company became impaired and was dissolved.⁴

This study is a completion of documentary materials for a social history on Heman E. Perry and his projects. It presents a history of his life and all aspects of his works in Atlanta,

¹Ibid., pp. 19-31.

²Standard Life Insurance Company vs. Southern Insurance Company, et al. Fulton Superior Court Records No. 70095.

³Standard Life Insurance Company vs. Southern Insurance Company, et al. Fulton Superior Court Records No. 68732, Document No. VI.

⁴James B. Mitchell, The Collapse of the National Benefit Life Insurance Company - A Study in High Finance Among Negroes. (Washington, 1939), pp. 60-78. Document No. I.

Georgia, from a sociological point of view. It by no means attempts to evaluate any of the information; it merely presents in documentary form, the materials that have been gathered as a result of careful research. The materials were collected in the search for answers to the following questions:

1. What was the nature and trend of Heman E. Perry's life?
2. How did his early training influence his later life?
3. Why did Heman E. Perry select Atlanta for his business enterprises?
4. What social changes were taking place in Atlanta which enabled his business to flourish?
5. How influential was Perry's personality?
6. What other enterprises did Standard Life Insurance Company "father"?
7. What were the underlying causes of his failure?
8. What institutions stand today as a result of his labors?
9. What is the opinion of people today regarding Heman E. Perry?

Definition of Terms

DOCUMENTATION is the process by which the social research case material is put into permanent form so that it may be used by other research workers. This case material will consist of (1) interviews, (2) observations of the investigator, and (3) copies of existing records such as letters, diaries, manuscripts, old newspaper articles, and old books; materials which are difficult to obtain, rare, and not generally

accessible.¹

A LIFE HISTORY is the account which one individual is able to give in his own first-hand encounter, in a problematic situation. ... A life history may be autobiographical, that is, one in which the writer tells his own story; it may be elicited and recorded by a third person through the medium of an interview ... In any case a life history should be anecdotal, a record of first hand experience, it should be sudden, bitter, and complete.² Materials for this study were elicited and recorded by a third person through the medium of interviews and other sources of data.

Method of Procedure

The historical method combined with the interview in social research was employed in this study. The task of gathering documentary materials on the life and works of the subject has, as is to be expected, involved numerous difficulties. For as Louis Wirth says:³

... The materials are scattered over many fields of investigation ranging all the way from the various branches of the natural to the social sciences. Much of the material is full of human interest. If one attempts to survey the whole field he is likely to be led into

¹Vivien M. Palmer, Field Studies in Sociology (Chicago, 1928), p. 46.

²Pauline V. Young, Scientific Social Surveys and Research (New York, 1946), p. 36.

³Louis Wirth, "A Bibliography of the Urban Community," in Robert E. Park and Ernest W. Burgess, The City (Chicago, 1925), pp. 161-63.

tempting bypaths which lead far afield and in the end arrive nowhere. ... The problem of deciding what is pertinent and what is not is obviously an important one. While the sociologist may be intensely interested in a subject matter pertaining to another science, he has his own distinctive objective ...

In the main, materials had to be gathered from diverse sources and from varied fields of interest including banking, mining, real property, and printing. Materials were obtained from monographs on Perry and on the Standard Life Insurance Company. Court records were obtained. Articles were gathered from newspapers and magazines, and many individuals were interviewed. These materials present a wide range of differing points of view on the subject, the "personal equation"¹ being noticeably present.

In the course of interviewing, the author tried to control any bias, emotional tones, or manifestations that might distract the attention of the person interviewed. Questions were carefully prepared in advance to save time, and to prevent a disorganized conversation. In order to do this, the author gathered as much information as possible on the person to be interviewed; studied his type of personality; and in the course of the interview, sought to establish rapport in order to encourage free and full communication.

The author asked as few leading questions as possible. It was found in this study that when people are at ease and are not interrupted, they will tell their stories in their

¹Young, op. cit., p. 134.

own way. Direct and pointed questions were avoided. Instead of asking the interviewee, "Do you know Heman E. Perry?" the question was stated, "What do you know about Heman E. Perry?" or, "What do you know about Heman E. Perry and the Standard Life Insurance Company?"

Controls were set up in all interviews in order to avoid irrelevant discussion. In the course of the interview, the author was always alert to discover important by-paths; to check the trend of the story, and to have the interviewee retrace a statement by saying: "The statement you made a few moments ago was very interesting, could you tell me more?"

The next task was one of analyzing and classifying the material. First it was indexed. Then it was classified according to seven categories that had been established. The categories follow:

Books	I - IV
Monographs and Reports .. .	V
Public Documents	VI
Articles	VII - XI
Unpublished Materials . . .	XII - XIV
Interviews and Correspondence	XV - XXVII

Sources of Data

Books

- I. Mitchell, James B. The Collapse of The National Benefit Life Insurance Company - A Study in High Among Negroes. Washington, D. C.: Howard University, 1939, pp. 60-65.

Included in this document is a brief treatment of Standard Life Insurance Company and its enterprises from an economic point of view. It also contains a detailed account of the National Benefit Life Insurance Company, and the absorption of Standard Life Insurance policies of Eureka Springs, Arkansas.

- II. Richardson, C. The National Encyclopedia of the Negro Race. Montgomery: National Publishing Company, Inc., 1919, pp. 430-1.

This document contains an historical treatment of the life of Heman E. Perry and the Standard Life Insurance Company and its subsidiaries.

- III. Stuart, M. S. An Economic Detour: A History of Insurance in the Lives of American Negroes. New York: Malliet and Company, 1940.

Included in this document is an account of Standard Life Insurance Company and its enterprises, and critical analysis and evaluations of the companies and of their decline.

- IV. Work, M. R. Negro Year Book. Tuskegee Institute, Alabama, 1914-15; 1919-21.

This document contains a report of Standard Life Insurance Company's capital stock; total assets; insurance in force; total income for 1915; and, an extract from an issue of the Southeastern Underwriters, an insurance journal published at Atlanta, Georgia.

Monographs and Reports

- V. Standard Life Year Book. Atlanta: Service Printing Company, 1923.

The historical background of The Standard Life Insurance Company and its enterprises.

Public Documents

- VI. Fulton Superior Court Records, Atlanta, Georgia.

(a) File No.
68732

Name of Case
Charles H. Brown et al
vs
Southeastern Trust
Company et al
Filed in Fulton Superior
Court June, 29, 1926.

70095

Standard Life Insurance
Company
vs
Southern Insurance Com-
pany
Filed in Fulton Superior
Court November 3, 1926.

- 70095 Standard Life Insurance
Company
vs
Southern Insurance Company
Filed in Fulton Superior
Court January 18, 1927.
- 70095 J. S. Flipper, et al
vs
Standard Life Insurance
Company of Eureka Springs,
Arkansas, et al
Filed in Fulton Superior
Court March 16, 1927.

Articles

- VII. "A Notable Step Forward," Atlanta Constitution,
July 15, 1921, p. 8, col. 2.
- VIII. "Mr. Perry and The Citizens Trust Company," Atlanta
Independent, XVIII Editorial (July 21, 1921),
p. 4.
- "Statement of the Officers and Directors of Citizens
Trust Company to the Atlanta Public," Atlanta
Independent, XXII (April 3, 1924), p. 5.
- "White Man in Charge of Negro Theater," Atlanta
Independent, XXII (December 11, 1924), p. 4.
- "A Common Liar," Atlanta Independent, XXII Editorial
(May 1, 1924), p. 4.
- "Julius Rosenwald Backs Standard Life 500,000 Loan
Arranged by Messrs. Rosenwald, of Chicago,
Kelsey and Others of New York," Atlanta
Independent, XXII (December 11, 1924), p. 1
- "No Loan to Standard Life Yet and Negotiations
Seem to be Off," Atlanta Independent, XXII
(December 29, 1924), p. 4.
- "Standard Life and Southern Insurance Companies
Merger - Standard Life Accepts the Proposition,"
Atlanta Independent, XXIII (January 22, 1925),
p. 1.
- "Will the Enterprise Wake Up?" Atlanta Independent,
XXIII Editorial (January 29, 1925), p. 4.

- "A Symposium on the Standard - Southern Merger,"
Atlanta Independent, XXIII (January 29, 1925),
p. 4.
- IX. "Houston Honors Insurance Genius at Funeral Rites,"
Houston Informer, (January 5, 1929), p. 1.
- X. "Memorandum from Mr. J. B. Blayton to Dr. W. E. B.
Du Bois," Editor, Phylon, The Atlanta University
Review of Race and Culture.
- XI. Walrond, Eric D., "The Largest Negro Commercial
Enterprise in the World," Forbes Magazine, XIII,
No. 9 (February 2, 1924), pp. 503-5, 523.

Unpublished Material

- XII. Kennedy, W. J., "The Negro Adventure in the Field of
Life Insurance," Research and Review Department,
North Carolina Mutual Life Insurance Company,
Durham, North Carolina, 1934.
- XIII. Reid, Ira D. A., "Carnegie - Myrdal Study: A Research
Memorandum of the Negro in the American Economic
System with Special Reference to His Professional
White Collar Occupations," Atlanta University,
1940. A detailed discussion of Heman E. Perry;
The Standard Life Insurance Company and its
subsidiaries.
- XIV. Trent, W. J., "Development of Negro Life Insurance
Enterprises," Unpublished Master's thesis,
Department of Economics, University of Pitts-
burgh, 1934. An Analysis and Evaluation of
Standard Life Insurance Company.

Interviews and Correspondence

- XV. Blayton, J. B., Atlanta University, Atlanta, Georgia,
April 30, 1948. The purpose of this interview
was to secure first hand information of Heman E.
Perry; the Standard Life Insurance Company and
its subsidiaries.
- XVI. Campfield, Cyrus, 753 Hunter Street, S. W., Atlanta,
Georgia, May 8, 1948. An outsider's point of
view of Heman E. Perry; the Standard Life In-
surance Company and its enterpresis. ✓

- XVII. Copeland, John A., 115 Peachtree Circle, N. E., Atlanta, Georgia, May 31, 1948. The purpose of this interview was to get a (white) former actuary and consultant's opinion of Heman E. Perry and why the company failed.
- XVIII. Greenwood, J. B. Mr. and Mrs., 165 Piedmont Avenue, N. E., Atlanta, Georgia, May 6, 1948. The purpose of this interview was to secure a more personal account of the life of Heman E. Perry.
- XIX. Harden, Hattie Mrs., 605 Fair Street, S. W., Atlanta, Georgia, April 30, 1948. A former employee of the Standard Life Insurance Company.
- XX. Howell, George A. Dr., 1278 Hunter Street, S. W., Atlanta, Georgia, May 16, 1948. A former member of the Board of Directors' opinion of Mr. Heman E. Perry and Standard Life Insurance Company.
- XXI. Milton, L. D., Atlanta University, Atlanta, Georgia, May 13, 1948. A former employee of Citizens Trust Company.
- XXII. Perry, Olive Miss, 358 Irwin Street, N. E., Atlanta, Georgia, May 10, 1948. The purpose of this interview was to secure an early history of the life of Heman E. Perry from his sister.
- XXIII. Pitts, Clara Mrs., 1221 Hunter Street, S. W., Atlanta, Georgia, May 17, 1948. The purpose of this interview was to find out what mission Heman E. Perry sponsored and where.
- XXIV. Slater, Thomas H. Dr., 132 Piedmont Avenue, N. E., Atlanta, Georgia, May 18, 1948. The purpose of this interview was to find out Heman E. Perry's religious and social affiliations.
- XXV. Dugas, H. S., 619 Beattys Ford Road, Charlotte 6, North Carolina, May 25, 1948. The purpose of this letter was to secure as much first hand information as possible from former employees of Standard Life Insurance Company and Heman E. Perry.
- XXVI. Kelley, W. C., 209 West 125th Street, New York, New York, May 24, 1948. The purpose of this letter was to secure any information or materials the informant (a former employee of Standard Life Insurance Company Enterprises) had in his possession.

- XXVII. Williams, M. Edyth Miss, 654 Girard Street, N. W.,
410, Washington 1, D. C., June 11, 1948. A
letter from Heman E. Perry's former personal
secretary.

Significance of the Study

This study will permit an interpretation of the social role of the leader, within a Negro community. The materials have been catalogued with that purpose in mind. Furthermore, the study

1. will serve as source materials for further research on the development of the Atlanta Negro Community;
2. will give an insight into the nature of personality;
3. will serve as source materials for analysis of Negro business as a social movement;
4. will provide a source material for analyzing the natural history of a social institution, the Standard Life Insurance Company and its affiliates.

In conclusion, several sources of information not included in this study are suggested for further research:

1. Atlanta Georgian - University of Georgia Library, Athens, Georgia. This article is an account of Heman E. Perry; the Standard Life Insurance Company and its affiliates.
2. Chicago Whip - Tuskegee Institute's library, Tuskegee Institute, Alabama. Articles on the merger of Standard Life Insurance Company with the Southern Insurance Company of Tennessee.
3. Judge Heman E. Perry, Waynesboro, Georgia. Reference has been made of Judge Heman E. Perry in this study.
4. Alexander, W. W. Dr., The Julius Rosenwald Fund, Chicago, Illinois. Dr. Alexander should be written in reference to Heman E. Perry and the failure of the Citizens Trust Company.

5. Cates and Levy Incorporated, New York, New York. A large sum of money was borrowed from this firm by Heman E. Perry.
6. Holsey, A. L., Tuskegee Institute, Alabama. Mr. Holsey should be written in reference to the association of Heman E. Perry and Dr. R. R. Moton.
7. Shaw, Charles A., Houston, Texas. A former member of the Board of Directors of Standard Life Insurance Company.

Methodology for Writing a Life History

It was previously stated that the task of compiling documentary material on the life and works of Heman E. Perry has involved many methodological difficulties. For the guidance of researchers who would develop these documents into a monographic study that would conform to acceptable standards of social science research, an analysis and understanding of the following volumes is suggested:

1. Anderson, Nels, The Hobo: The Sociology of the Homeless Man. New York: The Vanguard Press, 1931. A sociological case-study of the homeless man.
2. Beers, Clifford W., A Mind That Found Itself: An Autobiography. New York: Doubleday, Doran and Company, Inc., 1931. A case-study illustrating abnormal mental processes.
3. Cather, Willa S., My Antonia. New York: Houghton Mifflin Company, 1932. A literary case-study illustrating the struggles of an immigrant family.
4. Dollard, John, Criterial for the Study of a Life History: With Analysis of Six Notable Documents. New Haven: Published for the Institute of Human Relations by Yale University Press, 1935. A case-study giving a critical analysis of the life history.

5. Davis, Allison and John Dollard, Children of Bondage. Washington, D. C.: American Council on Education, 1940. A case-study taken from thirty life histories of Negro children between the ages of twelve and sixteen.
6. Shaw, Clifford R. The Jack Roller: A Delinquent Boy's Own Story. Chicago: University of Chicago Press, 1930. Document showing development of a person's concept of his role in a social group.
7. Thomas, W. I., and Florian Znaniecki, The Polish Peasant in Europe and America. New York: Alfred A. Knoph, 1927. Case study of social and personal disorganization and reorganization.
8. Thrasher, Frederic M. The Gang. Chicago: University of Chicago Press, 1936. A case-study of gangs and gangland.

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DOCUMENT I

THE COLLAPSE OF THE NATIONAL BENEFIT LIFE INSURANCE COMPANY - A STUDY IN HIGH FINANCE AMONG NEGROES

By James B. Mitchell, M. A.

THE HOWARD UNIVERSITY STUDIES IN THE SOCIAL SCIENCES

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(An Analysis of Standard Life and The National Benefit Life
Insurance Companies)

THE STANDARD LIFE TRANSACTIONS

Another manifestation of the policy of expansion was the reassuring of the business of other companies. The absorption of the Standard Benefit Society of Maryland was the first venture of the National Benefit along this line. The society was a small one and because of the scarcity of comment and data upon the transaction, the absorption was evidently of little consequence. However, the contrary is true concerning the reinsuring of the Standard Life business. A knowledge of the history of this company is necessary properly to evaluate the action of the National Benefit in reinsuring its business.

The Standard Life Insurance Company of Atlanta, Georgia, was incorporated under the laws of Georgia, June 24, 1911, and business began two years later. Like the National Benefit it was to be a company controlled by colored interests for the insuring of colored people. Its difficulties began early and continued throughout its existence. As in the case of the National Benefit, the Standard Life was built upon insecure economic foundation and was involved in a perpetual but futile struggle to avoid failure. The Standard Life falls in the

category of small companies described by Dr. Donald H. Davenport, special economic consultant to the insurance section of the Securities and Exchange Commission. "The companies that have failed are the small companies that were organized and doing business where the great bulk of life insurance is done."¹³ Moreover, failure could not have been forestalled as long as it was or incorporation could not have been accomplished if it had been domiciled in New York, New Jersey, or any of the New England states. Testimony at the monopoly hearings implied that in these states, where the largest proportion of insurance companies are incorporated, the laws are better calculated to protect the interest of the policyholders.¹⁴

The insolvent condition of the Standard Life is reputed to have been of long standing. A Negro life insurance man of long experience stated:

I have long entertained the idea that the worm of insolvency got in at the placing of the organization stock. At least, I have had the word of one of the early actuaries of the Standard that, at one of the first, probably the first, State Examinations, a deficit of about 60,000 was shown, and that this was made up by placing on the field non-participating in the place of participating policies issued up to that time; and that,

¹³Testimony before the Temporary National Economic Committee from "Verbatim Record of the Proceedings of the Temporary National Economic Committee," Vol. 2, p. 13. Bureau of National Affairs, Inc., 1939, Washington, D. C.

¹⁴Ibid., p. 13. These hearings also revealed that companies domiciled in New York, New Jersey, and the New England states controlled 74.1 per cent of the total assets of all legal reserve companies in the United States.

had appraisals been made and titles investigated on the First Mortgage Real Estate Loans, the deficit would have been even larger.¹⁵

In 1922, just prior to the time when the difficulties of the company came to public notice the statement of the Standard Life showed assets totalling \$2,042,439.18. Of this amount \$936,268.85, or approximately 17 per cent was reported as being in cash; interest and rents due or accrued of \$65,371.55; and deferred premiums of \$236,977.71; policy loans of \$274,377.55; and collateral loans of \$21,488.29. There were reported bonds of only \$299,664.49, or 14 per cent. The large holdings in mortgages and cash, the value of both of which was open to question, were a direct result of the company's affiliation with its subsidiaries. The subsidiaries of the company were the Service Company, the Service Realty Company, Citizens Trust Company, Service Engineering and Construction Company, Service Printing Company and Service Pharmacies, Incorporated. The company had made large deposits in the Citizens Trust Company which it dared not draw upon. The reason for this is explained below. The company had also invested heavily in financing the operations of the Service Realty Company. The liabilities of the company including a reserve of \$1,646,310.64 were \$1,837,992.17. The capital stock was \$125,000 and surplus \$79,447.51. There

¹⁵M. S. Stuart, op. cit., p. 4.

was \$28,881,575 of insurance in force at the close of 1922.¹⁶

According to the statement of December 31, 1923, mortgage loans amounted to \$840,845.43; cash, \$880,977.83; and bonds, only \$215,943.02. Over \$700,000 in cash "had been largely loaned by the bank to the Service Realty Company (another subsidiary) which had invested the money in real estate being largely vacant property in the part of Atlanta where colored people are living. This property was encumbered for part of the purchase price amounting to \$160,000 at that time. This real estate was also encumbered in favor of the Donald Holding Company and Katz and Levy to the extent of \$105,000. ... It is true that the Citizens Trust Company about this time, that is to say, during 1923, having loaned its money out to said subsidiary companies was short of cash to meet its clearings. This created a serious condition which called for financial assistance. ... Having funds ready to pay the bank clearings was a very serious matter, for, unless the clearings were promptly met, the bank would have immediately been closed."¹⁷

Thus, it behooved the insurance company which was in dire straits itself to keep the bank open in order to show on its statement a doubtful and completely frozen asset of

¹⁶Affidavit of J. B. Blayton filed in the suit of Charles H. Brown, et al vs. Standard Life Insurance Company of Arkansas, No. 68732, Fulton Superior Court, Fulton County, Georgia.

¹⁷Ibid.

\$700,000. Just prior to this time the stock had been increased from \$125,000 to \$250,000. The Service Company agreed to underwrite, or take, the whole issue of 1,250 shares of par value \$100 each at the sum of \$335,000 and to undertake to sell out the stock to individual purchasers at a price of \$300 per share, thus giving the Service Company a profit or commission of \$40,000. The Service Company gave its check on the Citizens Trust Company to the order of Standard Life Insurance Company, and deposited with the said bank a stock certificate for 965 shares (285 shares having already been issued previously to the Service and by that company placed with S. A. Lynch as part of security given for a loan of \$80,000, net, for which The Service Company gave a note of \$107,500.00. The other security for said loan was equity in the Wesley Memorial property. Twenty shares of this stock had been sold to various individuals.¹⁸ The result of this was that the bank loaned another subsidiary money to buy Standard Life stock on security of the same stock and credited the account of the Standard Life for the purchase price of the stock. The Standard Life could not draw on its account for fear of closing the bank and the bank could not collect on the note of the Service Company until the stock had been sold. The whole affair was a paper transaction, made possible by interlocking directorates, which served only to inflate the fictitious assets of the Standard Life.

¹⁸Ibid.

In 1923, the real and practical control of the company "which so far had been administered by colored interest, passed to white interest by virtue of mortgages and/or other liens against the voting stock and/or assets of the said Standard ..." The change in control was described in the affidavit of J. B. Blayton, auditor for the Standard Life and its several subsidiaries. Mr. Blayton stated:

At the time I came to the Standard Life Insurance Company, August 1, 1922, Heman E. Perry was president, J. A. Robinson was secretary, T. J. Ferguson, cashier and acting treasurer. These were the active officers and the company was dominated almost exclusively by Heman E. Perry.

The officers of the Standard Life Insurance Company, part of whom were named above, were also officers of the Citizens Trust Company, the Service Company and other companies mentioned, that is to say, the directors in one, were directors in the others, the executive heads, however, being different.

During the latter part of 1923, there was complaint as to handling of funds of the Standard Life Insurance Company by General Wright, Insurance Commissioner of Georgia. As a result he had a careful investigation made by Haight and Haight, actuaries and accountants, who made their report to the commissioner.²⁰

The control of the Standard Life passed into the hands of two executive managers, Silas W. Davis and Arthur G. Powell, both white. The manner in which the executive managers gained control is shrouded in mystery. Mr. Blayton said in affidavit:

²⁰Ibid.

I have examined the minutes of the Standard Life Insurance Company kept during said period, which include the minutes of the stockholders' meeting and the minutes of all directors' meetings, and no resolution has been passed or otherwise shown by such minutes whereby the right to act as executive managers was even taken. There is an absence of any record on the subject.²¹

He further states that the executive managers

... countersigned or initialed all checks and all money was spent under their supervision or direction. They never were at the office of the company, and they took no part in the management, nor concerned themselves as to the handling of any of the business. During this time each of the executive managers was paid the sum of 500.00 per month by the Standard Life Insurance Company of Georgia. They also were named as executive managers of the following named companies: Service Company, Service Realty Company, Citizens Trust Company, Citizens Company, Service Engineering and Construction Company, Service Printing Company and Service Pharmacy, Inc. During this time, the business of the Standard Life Insurance Company was conducted by the same employees, that is, by the same clerks, bookkeepers, auditors, solicitors, and the force generally which was composed of colored people. The executive managers did nothing except sign all checks, as already explained, and they did this through agents, those acting in the capacity being Joseph Calus and M. A. Cason. They did not change the policy of

²¹Ibid.

the company or give any constructive suggestion except they cut down the salaries of some of the employees and discouraged the solicitors from writing new business.²²

The executive managers appear to be responsible for the second shift in the control of the company. It has already been stated how important it was to the insurance company to keep the bank open. The bank was in such a condition that it could not obtain money at anything approaching the usual rates. Accordingly, if any money was to be raised, it was to be raised only at unusually high rates and from persons who specialized in placing "pawn-broker's loans". During this period Silas W. Davis negotiated a contract between himself, the Southeastern Trust Company, the Service Realty Company and the Citizens Trust Company, which was for the ostensible purpose of raising funds for the bank.

Executive manager, Silas W. Davis, offered to remedy this condition (of the bank) and furnish the financial assistance necessary and required. As a result, a contract whereby the Southeastern Trust Company was to loan \$125,000 to the Service Realty Company, was entered into, dated July 24, 1924. This contract was entered into during the period when the executive managers were in control of all the companies named in the contract outside of the Southeastern Trust Company. ... In said contract of July 24, 1924, in paragraph 4, it was provided that the Citizens Trust Company

²²Ibid.

should release 1,251 shares of stock in the Standard Life Insurance Company to the Southeastern Trust Company, which stock was released by the Citizens Trust Company. ... The 1,251 shares constituted a majority of one share of all the stock of the Standard Life Insurance Company. The Citizens Trust Company, as a bank, had put up with it, as collateral, to secure loans made to various colored business men, stock aggregating about 900 shares. This stock had merely been left with the bank without endorsement in most cases. The stock had been pledged to the bank, and the bank had never foreclosed under the pledge and the bank never obtained title to the stock by any process. Some 265 shares had been placed up as collateral with a loan with S. A. Lynch, and about eighty-six shares with other parties. The Southeastern Trust Company in some way got hold of this stock which was added to the amount they got from the Citizens Trust Company and thereby made 1,251 shares. ... Pursuant to the verbal agreement that the Southeastern Trust Company should furnish funds to the Citizens Trust Company in order to meet its clearings, from day to day, and pursuant to the written agreement dated July 24, 1924, referred to, the Southeastern Trust Company except comparatively small amounts, ranging from two to five thousand dollars at a time in order to meet the bank clearings, which sums were repaid from day to day. This money was advanced by the executive managers out of funds belonging to the Standard Life Insurance Company. Due to my position as auditor for all the companies, as

outlined herein, I was in a position to know and do know that the Southeastern Trust Company did not lend any money to them ... In December, 1923, the Service Company and the Service Realty Company borrowed from the Southeastern Trust Company \$20,000 for a period of five days, at the end of which time they paid back the sum of \$25,000.²³

The meeting was held about two o'clock p. m. on January 15, 1925, at the office of the company, 200 Auburn Avenue, Atlanta, Georgia. I was a stockholder and was present at the meeting and knew what took place. Heman E. Perry called the meeting to order. A committee on proxies was appointed. This committee reported that there was a majority of the stock represented by proxies or present in person. William Matthews of the law firm of Little, Powell, Smith, and Goldstein was present and announced that he had 1,251 shares by proxy, which were the shares which had been acquired by the Southeastern Trust Company. Heman E. Perry announced that an offer to 'merge' the Standard Life Insurance Company with the Southern Insurance Company under the name of the Southern-Standard Life Insurance Company was to be considered and voted upon. No news of this proposal had been given to the employees or stockholders generally, except the morning before the meeting there was some rumor to this effect which caused considerable excitement. There was some discussion in the meeting by various stockholders present. One remarked that

²³Ibid.

Mr. Matthews sat over there with 1,251 shares and that there was no use to have further discussion. About this time, Will G. Harris appeared and made a speech and states, 'You boys might as well line up with this proposition, we want your cooperation, but if you do not line up, we will go on without you.' A vote was taken, but very few, outside of Mr. Matthews, voted. ... It should be stated that Mr. Harris made the proposition that stockholders of the Standard Life Company would exchange one share of their stock for four shares in the Southern Insurance Company, the par value of the Southern Insurance Company stock being \$5.50 per share. ... He also represented that the stockholders of the Standard Life Insurance Company would immediately receive a dividend of two dollars per share on the stock in the Southern Insurance Company, the result being that the stockholders of the Standard Life received four shares and eight dollars in cash for each share in the exchange of their stock. Mr. Harris also stated in the meeting that this company, the Southern Insurance Company, then had a surplus of over \$200,000 and that the stock was selling for twenty dollars per share. ... Two of the officers of the Standard Life Insurance Company resigned at the meeting. One was David J. Jones, secretary, and the other John R. Pinkett, director of agencies.²⁴

²⁴Ibid.

In spite of the illegal implications in this transaction, the contract of reinsurance was approved by the insurance departments of Georgia and Tennessee, home states of the companies concerned.

The Southern Insurance Company had not had the business of the Standard Life Insurance Company of Arkansas. This contract of reinsurance went into effect December 28, 1925. At this time, according to Mr. Blayton's affidavit the business had assets of \$1,729,067 to meet a reserve of \$3,200,000. This left a deficit in the reserve of \$1,470,933 exclusive of capital stock. Moreover, the reserve requirements were increasing at the rate of approximately \$400,000 a year.

"These figures represent the condition of the company at the end of 1925, and do not include losses during the year 1926, which would not be less than \$150,000. These losses come about by increases on the reserve which arise as policies become older, and from lack of receiving normal interest from the investments, most of the capital being invested in non-income producing assets."²⁵

The control of the Standard Life changed at least four times. From June 24, 1911 to 1923, the company was controlled by Negroes, Heman Perry, etc., as the Standard Life of Georgia. From June, 1923, to January 15, 1925, the control vested in white executive managers, Silas W. Davis and Arthur G. Powell. From January 15, 1925, to December 28, 1925, the Standard was

²⁵Ibid.

controlled by the white Southern Insurance Company, which transferred the business to the Standard Life of Arkansas (a white company). Control rested here from December 28, 1925 to 1927. In 1927 the National Benefit Life Insurance Company took over what was left of the Standard Life's business. It is reasonable to assume that the officers of the National Benefit knew the history of the Standard Life much of which was a matter of public record. Although the ostensible purpose of the annexation of the Standard Life was to increase the volume and investment fund of the National Benefit, there can be little doubt that other motives were also responsible from the transaction. This idea is strengthened by the fact that the National Benefit was already writing too much business for its surplus and that traces of financial difficulties and insolvency were becoming more evident and acute. In the report of an examination by Frank M. Speakman, actuary, representing the District of Columbia, Alabama, Kentucky, Oklahoma, and Missouri insurance departments the following statement was made: "This insolvent condition of the company on December 31, 1926, was caused principally by their writing too much business for their surplus. In the company's annual statement for the year 1926, to the insurance department, the market value of real estate owned was increased arbitrarily and various liabilities not included."²⁶ This statement was deleted from the filed and

²⁶Fackler and Brieby, op. cit., supplemental Report No. 2.

approved report with the knowledge of, at least, some of the insurance commissioners. One is led to believe that there was some basis to the allegation that the officers of the National Benefit hoped to use the Standard Life merger to camouflage the true condition of the National Benefit. It was stated that "in 1918, the National Benefit would not have considered taking over the Standard Life or any other business in such condition as it was. It only went into taking it over in 1927, because it had gotten into deep water via the stock and real estate deals and the new territory entered, all having their inception in 1923. Why did the National Benefit accept from the Standard Life of Arkansas real estate at a book value of \$1,865,530 without appraisal then, why did the same property appraise for more than a million dollars under book value just a few months later. Evidently, somebody was eager to consummate the deal, perhaps to throw mud into waters already muddy."²⁷

The business of the Standard Life had been refused by several white companies, and it was a well-known fact in insurance circles that the Standard Life had been "milked" on the three successive occasions when control had been shifted. The futile attempt to secure financial aid through Dr. R. R. Moton, former president of the National Negro Business League, suggests the degree of the company's desperation at this time. This attempt was described in the

²⁷M. S. Stuart, op. cit., p. 10.

Negro weekly, The Afro-American, on May 7, 1932. In an article captioned, "Philanthropists' 550,000 Couldn't Save Standard Life," this paper reported: "The truth about the offer of a loan of \$550,000 from Julius Rosenwald and John D. Rockefeller, Jr., to the Standard Life Insurance Company of Atlanta, Georgia, when it was in difficulty five or six years ago, was told for the first time today by Dr. R. R. Moton, principal of Tuskegee Institute, at a recent Rosenwald memorial meeting here. ... According to Dr. Moton, the Standard Life made appeals in all directions for help, but finally a committee came to him to see if he could interest Mr. Rockefeller or Mr. Rosenwald in the situation. ... 'The company wanted \$200,000 to tide them over,' he said ... 'they were in the hands of lenders who had advanced them \$200,000 and insisted upon foreclosing and taking something like three million dollars of good assets to satisfy their claims. I was presiding at the National Negro Business League in Chicago at the time - the twenty-fifth anniversary of the League. I asked the vice president to take the chair. I called Mr. Rosenwald over the phone and made an appointment. Jumping into a taxicab, I went over to see him - a long distance - and told him the story. But I didn't ask for \$200,000; I wanted to be on the safe side. I told him we needed \$400,000. Colored people in business don't always tell all the truth. I thought it better to put up \$400,000 and be safe than try \$200,000 and lose it. I told Mr. Rosenwald just that. He thought it over a minute and then

said, 'I think I could get the money for you. Would you handle it yourself at Tuskegee?' 'No, sir', I said. He asked me, 'How would you handle it?' I said, 'I would handle it through New York, through the Title Guaranty and Trust Company; I would get the best actuary to make an investigation and get some certified accountants, Wall Street men, to come down and check up, before I would spend a cent. He said, 'All right, I will see that you get the money.' I went back to New York and set things going. The money was deposited with the Title Guaranty and Trust Company. We got \$550,000 to be on the safe side, Mr. Rockefeller, Mr. Peabody, Mr. Kelsey, and others co-operating. We looked into the situation and on the twenty-third of December, after an all day conference, I wired Mr. Kelsey and Mr. Rosenwald, we would have to send the money back. We didn't think it a safe investment from all information at hand; and we didn't do it.'"

The philanthropy of Messrs. Rosenwald, et al, was apparently directed to the preservation of the faith of Negroes in Negro-controlled business. This motive was likewise responsible in part for the National Benefit's acquisition of the Standard Life. Whether considered on the ground of maintaining the race's faith in their own business men or on that of plain business efficiency the taking over of the Standard Life by the National Benefit was an unbound transaction. It could not have been otherwise. As has been indicated, the business of the Standard Life consisted of a number of old-time contracts, on which the principle of adverse selection

had been operating for a number of years, offset by frozen and doubtful assets, chief of which was non-income producing real estate.

The merger caused the company to increase its field of operation without a proportionate or compensating increase in income. As a result of the expansion policy begun in 1923, and given new impetus in 1926 and 1927, the company now operated in twenty-four states. The resultant increases in administrative costs moved the National Benefit closer to receivership. Despite numerous ruses, these costs shortened the time in which it was possible to keep the condition of the company from public notice.

THE STANDARD LIFE REINSURANCE CONTRACT

The contract of reinsurance under which the National Benefit reinsured the business of the Standard Life grew out of litigation almost as intricate as that in which the National Benefit later became involved. In the cases concerned with the business of the Standard Life, a large number of persons and corporations were involved as plaintiffs, defendants, or intervenors. In the case of Charles H. Brown, et al, versus the Standard Life Insurance Company,²⁸ the court sought to put an end to the litigation as well as to provide for the administering of the affairs of the Standard Life. The decree of the court is worth liberal quotation

²⁸See No. 68732, Fulton Superior Court, Fulton County, Georgia.

because of the light it throws on the condition of the Standard Life at the time the National Benefit acquired it.

In the words of the court:

The life insurance business formerly belongs to the Standard Life Insurance Company of Georgia, which by successive transfers came into the possession of the Standard Life Insurance Company of Arkansas, has sustained losses of property and funds, to such an extent that it does not now have the amount of assets which the law requires as a reserve for the protection of the policyholders and the amount of said impairment is so great that it is impractical for the business to be continued on the present basis with justice to the policyholders.

It is further found that the deficiency in the legal reserve required far exceeds the amount of the capital stock of the Standard Life of Arkansas, and had not since been materially diminished by the operations of the latter company, and it being shown by the evidence that there is no possibility of recovering enough in value of the assets which the plaintiffs claim have been dissipated by certain of the defendants in this case to restore the reserve, it is adjudged and decreed that the stockholders of The Standard Life Insurance Company of Georgia as represented by petitions in this case, have no claim upon the assets which formerly were possessed and owned by the Standard Life Insurance Company of Georgia and that such assets must be used and administered for the benefit of the policy holders, together with such assets as the Standard Life of Arkansas furnished towards reducing the impairment to the reserve, and to this end, there being no other adequate remedy, the court must and does hereby take charge of all said assets, to be disposed of in such manner as is best calculated to save the assets from further losses and secure the interest of the policyholders whose rights are found to be superior to those of the stockholders of the Standard Life Insurance Company of Georgia. In dealing with such insolvent condition, the court recognizes that a very valuable asset of the company is the premium account as paid by policyholders, which would be greatly impaired and damaged should the business be continued in charge of the court by the appointment of receivers or otherwise. ... With regard to the claims of the policyholders as aforesaid, the court has had presented to it in the evidence in the case a contract of reinsurance, copy of which is hereto attached ... whereby the National Benefit Life Insurance Company of the

District of Columbia has agreed, upon the terms and conditions in said contract specified, to reinsure the said policies, which contract has been approved by the Commissioners of Arkansas and the District of Columbia, the domiciled of the respective companies. ... It is thereupon further decreed by the court that the said proposed contract of reinsurance adequately protects and preserves all rights of the policyholders of the said Standard Life Insurance Company and protects the said policyholders more adequately and completely than they could possibly be protected by the court liquidating the business or keeping it in charge of the court by receivers or otherwise. It is ordered and decreed that said contract or reinsurance be and the same is hereby approved ... and the said contract is to take effect on the date of the decree.

In the preamble to the contract of reinsurance, the National Benefit expressed its intent as follows:

Whereas, it appears from the considerations herein stated and from the history of the Standard Life Insurance Company of Atlanta, Georgia, the reinsurance of that business with the Southern Insurance Company of Nashville, Tennessee, and the later reinsurance of the same business with the Standard Life Insurance of Eureka Springs, Arkansas, that the subject matters involved are complex to such a degree, that the National Benefit Insurance Company of Washington, D. C., acting on the advice of Miles M. Dawson and Son, consulting actuaries, of New York City is willing to enter into this contract of reinsurance as the best possible solution of these complex affairs, for the sole purpose of furnishing the utmost protection that can be given with competent management to the policyholders of Standard Life, with safety to the policyholders of the National Benefit. ...

Article one of the contract provided that the Standard Life policies would be taken over, subject to individually established liens bearing four per cent. The liens were to be calculated on the basis of the impairment in the reserve on December 31, 1926. The liens were to be changed from time to time in accordance with changes in the reserve

deficiency. At the time the policies were taken over, the lien on each policy amounted to 66.043 per cent of its reserve. By other terms of the contract, which was in effect of the nature of a trusteeship, the National Benefit was to segregate the assets of the Standard Life. They were to furnish separate statements to the insurance department showing disposition of assets and profits and losses on that division of their business. Direct expenses were to be charged directly to The Standard Life Division and indirect expenses were to be apportioned so as "not to exceed the reinsured Standard Life policies' pro rata share for each one thousand dollars of insurance of the total home office administration expenses of the Ordinary Department of the National Benefit."

The National Benefit received all assets of the Standard Life in consideration for which it was to assume all the liabilities of the Standard Life and make certain payments to the Standard Life Division for a period of years after the effective date of the contract. These payments were to be made out of the premiums collected on Standard Life policies. The contract read:

...The Standard Life shall be paid a first commission out of the premiums collected the first year after the effective date of this reinsurance contract on the policies of the Standard Life by the National Benefit not to exceed in total amount of fifty thousand (50,000) dollars which said commission will be due and payable to the Standard Life on the date this contract becomes effective.²⁹

²⁹Ibid., Decree, Exhibit A., Article X.

For six years such payments were to be made, reduced each time by five thousand dollars. Each payment was to bear six per cent interest accumulated annually from the effective date of the contract. The schedule of payment was:

1927	\$50,000	plus interest
1928	45,000	plus interest
1929	40,000	plus interest
1930	35,000	plus interest
1931	30,000	plus interest
1932	25,000	plus interest
1933	20,000	plus interest
Total	\$245,000	plus interest

In compliance with this and other provisions of the contract, the Standard Life Division was to be charged and credited as follows:

CREDITS

1. Profits on Standard Life Investments.
2. Appreciation on Standard Life assets.
3. Seven annual payments totaling \$245,000 plus interest.

CHARGES

1. Four per cent interest on liens.
2. Direct investment expense.
3. Other direct expenses.
4. Losses on Standard Life investments.
5. Depreciation on Standard Life assets.
6. Pro rata share of home office expenses.

Soon after the contract became effective, the National Benefit was called upon to pay large sums for loans, surrender values, and death claims on Standard Life policies. Thus a large indebtedness was shifted from the Standard Life Division to the National Benefit Division. Shortly afterwards, the policy of encouraging Standard Life policyholders to drop their Standard Life policies and take out new ones in the National Benefit was adopted. This was designed to

increase the indebtedness of the Standard Life Division since the latter would have to pay surrender values to the National Benefit Division. The net effect, however, was to draw off the cash and liquid assets of the National Benefit for which the National Benefit Division received in return equity in the non-income producing assets of the Standard Life. On or about April 7, 1928, the balance due the Standard Life Division appeared on the books as \$135,165.³⁰ But, "there was much confusion as to the balance due on the books of the two divisions. Moreover, in making the record of the transactions, the equity between the two divisions was frequently violated."³¹

Despite the fact that the insolvent condition of the National Benefit was aggravated by the burden of the Standard Life, the public got a different idea of the facts. In an article appearing in April, 1927, it was stated with much pride that the National Benefit was operating in twenty-four states, employing 2,000 people, had \$50,000,000 of insurance in force and had never failed to declare a dividend.³²

³⁰Fackler and Breiby, Report of Condition as of September 9, 1931, op. cit., Appendix B, p. 3.

³¹Ibid., p. 6.

³²George W. Lee, "Insurance - Its Necessity and Value," The Messenger, April, 1927.

DOCUMENT II

THE NATIONAL ENCYCLOPEDIA OF THE NEGRO RACE
C. Richardson. Montgomery:
National Publishing Co., Inc., 1919

(Historical Treatment of Standard Life Insurance Company
and the life of H. E. Perry)

Heman E. Perry, born in Houston, Texas, March 5, 1873, his early experience was not unlike many of the colored men who have risen from the huts of poverty and traversed the roads of hardships to the high positions they have filled in the affairs of men. He did not enjoy a finished education, his schooling carrying him only through the seventh grade of the public school, but what he lacked in this particular he more than made up in a natural adaptability for business, and in gifts along this line he seems to have received a double portion. Coupled with keen, active business mentality, he possessed an indomitable will, which would not yield to the most discouraging conditions. His business career started when quite young as a clerk in his father's grocery store, where he remained for two years. His father gave up the grocery business and went to the farm, taking his son with him.

Here he engaged in general farm work and in the harvest season peddled the farm products from door to door.

He was twelve years of age when he went to the farm,

and he continued there for about two years, when he returned to the city and spent the next ten years working for a cotton firm, during which time he became an expert cotton sampler and classer. Having learned the business, he decided to shift for himself, so he gave up the position he had filled for so long a period, and offered his services to the trade as an expert in the lines above mentioned.

His ability as a sampler and classer was generally recognized and he had no trouble in securing contracts from the large and well known firms, such as George H. McFadden and Hooper and Company.

He eventually gave up the cotton business and sought a wider field in which to develop his talent.

He commenced as a life insurance solicitor and worked for the Equitable, Manhattan Life, Fidelity Mutual and Mutual Reserve. He spent about twelve years as a solicitor and the experience he gained in the field was of great help to him when he organized the company which has established his reputation as an insurance man. To gain further knowledge of the business, he went to New York and obtained employment in the home offices of several of the companies he had worked for in the field. While thus employed, he formed the acquaintance of actuaries of national reputation.

When he worked he dreamed, and he saw in his mind's eye an insurance institution owned and operated by Negroes. After a while, his dream began to take concrete form, and he left New York and came to Atlanta, Georgia, to launch his enterprise.

STANDARD LIFE INSURANCE COMPANY

The organization of this company did not have easy sailing, in fact the first attempt met with failure, and had another hand been at the helm instead of that of Mr. Perry, it would no doubt have sunk to rise no more.

In 1908, he gathered together a group of business men in the Young Men's Christian Association hall at Atlanta and unfolded to them his purpose and plan to organize a Life Insurance Company among the Negroes and to start with a capital of One hundred thousand dollars. Some of those who were present sat up and gasped, and others thought that the young man was crazy. Some of them did not hesitate to say so. They could hardly believe their ears when he told them in a frank, straight forward way, that the least amount with which they could begin business would be one hundred thousand dollars paid in capital which must be invested in bonds and deposited with the State Treasurer for the protection of the policy holders of the company.

These men who had been in business and in the professions in Atlanta for many years, a number of whom had grown wealthy through real estate investments, and who had been accustomed to see things done on a large scale by the white citizens of Atlanta were not prepared to see a Negro with an idea as big as this. They plied him with questions and thought they must have misunderstood his proposition, that he meant ten thousand dollars, and not one hundred thousand dollars and then they did not know the meaning of

some of the technical insurance terms he used, which he had to explain. He finally convinced them that he was in sober, serious earnestness, and while he succeeded in enthusing them a little with the enterprise, they left the hall without committing themselves, and went home to think it over.

While it burned with but faint glow at first, the fire kindled at that meeting never went out. Little by little the idea grew and men and women in every walk of life became interested in what this stranger was trying to do. He opened a subscription list, which provided that not one penny of the money paid in should be used for the expenses of the organization; that if the Company was not launched, every dollar received, with four per cent interest, should be returned to the subscriber.

A charter of incorporation was secured in January, 1909. Then began the real struggle, for the charter was granted with the provision that the company should begin business within two years from the date of issuance, or the money received for subscriptions be refunded to subscribers and last day on which the Standard Life Insurance Company could begin to do business under the charter.

After two years of the hardest kind of work, and the greatest sacrifices, in the closing days of 1910, there was little more than sixty thousand dollars in hand, and it needed forty thousand more before anything could be done. Mr. Perry was a man of faith as well as determination and energy, and by herculean efforts within the next thirty days,

he raised another ten thousand dollars, but when the eleventh of January dawned, it became apparent to him that the remaining thirty thousand dollars necessary could not be raised from subscribers, so he made an effort to borrow the amount. While those to whom he applied recognized his absolute integrity and honesty of purpose, and sympathized with his intense earnestness, he only found encouragement from one banker, and as he required time to consult his lawyer and board, his enterprise was placed in great jeopardy, for the twenty-eighth of the month was rapidly approaching, when either business must begin or the charter surrendered. The fatal day finally arrived and he had not accomplished his purpose, and with a keen disappointment, but a brave heart, he gave up his charter and paid the subscribers back their money with four per cent interest as promised. He had borne the burden of the fight, defrayed his own expenses, and hired others to help him, using up his own resources and going in debt to others for means necessary to carry on the work.

It would seem that the end of the Standard Life Insurance Company had come. It would have been the end to an ordinary man. It would have crushed a weak man. But the man had worked for two years making untold sacrifices and was made of sterner stuff.

After the sting of the crushing defeat had lost its pain, he set about the task of doing it all over again, and this time he succeeded.

Long before the time limit of his charter had expired, he had sold the one thousand shares of stock at 125.00 to 150.00 per share, collected over fifty thousand in cash and had taken notes for the balance of eighty thousand dollars, and with the cooperation of his associates in the organization had borrowed on the notes of the stockholders, fifty thousand dollars more, and purchased and deposited with the treasurer of the State of Georgia one hundred thousand dollars in bonds. The company was born, but it was only in its swaddling clothes, only a beginning - much work still remained to be done, and it had to be developed. The man who founded the enterprise was equal to the task of developing it. It has succeeded marvelously. The policy of the company from the beginning was to give full publicity of its affairs, so that both the public and those financially interested might have complete confidence and security. It has been examined by a number of expert accountants and actuaries and their reports given wide publicity.

The death claims paid in 1918 amounted to \$79,733.47, and the total amount of beneficiaries paid since organization is \$145,353.78.

In 1913, the insurance in force was \$381,500 and the premium income \$10,293.68; in 1918, the insurance in force amounted to \$8,208,720 and the premium income to \$339,327.77. It bears the distinction of being the only Old Line Negro Life Insurance Company.

OFFICERS

Heman E. Perry, President; Harry H. Pace, Secretary-Treasury; J. A. Robinson, Auditor; C. C. Carter, M. D., Medical Director; William H. King, Director of Agencies; D. P. Cater, Cashier; C. A. Shaw, Director of Inspection; I. S. Blocker, Superintendent Policy Division; George Dyre Eldridge, (Boston, Massachusetts) Actuary; Candler, Thomas and Hirsch, Counsel.

DIRECTORS

Henry A. Boyd, Nashville; E. C. Brown, Philadelphia; Walter S. Buchanan, Normal; B. J. Davis, Augusta; J. F. Dugas, Augusta; A. D. Hamilton, Atlanta; Thomas H. Hayes, Memphis; J. W. Huguley, Americus; R. L. Isaacs, Prairie View; Sol C. Johnson, Savannah; R. E. Jones, New Orleans; A. L. Lewis, Jacksonville; Harry H. Pace, Atlanta; J. O. Ross, Atlanta; Emmett J. Scott, Washington; Walter S. Scott, Savannah; N. B. Young, Tallahassee.

In addition to the officers mentioned, the company has an advisory board composed of the leading financiers, educators and religious teachers of the Negro race, who live in different sections of the country, where they are easily accessible for information and advice.

The organization of the Standard Life Insurance Company is not the only achievement of Mr. Perry. He organized the Citizens Trust Company, with a capital stock of two hundred fifty thousand dollars, and a surplus of two hundred fifty thousand dollars. This company is located in Atlanta,

Georgia. The company bears the distinction of being the only passing the Capitol Issues Committee, Sixth Federal Reserve District and in Washington.

He also organized "The Service Company", with a capital stock of one hundred thousand dollars. The purpose of this organization is to equip and operate a chain of laundries and dry cleaning plants in different cities. It now has two plants in successful operation; one in Atlanta, another in Augusta, Georgia.

Mr. Perry organized the hospital association which purchased the Old Bishop Turner home for fifteen thousand dollars, and obtained the promise of \$150,000 from Eastern philanthropists contingent on a certain sum being raised by the association, for the erection of a hospital in Atlanta, Georgia.

He has recently purchased the Old Calico House, Atlanta, at present occupied by Wesley Memorial Hospital, and the two adjoining lots, and will construct here a handsome office building for colored tenants. This project will involve several hundred thousand dollars.

THE NATIONAL ENCYCLOPEDIA OF THE COLORED RACE
Clement Richardson, Editor-in-chief

National Publishing Company, Inc., Montgomery,
Alabama (1919). pp. 430-31.

AN ECONOMIC DETOUR

M. S. Stuart

(An Economic Study of the Life of H. E. Perry and Standard
Life Insurance Enterprises)

New York: Wendell Malliet and Company, Publishers

It was just about this time that Heman E. Perry was moving about the country trying to sell the stock required to qualify Standard Life Insurance Company in the state of Georgia. He came to Memphis and interested Harry Pace, who sold fifty shares of the stock at two hundred dollars per share to those members of the board of directors of the bank. Mr. Perry was so impressed with the ability of young Pace that he immediately set about to persuade him to accept the position of secretary of Standard Life, which Pace finally did ... In Atlanta, he found that Standard Life Insurance Company had on hand only seventeen hundred dollars after the required deposit had been made with the state. Not more than half of the \$100,000 capital stock had been paid in cash, and it was necessary to find \$50,000 from some source before the company could meet the test of a state examination.

It was in 1913 that Harry Pace became officially the secretary-treasurer of Standard Life Insurance Company. He soon installed business systems and the necessary departments in the offices of the company, many of which have been copied by other companies. But the exciting regulations of these systems were not altogether relished by the company's visionary president, Heman E. Perry, who was impatient of

details and the regulations of accounting. Following his fantastic schemes, he was inclined to invade any fund or department and make use of any available means to realize his dreams. The irregularities and complications resultant from such procedure met with strong resistance from his business-minded secretary; and, inevitably, there was destined to be serious conflict between these divergent policies. However, Pace managed to work on with Perry and the other officers until the summer of 1917, when tiny ripples of petty friction presaged the approaching storm... The active officers of the company employed this actuary to make an examination of the company's affairs. They knew that he was the actuary for Standard Life of Atlanta; but, they did not know that Heman Perry of that company was scheming to get possession of the majority stock of Mississippi Life and its large surplus of cash to aid him in overcoming impending bankruptcy of Standard, nor that information gained by the examination would be used by Perry in formulating his plans to capture the Memphis Company.

Later developments revealed that the scheme was first to deprive the company of the service of either one or both of the active officers. ... The actuary left Memphis without completing the examination and revealing the "large surplus" he had promised. He later returned; but then his chief purpose seemed to have been to secure the services of the general manager to manage the "great Industrial Department" which he said Standard was going to operate. He said

that Stuart would soon receive a "flattering offer" from
Perry. ...

THE LATE HEMAN E. PERRY, PRESIDENT

Heman E. Perry was born in Houston, Texas, March 5, 1873. He completed the sixth grade of the grammar school in that city, and so far as is known, that was the extent of his technical education.

Since details of his life's work were so closely connected with the development, operation and disposition of Standard Life that they must be disclosed in its history, their repetition is here unnecessary. Therefore, these observations are confined to his personal traits.

Heman Perry was by nature a genius. Like all such, he was visionary, a slave to caprice and novelty, impatient of routine, prone to shun the drudgery of details, fickle, unstable; and entirely unfitted for any role in business, save, perhaps, that of promotion and salesmanship. His mind was prolific in the conception of plans and schemes that on the surface appeared feasible and profitable. Some of them, perhaps, if the thread of theory had been followed with diligent persistence as Perry conceived them, might have worked out successfully. But, most often, when the novelty wore off, Perry tired of his projects and was ready to turn over to others.

Heman Perry was not dishonest for any selfish purposes, if at all. None of his schemes and manipulations were entered into with motives of profit for himself. There is

much to indicate that he cared little for personal pleasure or luxuries. He devoted nearly all the salary of eight hundred dollars per month, which he received from Standard, to the financing of other schemes. He never owned an automobile, did not gamble or drink, and although he never married, there is no evidence that he was given in the least to dissipation or social extravagances. He had to be persuaded by those close to him to buy presentable wearing apparel. About a year before the collapse of his enterprises, he completed a fine new home, contemplating marriage, some said. Others said it was only to induce other people to buy and build homes in his real estate project. He lived only a few lonely months in that fine home.

After the loss of Standard he went to St. Louis, Missouri, and there made a feeble attempt to rehabilitate and revive the Mid-West Life Insurance Company. He met discouragement on every hand. He went to Kansas City in 1928, trying there to interest investors in the Mid-West; but he was not there long before he was found dead in the bathroom of the home in which he was stopping. Was it suicide or heart failure? That question has never been answered. Heman Perry lived and died a martyr to his wild zeal to build a combination of Negro financial enterprise of favorable comparison with any in America. His body was taken to Houston and there, surrounded by relatives and only a few loyal friends, was laid to rest.

Let it not be thought that no substantial improvement

for Negroes resulted from Perry's dreams and manipulations. The entire West-side of Atlanta, where many intelligent colored families now live, some of whom own their homes or are buying them, was acquired and developed by him through the Service Realty Company. True, with the collapse of Standard and its affiliates, the title or controlling interest in it passed from his hands. Nevertheless, the section through him became a Negro residential area and probably will indefinitely remain so.

It is reported that in the developed portion of this area there are about two hundred blocks with twenty-four residences to the block, or a total value of \$21,600,000. The project is said to cover an area two miles square; and the value of the land still undeveloped is placed at \$357,350. It is interesting to note that Perry's first venture in this section was highly profitable. He purchased twenty acres and in a short time sold ten of them to the city for a Negro high school at a profit of twenty thousand dollars.

LETTER

Jno. A. Copeland
Consulting Actuary
Jas. R. Cothran
Associate Actuary

Hurt Building
Atlanta, Georgia
September 25, 1923

Mr. M. S. Stuart,
Memphis, Tennessee

Dear Sir:-

The Standard Life contemplated entering the Insurarial field and considerable additional territory will require a Manager for the proposed expansion.

We would be glad to have you form a connection with the Standard Life and offer you a salary of \$6,000.00 a year.

We expect to commence operations in accordance with our plans at an early date and would like to have your connections with us completed as of November first. Should you see fit to accept our offer herein contained, kindly advise us at the earliest possible moment.

Yours truly,

STANDARD LIFE INSURANCE COMPANY

Heman E. Perry
President

DOCUMENT IV

THE NEGRO YEAR BOOK

M. R. Work, Tuskegee Institute, Alabama, 1914-15, 1919-21.
(The Growth and Development of Standard Life
Insurance Enterprises)

"The Standard Life Insurance Company of Atlanta, Georgia, the only old line insurance company owned and operated by Negroes, increased its capital stock from one hundred thousand dollars to one hundred twenty-five thousand dollars in order to enable the company to more rapidly extend its work and to purchase the business of other companies retiring from the field. The Standard Life began business in 1913. The total assets of the company now are \$165,906. It has \$1,944,901 insurance in force. Its total income for 1915 was \$76,484, of which \$23,526 was saved. The company operates in seven states.

THE NEGRO YEAR BOOK (1914-15) pp. 7-8

"Insurance is a large field of Negro business endeavor. At the 1913 session of the National Negro Business League, a National organization of Negro Insurance companies was effected. The twenty-two companies represented there, had \$640,000 in assets, and \$10,000,0000 in risk which were in force. A recent issue of the Southeastern Underwriter, an insurance journal published at Atlanta, Georgia, said:

The Standard Life of Atlanta, the first old legal reserve life insurance company, organized by colored men to write colored risks exclusively, closed its first three months and four days' business on October 1st, with the following results:

Total insurance written, \$465,467, of which \$235,717, is industrial, \$154,500 ordinary, and \$75,250 intermediate. There are 1,332 policy holders, including industrial policies and others. The weekly debit is 154,000 and the premium income for ordinary 751.98. The assets have increased about five thousand dollars in three months and now amount to \$126,245.30. The company is operating in four states, viz: Georgia, Alabama, Tennessee, and Kentucky, and is planning to apply for admission to Texas.

THE NEGRO YEAR BOOK (1919-21) p. 15.

Insurance was the first line of business into which the Negro entered in a large way and is today the largest field of business from the standpoint of capital concentration. During the past three years there has been marked progress in this field. As an example, the Standard Life Insurance Company of Atlanta, Georgia, an Old Line Legal Reserve company operating in twelve states has at the close of 1921, \$20,596,871. The total assets of the company amounted to \$1,554,423.

p. 342

The first Old Line Legal Reserve Insurance Company to be organized by Negroes is the Standard Life Company of Atlanta, Georgia.

DOCUMENT V

THE STANDARD LIFE YEAR BOOK
Service Printing Company, Atlanta, Georgia, 1923.
(A History of Standard Life Insurance Company and
Enterprises)

STANDARD LIFE INSURANCE COMPANY

CITIZENS TRUST COMPANY

THE SERVICE COMPANY

THE CITIZENS COMPANY
SERVICE REALTY COMPANY
SERVICE PHARMACY
SERVICE PRINTING COMPANY

SERVICE FOUNDATION INC.
SERVICE FARM BUREAU
NATIONAL FUEL CORPORATION
PENNY SAVINGS BANK
SERVICE ENGINEERING & CONSTRUCTION COMPANY

FOREWORD

No one will deny that in the past few years the Negro has made rapid strides in Commerce and Industry. But those who have the vision to see larger things for the future realize that the demand for trained leadership is imperative.

In the pages that follow you will find a story which we hope will point the way for greater triumphs in Negro endeavor.

To the young manhood and womanhood of our race whose earnestness of purpose and zeal for a broader education are a large part of the inspiration for our work in opening up avenues of opportunity - this book is dedicated.

HEMAN E. PERRY

HEMAN E. PERRY

A Combination of Sterling Integrity, Youthful
Vigor and Enthusiasm, Forceful Personality,
Broad Vision, Unselfish
Service

Study the men who succeed in business and you will find that they do not always move with the crowd. Study these men more carefully and you will find that instead of being contrary, they are obedient. Wisdom in business consists in discovering the laws of business and obeying them, no matter what other people are doing.

THE STANDARD LIFE YEAR BOOK - 1923
HISTORY . OF . THE
STANDARD LIFE INSURANCE COMPANY

It was in June 1908 when Heman E. Perry took the first step to organize what he believed would become the largest life insurance company among Negroes in the world, and so closely interwoven are the life and aspirations of this man with the growth and development of Standard Life that the two seem inseparably linked together. Mr. Perry's training for the work was unusual. In the first place, he received a heritage of hard labor in insurance work through his father, and this, supplemented by fifteen years of practical experience in the field, an experience which brought him in touch with the foremost men in the world of insurance, furnished the ground work that enabled him to understand well the situation.

The first meeting for organization was held at the Young Men's Christian Association in Atlanta, and the group of men who were called in to discuss the proposition saw clearly the advantages to be gained from such an institution. But the fact that the State of Georgia required a deposit of one hundred thousand dollars from every insurance company, made them doubtful of the working out of the plan. By sheer effort these men were brought to see that such an organization could be started and a charter was secured in January 1909. This charter allowed a period of two years

in which time the one hundred thousand dollars must be raised. Immediately Mr. Perry began his travels to sell stock and as it was the understanding that no money collected should be used for organization expenses, he was forced to take care of this end from his personal resources. He went into every nook and corner of the Southland and into other territory where he felt his proposition might get a hearing, riding the trains by night so that every day could be used to its fullest in the actual work of selling, and by dint of hard labor and perseverance had raised eighty-five thousand dollars before the expiration of the allotted time, January 28, 1911. Even though this was an amount larger than most people believed could be raised, it was still short of what was required by the State, and so at the close of that day he faced the sorrowful task of returning to every investor each dollar that had been paid in. By February third, every check had been sent out for the amount invested with four per cent interest added, and right here a chapter in the history of Standard Life was written, for the return of this money instilled into everyone a confidence in the man who had lived up to his every promise in face of apparent failure.

The succeeding two years became a repetition of what had gone on before. Mr. Perry immediately started out with renewed enthusiasm and energy to prove to a hopeful people that well-founded ambitions properly carried forth cannot fail. The same hardships and new obstacles sprang up, but it remains to the everlasting credit of this man that on

Executives of the
STANDARD LIFE INSURANCE COMPANY

OFFICERS

Heman E. Perry . . . President

H. C. Dugas . . Vice-President	C. A. Shaw . . Assistant Secretary
W. H. King . . Vice-President	C. E. Arnold . Assistant Secretary
N. B. Young . . Vice-President	T. J. Ferguson . Cashier
T. H. Hayes . . Vice-President	W. F. Boddie . Treasurer
A. L. Lewis . . Vice-President	D. D. Shackelford Auditor
R. E. Jones . . Vice-President	J. R. Pinkett . Director of Ag.
J. A. Robinson Secretary	A. Day, Jr. . Assistant Director of Ag.

C. C. Cater, M. D. . Medical Director

George Dyre Eldridge, Actuary, Boston, Mass.

J. A. Copeland, Consulting Actuary, Atlanta, Georgia

Randolph & Parker . . General Counsel

DIRECTORS

Henry A. Boyd, National Baptist Publishing Board . . .	Nashville, Tennessee
W. F. Boddie, Cashier-Treasurer, Citizens Trust Company	Atlanta, Georgia
Walter S. Buchanan, Real Estate	Pittsburgh, Pennsylvania
H. C. Dugas, President, Citizens Trust Company	Atlanta, Georgia
J. F. Dugas, Undertaker	Augusta, Georgia
J. M. Frierson, Undertaker	Houston, Texas
R. S. Williams, Bishop, C. M. E. Church	Augusta, Georgia
Thomas H. Hayes, President, Solvent Savings Bank	Memphis, Tennessee

J. W. Huguley, Physician and Surgeon	Americus, Georgia
R. L. Jones, Bishop, M. E. Church	New Orleans, Louisiana
R. L. Isaacs, Real Estate	Houston, Texas
Sol. C. Johnson, Editor, Savannah Tribune	Savannah, Georgia
W. H. King, Director of Agencies Standard Life Insurance Co.	Atlanta, Georgia
A. L. Lewis, President, Afro-American Insurance Company	Jacksonville, Florida
Heman E. Perry, President Standard Life Insurance Company	Atlanta, Georgia
J. A. Robinson, Secretary Standard Life Insurance Company	Atlanta, Georgia
Emmett J. Scott, Secretary-Treasurer, Howard University	Washington, D. C.
A. M. Wilkins, Vice-President, Citizens Trust Company	Atlanta, Georgia
L. E. Williams, President, Wage Earners Bank	Savannah, Georgia
N. B. Young, President, A. & M. College	Tallahassee, Florida

"There's a Standard Life Agent Near You."

March 22, 1913, he was able to secure from the Insurance Commission of the State of Georgia a certificate showing that one hundred thousand dollars in bonds had been deposited by the Standard Life Insurance Company.

Later on when it came to the matter of production of business, this same man went into the field and demonstrated that his training in business salesmanship could function even though there were larger duties upon him as president of the organization. In a short while he had written and placed two hundred and fifty thousand dollars worth of insurance and not one penny of commission did he receive for this work.

It did not take long after the preliminary trials for Standard Life to put itself on a strong and impregnable basis. The financial statement shows that our troubles are now behind us and that as we look to the future we see that new records are to be made. We see the need of setting before us the standards that have been set up by the large insurance companies of our country, and our work for the future is to build an organization that can meet these standards. We have a national service to perform in building an organization and building up the economic life of our people. This is being done through the protection that is given to the family, building up our communities by loans on homes, buildings, and farm lands, and through the employment that is offered to hundreds of agents in the field and scores of employees at our home office. As additional

pages in the history of Standard Life are written there will be added to our racial heritage larger and increasingly valuable assets.

THE PRODUCTION OF BUSINESS
AGENCY DIVISION

You desire business reward, permanency of vocation, and a means for public service, and personal pleasure. Of course you do.

As a college man, you, today, are preparing to serve your community as a teacher, preacher, doctor or lawyer - a recognized profession. This is a splendid thing to do, and must still be done, but as a college man you need to know that the Agency Division of Standard Life Insurance Company of Atlanta is broadcasting for Professional Salesmen. "Listen In."

Life Insurance Salesmanship, as a vocation, has become a profession because it involves a science, the practice of which requires an expert knowledge of that science; next because, as Solomon Huebner says, "It is so essentially useful to society and so noble in its purpose as to inspire sufficient love and enthusiasm on the part of the practitioner to make it his life work;" further, because it is most assuredly becoming characterized by those who possess a spirit of loyalty to their fellows, and by those who have a high regard for a clean code of professional ethics; and again, because the salesman in the application of his knowledge must abandon the strictly selfish commercial view and ever keep in mind the advantage of his client. The many striking evidences of these ideas as practiced in the

Insurance world today cannot leave any doubt in your mind that Life Insurance Salesmanship and "Profession" are entirely compatible terms.

The "Biggest Job on Earth" is that of a Life Insurance salesman who is genuinely honest, a glutton for work, and intelligent. In no other profession does one find quite so many opportunities to discuss a man's life objectives and to render service. The rewards for excellence in performance always follow. "Give to the world the best you have, and the best will come back to you" is true for hundreds of Standard Life salesmen.

Express a willingness to know more of our agency force and we will aid you in deciding whether you have qualifications for our work and will offer you an opportunity to acquire such technical training as you may need to guarantee maximum efficiency as a salesman.

You could hardly ask for more, but to the man without financial resources, a chance is given to invest himself as a working capital, in business and to reap rewards while learning. To those who show executive ability, and who can organize men, positions as Agency Directors are open. Here you have free play for initiative and for assuming responsibilities for Insurance work. Success here opens up still larger fields of usefulness, and you have the privilege of advancing yourself rather than being advanced - a procedure unusual in many lines of work.

Truly your natural endowments are thrown unconsciously

into that environment which makes you recognize your abilities, you become a master salesman or an expert Agency Director, at the head of a Branch Office, selecting and training other men. You may, if especially inclined to supervisory work, become an Agency Supervisor or go on indefinitely as a specialty salesman, your only limit being your power to do. You can become a man among men.

It may be that you have been preparing to teach school. If so, you are, very likely, ready to teach the world that it has needs which life insurance alone can satisfy. Nine chances out of ten you are about to get your degree in medicine. Fine! The foremost insurance salesman of today, Dr. Albright, was successful as a physician, so much so that he attributes his ability to write millions to the fact that he diagnoses his clients for insurance needs and then prescribes just as any good doctor would do. Your medical training may make a solid foundation for the Insurance Profession. You may be studying law. Remember it takes a good counselor to interest a prospect today. Your legal training will prove an invaluable asset.

The influence of tradition has probably "lined you up" for some other work or it may be that you are "listening" for this call. In either case it will be profitable for you to "tune in" with Standard Life's Agency Division which is ready to help you to decide upon your fitness for Life Insurance selling as a life work.

We are constantly improving our facilities for assisting

interested men and women in getting special training for this new profession. At regular intervals our entire Agency Force is given the opportunity to visit the Home Office as a group. Still more frequently will regional meetings be scheduled for the study of local needs.

Our official house organ - The Trail Blazer - aims to keep up the "Esprit de Corps" and to disseminate news which will be helpful in solving individual and community problems on the field.

Sufficient has been said to meet your wants and your fondest hopes for a life's work, but it would hardly be fair to withhold this additional fact.

The Standard Life, with over twenty-five millions of insurance in force and over two millions in assets, is licensed to do business in twelve states and the District of Columbia. In this territory live more than seven million Negroes. Today, notwithstanding the fact that we are placing an additional twenty-five million this year, it is still true that only one out of every two hundred and forty Negroes in this territory has a Standard Life policy. You must see the need for men like yourself when one of America's pioneer companies boasts of having one person in every six in the United States insured, and announces that its leading salesmen for 1922, and for all times, makes his record wholly and solely among Negroes. Can't you vividly picture the opportunities open to you?

As fertile as our present territory is, within a few

months we will be licensed in nine other states where some three million of our people live. In other words there will then be 10, 000,000 Negroes who will gladly welcome you into their homes, their business, their confidences, their lives.

Today you may be one of many college men who are either in the wrong jobs already, or preparing vaguely for a life which lack of opportunity, a circumscribed environment, and tradition, have blindly dictated. Are you one of that group? Stop! Think!

Standard Life is "broadcasting" for real men - for you. It invites you to know yourself, to control yourself, to give yourself. It offers to advise you to the extent that you can intelligently decide on the question of entering the profession of Life Insurance Salesmanship as a life work. If your traits are indicative of satisfactory results to you, and to our profession, the Agency Division will go further and will give you every facility for meeting the requirements of a professional worker.

You want to serve humanity! You want to be happy in your work! You want to be free! You want advancement and permanency of your profession! You want to make money! Then think on this opportunity that is yours if you are about to graduate or must leave college, or if you are to graduate some other year. Tell us your problem. We can help you. We have what you want. Write the Agency Division, Standard Life Insurance Company, Home Office, Atlanta, Georgia.

HANDLING OF BUSINESS
OFFICE OF THE SECRETARY

The Secretary of Standard Life is in full charge of the affairs of the Home Office, and under his direction come the chain of branch offices extending through the states in which the company operates. The books and records of the Company are kept under his direction, and it is his duty to prepare annually the report of the condition of the Company to be presented to the Directors, a report for each Commissioner of Insurance in the states in which we do business, and a semi-annual report to the Governor of Georgia on the financial condition of the Company.

The office of Secretary is one of the most important in the organization. Not only must the man in charge be one who has a knowledge of how details should be handled, but he must likewise be a man who is abreast of modern innovations in the field of office organization and management, as well as accountancy and corporate finance.

MEDICAL DIVISION

Life Insurance is a strictly scientific proposition. Premiums are calculated on the basis of an expected mortality among a group of individuals, normally healthy, when insured. Therefore, the Medical Department is a very important part of the Life Insurance Company. This department first, must determine the exact physical condition of each applicant, and second, select from these a group of individuals

free from impairments that might tend to increase the probability of death. The Field Force of Medical Examiners assumes the duty of ascertaining the exact physical condition of each applicant, while the Home Office, represented by the Medical Director and his associates, selects those safely insurable.

Standard Life has more than five hundred Medical Examiners on the field who during 1922 received \$50,000 for medical fees. During that year, the care with which our Medical Force selected risks is reflected in the very favorable mortality experienced by the Company, being 65 per cent of the expected.

In co-operation with the Medical Department, we have a force of over three hundred Inspectors on the field, who give to the Company, confidential reports on applicants. This service is needed in order to select the highest types of financial and moral hazards.

Under Standard Life's expansion program, we will need during the next five years at least two thousand Medical Examiners, and a thousand or more Inspectors. Well trained physicians, who have devoted attention to physical diagnosis, are in demand.

Standard Life is developing its laboratory, and laboratory technicians will find an opening here. An X-ray laboratory with a high power machine will be installed during the year, and will offer an opportunity for one or two men well trained in this line.

POLICY DEPARTMENT.

All applications received, after passing through the Medical Department, are sent directly to the Policy Department, where there are fifteen clerks engaged in making and issuing policies. There are approximately thirty records to be made in connection with each policy and most of this work is done on typewriters and Elliott-Fisher billing machines. The department aims to have all policies in the hands of agents in the shortest possible time and great care is given to the neatness and accuracy of records.

While certain records are being made in the above department, the original application is sent to the Photostat Room, where a photostat copy is made and attached to the policy to form a part of the contract.

The Policy Department is directly connected with Addressograph Department, as records bearing the name, address, and policy number are sent directly here. Plates are made and filed so that the policy holder will be duly notified of the due date of his premium. It is interesting to note the rapidity with which the electrical device, attached to the addressograph, enables the clerk in charge to dispatch the work.

The Filing Section is another of the departments of the company to which special attention is given, as the system installed has been prepared with the object of enabling the officers to refer to previous correspondence in the shortest possible time, and to keep in touch with follow-up matter.

THE BOOKKEEPING DEPARTMENT

The Bookkeeping Department is for the purpose of recording systematically the business transactions of the organization in account and book form and expressing the results of these transactions in monetary forms. This department records every item of income and disbursement, and keeps complete account of the Company's assets and liabilities. An accurate record is kept of the premium payments of the twenty-five thousand policyholders, whose insurance amounts to more than twenty-five million dollars. Individual accounts are also kept of the five hundred inspectors, officers, home office employees and branch office cashiers and clerks.

To do this work, the bookkeepers, clerks and stenographers in this department must have a technical training in the work in which they are engaged. They must be of a type which possesses a constructive and analytical mind capable of carrying every transaction through to its logical conclusion. They must have the power to weigh evidence, to interpret facts and to think clearly.

With the growth of the Standard Life Insurance Company, the volume of business transacted in this department has correspondingly grown, and will continue to increase. Additional men and women who have the necessary educational qualifications will therefore, be needed to do this work.

of financial and operating statements, the verification of the accuracy of the books and accounts, in order to trace the whole trend of the business. It aims to discover and point out the weaknesses and to recommend improvements which will add to the efficiency of the organization by applying the information obtained from a study of past methods and transactions.

This type of work requires men who have a thorough knowledge of bookkeeping, accountancy, commerce, finance and law. It also requires men of original ideas able to construct anew whenever investigations make it necessary.

The possibilities in this field of activity are unlimited, because the supply is so far short of the demand. Men who are looking forward to enter upon this class of work must obtain an accounting education, in order that they may be able to grasp and solve the difficult and important problems of ascertaining the actual facts which the records of the books disclose.

THE ACTUARIAL AND STATISTICAL DEPARTMENT

This department of Standard Life Insurance Company was organized for the purpose of gathering statistical data from the Company's experience from which to forecast future developments; to make proper and regular valuations of the policy contracts; to apply the principles of insurance and finance; and eventually to compute a mortality table of Negro risks.

Insurance is based upon past experience, and since statistics involve "methods of collecting, sorting, classifying, tabulating, summing and comparing enumerated facts for the purpose of describing or explaining phenomena," it is essential that each company keep the very best statistical records for future reference. From these records, data can be obtained that will serve as a basis for the proper dissemination of information on sanitation and health.

Of all branches of business activity engaged in by man, Insurance has been reduced to the most exact science. Here Actuarial Science plays a very important part, for it applies "The laws of probability to Insurance," At present the Actuarial and Statistical Departments of Standard Life are combined. As the Company continues to grow, however, they will be separated, each functioning independently of the other.

To do Actuarial and Statistical Work, a thorough knowledge of applied mathematics is required. Together with this, Life Insurance Statistician should be thoroughly trained in the elements of statistics, business statistics, principles of Life Insurance, money and banking.

Using his mathematical training as a basis, the Assistant in the office of the Actuary should be proficient in law, accounting and finance.

Our program for the future will require the services of an expert mathematician and a professional statistician.

OFFICE OF THE TREASURER

The Treasurer of Standard Life is responsible for all income and disbursements of the organization. In addition to this he must supervise the entire investment program of the Company.

The chief officer in the carrying out of the work of the department, is the Cashier. Here is the starting point for the larger part of Standard Life's business each working day. All mail is received here, and the Company's mail assorted and referred to the proper departments. Reports from the twenty-two branch offices, together with miscellaneous premium payments from the states, are listed, checked, verified, and passed to the Auditor. Accounts are kept with banks located in every city of these funds through this department.

A period each morning is given to interviewing salesmen relative to the purchase of supplies and equipment to be used in the various departments.

The investments of the Company are largely in the form of bonds and mortgages. The work of purchasing and listing bonds, the making of mortgage loans, together with the collection of interest on them, falls to this office.

It can be readily seen that with the continued growth and expansion of our organization, there will be a need for men who can fit into each of the several departments. Trained correspondents, men skilled in the science of purchasing,

investment specialists, men with a grasp of the legal problems involved in this work, will soon find a place in Standard Life.

CITIZENS TRUST COMPANY

Citizens Trust Company, a splendid dream made actual, after two years of untiring service on the part of the Organization Committee, Messrs. H. E. Perry, Chairman; J. A. Robinson, Secretary; T. J. Ferguson, W. H. King, and H. C. Dugas, opened its doors to the public, August 16, 1921.

It was organized with a capital and surplus fund large enough to meet the financial demands of our people in all sections of the country. It is national in scope, character and purpose - dedicated to the service of broadcasting the principles of thrift, better living, better business methods and greater financial security for our people wherever they may be.

The charter gave the institution an unlimited field of service, and equipped as it is with every facility known to modern banking, the organization offers to the race, every phase of service rendered by banks or trust companies. The employees have been well trained and carefully selected. Among the services rendered by the Banking Department are: Commercial Banking, Savings Department, paying four per cent interest, Safety Deposit Vaults, Women's Department, Farm, Business and Home-building Loans, Discounts and Collections, and Liberty Bond Department. The Trust Company acts as

executor and administrator, Trustee of Estates, Guardian of Estates of Infants, Financial Agents for Individuals and Corporations and handles General Mortgage Transactions.

The control of wealth is the road to economic independence, the solution of the Negro's problem. To this end the organization plans to make Citizens Trust Company, Atlanta, the reservoir of resources for Negroes with a view to developing Negro enterprises, Branches from parent institutions will be established in other Negro centers as rapidly as possible. The ultimate object is to harness the resources of the Negro so that a wealth of capital can be put in use wherever and whenever needed. The banking field offers most excellent opportunities for our youth. Positions will be open in the various departments for clerks.

OFFICERS

Heman E. Perry
Chairman of the Board

H. C. Dugas	President
R. S. Williams	Vice President
W. H. King	Vice President
A. M. Wilkins	Vice President
W. F. Boddie	Cashier
J. A. Robinson	Secretary

DIRECTORS

R. S. Williams	H. E. Perry
H. C. Dugas	J. M. Frierson
J. A. Robinson	J. W. Young
T. J. Ferguson	H. C. Hudson
C. H. Brown	C. J. Calloway
William Burch	T. J. Walker
R. L. Isaacs	John Hope
R. E. Jones	W. H. King
A. M. Wilkins	S. F. Boddie
O. P. De Walt	A. N. Gordon

R. H. Hogan

bookkeepers, tellers, accountants, publicity and credit men and numerous others.

The progress of the Citizens Trust Company has been remarkable. Though the doors were opened in the vace of one of the most trying financial crises that has ever faced our country, our resources steadily increased and in eighteen months were more than one million dollars. The general condition of the country has improved during the last seven or eight months and with this condition an increase in the volume of business is shown by comparing our deposits for sixty days:

January 1, 1923	Deposits	\$317,961.36
March 1, 1923	Deposits	\$469,730.88
Increase		\$151,769.52

The affairs of the institution are directed by men who have made a success of their own affairs - men of financial strength, conspicuous ability, ripe experience and high moral standard.

THE SERVICE COMPANY

The Service Company began business in 1917 as a corporation, chartered under the laws of the State of Georgia, with an authorized capital of one hundred thousand dollars, operating at that time a laundry in Atlanta. In 1918, a second laundry was established in Augusta. These were new ventures and many handicaps and obstacles were encountered. It was not long however, when we were making every step a solid foundation; handicaps and obstacles were gradually over-ridden, and the plans of the founder, Heman E. Perry, began to materialize.

From an organization of one hundred thousand dollars, Service has become a \$5,500,000.00 institution. It operates as subsidiary organizations: Service Realty Company, Service Engineering & Construction Company, Service Printing Company, Service Pharmacy, Service Farm Bureau, Service Foundation, Inc., and The Citizens Company, and has holdings in Standard Life Insurance Company, The Citizens Trust Company, Penny Savings Bank in Augusta and National Fuel Corporation.

Service is today the largest corporation owned and controlled by our group in the world and plans are being made to spread the work into strategic centers throughout the United States and foreign countries, making thereby, an international corporation that will render a distinct service to our people.

At the present time, departments have been established in Augusta, Memphis and Houston, and the chain will spread as

man power is developed.

THE CITIZENS COMPANY p. 22

The need for financial organization separate and distinct from our trust company found expression in the organization of the Citizens Company which was granted its charter in March, 1923. In The Citizens Company we have an organization, the scope of whose work embraces not only local connections but national as well.

The farsightedness of those in charge of Standard Life led them to a plan which would reduce to a large extent the lapses that have been for many years the terror of insurance companies everywhere. All policies of Standard Life are now written on an annual basis, and if the insured cannot pay the full amount, he is permitted to give a note in payment of the balance. These notes, The Citizens Company buys from Standard Life and a well organized collection system secures their payment. For this service, the agent pays a small fee, but he reaps a large benefit in the fact that The Citizens Company renders a definite service in keeping his business in force.

The buying and discounting of commercial paper from other sources represents another department of The Citizens Company. Already plans are under way for the purchase of the assets of another financial institution which will include not only notes secured by stock, mortgages, and endorsement, but real estate and other property.

The success that has attended the work of industrial

loan banks in the United States has been phenomenal. These institutions make loans largely upon personal endorsement and other securities, lending at legal rates of interest and permitting the borrower to pay back in convenient installments. The Citizens Company will open a parent organization in the city of Atlanta, and from this will radiate subsidiary banks through the United States.

There is much to be done in the matter of educating and protecting our people in their investments in stock and bond issues. This Company will have a department devoted exclusively to the handling of high class investments with special attention to First Mortgage Bonds and will in time act as a clearing house for such issues. Representatives are to be located in the main centers throughout the country and these representatives of the organization will keep in touch with commercial conditions in every section. This information, when analyzed, will take the form of a weekly forecast of business and industrial conditions with special reference to our racial group.

The same needs that confront other banking organizations at the present time, also confront The Citizens Company. First of all, we need men who can grow into executives, men whose fundamental training has been such that they may grasp the whole scheme of organization. Each of the various departments will need well-trained managers, men who know the field of banking and investment service, but who in addition to this, have capacity and ability for leadership. Then,

too, there will be work for bookkeepers, accountants, auditors, efficiency experts for handling the installation of business systems, and for a large number of trained clerical workers. The possibilities for advancement are unlimited provided we can secure the right type of men who are willing to start at the bottom and make their way to the top.

SERVICE REALTY COMPANY

This department is blazing a train heretofore unexplored on a large scale. Choice, centrally located property has been secured such as that formerly owned by Wesley Memorial Hospital, located at the corner of Courtland Street and Auburn Avenue. The lot, 290 x 150 contains two brick buildings and five frame houses and is now valued at \$150,000.00

OLD WESLEY MEMORIAL

Plans are now under way to improve this property so as to give to Atlanta a first class hotel with sixty-eight rooms, twenty equipped with private baths, dining room, grill, and barber shop; a theatre with a seating capacity of one thousand; ten stores fronting on Auburn Avenue, and a three-story department store. When these improvements are completed, the property will be worth \$450,000.00

PROPOSED IMPROVEMENTS

Another centrally located piece of property is a three-story brick office building, 45-47 Auburn Avenue, valued at \$125,000.00

The property owned also includes a subdivision consisting of about five hundred acres of land within the city limits, about two miles in one direction and over a mile in another, upon which beautiful homes are being erected. We plan to make this "A place beautiful," with paved streets, water, lights, gas, parks, lakes and playgrounds. There is a great need for this development, and our building program is the result of forecasting the growth of our population. With this as a basis we shall launch an "Own Your Home" campaign and carry the message of economic freedom to our people.

The Service Realty Company now has property valued at over \$1,200,000.00

The Verdee Estate located in the heart of Augusta, consisting of 435 lots, each 40 x 170 feet and valued at \$348,000.00 has recently been purchased. Beautiful small houses will be erected on this property to meet an already existing demand.

SERVICE ENGINEERING & CONSTRUCTION COMPANY

"No house or building too large, nor none too small to erect"

Closely related with the Service Realty Company is Service Engineering & Construction Company, with unlimited possibilities in the building field.

Ashby Heights, a sub-division under development, is being dotted with creations of this department. Every house is outstanding for its beauty and convenience.

Plans are drawn by our architect, in our own drafting rooms and also by our consulting architects, Marye, Alger and Alger.

Not only are houses being built, but large buildings as well. At the present time, the Storrs-Houston Public School is under construction. The contract for this building was awarded the Company by the City of Atlanta at a figure of 212,000.00.

The Administration building at Gammon Theological Seminary is also under construction, and will cost one hundred thousand dollars.

Along with these, we are erecting an Administration Building at the Masonic Orphans' Home, Americus, Georgia, at a cost of forty-five thousand dollars, and the Citizens Trust Bank building with eight stores attached in Augusta at a cost of sixty thousand dollars.

A call is coming from various sections asking that branches be established, and already the start has been made at Augusta, Memphis, and Houston. We plan, in the near future, to locate in St. Louis, Kansas City, New Orleans, New York, and other points. With every call there comes a tremendous problem - MEN. The field is opening, but we must have men to meet the demand, men who are Engineers, Architects, Draftsmen. Here is a distinct field where a definite service can be rendered in our economic development.

"The Home of Artistic Printing"

Our plant valued at sixty-thousand dollars covering over eight thousand square feet of floor space, equipped with the latest machinery, enables us to compete with the largest and best establishments. A linotype machine, cylinder presses, job presses, cutting, stitching and punching machines, and latest type faces, make a complete plant.

The operation of this department is a direct response to an ever growing demand for high grade and artistic printing. Business houses from Washington to Texas, desiring particular printing are calling upon Service. Our specialty is bank and insurance printing, yet college annuals, magazines, calendars and small job work receive the same care and workmanship as do our specialties. There is a growing demand for men in this line, trained as artists, engravers, designers and pressmen.

SERVICE PHARMACIES

Located at the corner of Auburn Avenue and Butler Street, is a modern drug store, designed for service to the public. Prescriptions are given prompt attention, and one can depend on pure drugs as well as accuracy of weights and measurements. We plan to establish a chain of drug stores in desirable sections of the city, the second of which is now being built at the corner of Ashby and Hunter. One of the greatest needs among our group is the first class drug store with fountain service. The public demands it. "Watch the Chain Grow."

The period of readjustment of the boll weevil has worked a hardship upon the farmer and appeals come to us daily to save one from mortgage foreclosure. Through our Bureau, we are trying to get the farmer established on a business basis, for no group needs aid today more than they. Aid is needed in securing and holding farms and in their development.

Farm and trade experts are giving instruction in diversified farming, the collection, classifying and grading of products in different sections, arranging for markets, and systematizing the general activities.

The farmer and the farm is the rock-bed of economic and industrial progress. Last year, from one section we placed thirty car-loads of sweet potatoes and twenty carloads of watermelons in Indiana.

NATIONAL FUEL CORPORATION

National Fuel Corporation was organized September 15, 1921, in Atlanta, Georgia. It is chartered under the laws of the state of Georgia and is capitalized at one hundred thousand dollars.

The organization owns a half interest in the Green Coal Mines at Harriman, Roane County, Tennessee. Harriman is a little city in East Tennessee and is served by five railroads. In the territory, which stretches one and one-half miles along Walden Ridge of the Cumberland Mountain system, there are five veins of coal, among them the famous

"Sewanee" and "Big Run" noted for their fine quality of soft coal. The mines were purchased from a Negro miner, Mr. Howard Young, who opened them in 1919 and immediately sought capital for their development. The deposit has been barely scratched. The seams have opened less than one-half the length of the territory possessed. The quantity of coal in the mines, as estimated by those qualified to calculate approximate coal deposits, is fixed at a minimum of five million tons.

The coal is of the best quality. It is a free, clean, burning coal and has, without exception, given satisfaction as a heat producer, to all users. The Company recently employed Mr. L. P. O'Hara, Head of the Science Department of Tuskegee Institute, to go to the mines and select his own samples for analysis. His report shows the following:

SEWANNE VEIN

Per cent	Moisture	Ash	Sulphur	Volatile Matter
	.99	6.70	0.97	32.78
	Fixed Matter	B.T.U. Air Dry	B.T.U. Moisture Free	
	59.53	No. 13804	No. 13942	

BIG RUN VEIN

Per cent	Moisture	Ash	Sulphur	Volatile Matter
	.89	7.95	1.22	33.11
	Fixed Matter	B.T.U. Air Dry	B.T.U. Moisture Free	
	58.05	No. 13525	No. 13646	

The Company is at present pushing the development of these two seams and, as seen by the above analysis, is prepared to furnish a coal that falls exceedingly low in ash and goes high in B. T. U.'s.

From the management throughout, the business is operated by colored people. Negro miners are not used except in a very few cases in the mines of Tennessee. The Company, therefore, offers special opportunities to the race. As the business expands, the organization will need increasing numbers of mining engineers, licensed mine inspectors, superintendents, foremen, shippers, and young men and young women of special business training for responsible positions in the offices in Atlanta and Harriman, and the yards in other cities.

The Company is anxious to help the employees to become thrifty, economical and trained in mind and fit in body. Steps are being taken to provide neat cottages for the miners, a school for their children, with night school for the adults, playgrounds, and an amusement center. The plan is to build a community around the mines with proper sanitary and health conditions, and to develop a wholesome atmosphere that will inspire in the workers, ambition to accumulate, to become better workmen, and to strive for the attainment of the best for themselves and their children.

The Company's Home Office is in a building owned by the Service Company at 45 Auburn Avenue, Atlanta, Georgia.

Our work will not end here. Wherever we see a new need, other organizations will come into being and carry on and on an ever increasing service to our people.

the group has true spirit of giving which is an integral part of the real spirit of receiving. To this end, Service Foundation, Inc., was founded as an institution to be devoted to a scientific study of the needs of colored people of our country, so far as philanthropy and charity are concerned. More and more, we realize the need for better health conditions among our people and to meet this need the Service Foundation plans to establish a great National Hospital to be followed by smaller institutions located in those cities where the Negro population warrants it.

The successful carrying on of our program brings close to us the necessity for larger educational advantages and this will demand an active part in assisting schools and colleges already established, and of building new schools where the need confronts us. Plans are under way for the endowment of a University that will specialize in the higher training of men and women who plan their futures in the fields of business and the industries. Our program also includes help and assistance to charitable and civic institutions as well as a department that will give aid and assistance to deserving students throughout the country.

The complete plan of operation of Service Foundation, Inc., will, in a short while, be presented in booklet form. Membership is not limited to those in our organization. It is open to any man or woman who feels that giving must be a part of his program, but who wants to give, and at the same time, wants to see among our group, a Foundation doing the

type of effective work, as those established by Russell Sage, Carnegie, and Rockefeller. A copy of this booklet will be sent to any interested person.

ATLANTA - GATEWAY TO THE SOUTH P. 38

Georgia and Atlanta are pretty generally known throughout the reading world, and the purpose of this article is to record and interpret some things not so generally known about Atlanta as the "Gate City to the South." Atlanta is situated in the north-central part of Georgia, the largest state east of the Mississippi River, containing 59,475 square miles with only 12,000,000 acres of its 34,000,000 of tillable soil under cultivation.

Topography also has a great deal to do in determining the density of a community. The great Appalachian Mountain belt reaches an elevation of 5,000 feet or more in North Georgia, extending northward through Maryland, forming a great barrier which separated the Piedmont Plateau and the Coastal Plain on the east from the Great Appalachian Valley and the Cumberland Plateau on the west. This great mountain area in Georgia, between Marietta and Cartersville, has been eroded to a lower level than the Piedmont country, so that transverse to these great mineral belts, the great trunk line railroads mentioned elsewhere, make easy access and make possible the assemblage of so many distinct types of raw materials characteristic of these provinces. There are five distinct physiographic and geologic provinces which cross the state in a general northeast and southwest direction.

Atlanta is a "Gate Way" to all of these natural resources. It is near the foot hills of the Blue Ridge Mountains on a ridge which divides the water shed of the Atlantic from that of the Gulf of Mexico. It is 1,050 feet above the level of the sea, being in this respect, the highest city of its size in the United States east of Denver. The altitude and the proximity to the Atlantic Ocean on the east and the Gulf of Mexico on the south serves to modify the heat of summer, giving nights that are cool and comfortable; produces an abundant and uniform distribution of rainfall and an active wind movement that renders an oppressive humidity an almost unheard of occurrence, and death by sun-stroke is unknown. Atlanta has an average temperature of 61 degrees. Because of its elevation, it has an excellent drainage.

The development of manufacturing is largely dependent upon adequate transportation for the assemblage of raw materials and for distribution of the finished products to the markets. Atlanta is served by eight trunk lines of railroads, with a mileage total of 20,827. A greater number of points can be reached in a night's run from Atlanta than any other southern city. From a standpoint of rate adjustment, Atlanta enjoys a "key" position as compared to other southern cities. It is the hub of the wheel for distribution to East Tennessee, Mississippi, Alabama, Georgia, Florida, North and South Carolina, which gives it a distinct advantage in freight rates to the above described territory, as well as to points west of the Mississippi River.

Atlanta has a population of approximately 230,000 people, 75,000 of which are colored. This represents an increase of 15 per cent over the population of 1920, which was 200,616, which is increasing at the rate of 15,500 per annum, gradually working towards the goal of 500,000. Atlanta covers an area of 29 square miles.

IN ATLANTA YOU FIND:

The financial center and central distribution point of the Southeast.

The leading city of the entire South in building construction.

The convention city of the South.

The southern headquarters for railroad, telegraph and telephone, express companies, railroad mail service, insurance company underwriters, United States Public Health Service, Federal Board of Vocational Education, the Fourth Corps Area of the United States Army, and many other outstanding organizations.

The largest manufacturing center of soft drink syrups in the world.

The largest advertising center south of Philadelphia, ranking fourth in the United States.

Headquarters for the largest ice manufacturing concern in the world, producing one million tons annually.

The seat of inter-racial cooperation.

An educational center having fifty-two institutions of learning in addition to sixty-five public schools and commercial colleges.

A large municipally owned charity hospital.

The oldest and largest manufacturing point of disinfectants in the South.

The largest distributing point of disinfectants in the South.

Six hundred factories employing 28,000 people with an annual payroll of thirty-five million dollars.

A complete motorized fire department of fifteen stations.

With the exception of Salt Lake City, Atlanta has more miles of street car per thousand population than any other city in the country.

The largest overhauling locomotive business in the South.

The largest re-built car and overhauling plants in the country with a payroll aggregating one half million dollars annually.

Leads in the manufacture of ladies' and childrens' hats.

A municipal improvement program that is now spending the sum of \$8,850,000; \$4,000,000 for schools, \$1,250,000 for a large viaduct, \$2,850,000 for additions and improvements in the department of water works.

A municipally owned sewerage disposal plant, the only one of its kind in the United States.

Atlanta is the educational center for Negroes in the South: the headquarters of the Odd Fellows of the District of Georgia; the headquarters of the Oldest Old Line Insurance Company for Negroes; headquarters of the Field Secretary of the National Urban League and the Regional Secretary, International Y. M. C. A.; headquarters of the Presbyterian Publishing House and Regional Superintendent of Sunday School Work for the South among Negro Presbyterians of U. S. A.; headquarters for the General Superintendent of the American Missionary Association of the South. There is a Social Service School conducted at Morehouse College for the training of Negro workers.

All of the welfare organizations have colored employees on their staffs.

The Odd Fellows block in Atlanta is one of the best constructed and appointed office buildings in the country.

It has eighty-two thousand square feet of floor space that accomodates seventy-three offices, three lodge rooms, thirteen stores including the Service Pharmacy, one cafe, one rook garden, one theatre or auditorium. It is seven stories high. The outside dimensions of the building are 120 feet by 220 feet.

There are sixty-two churches representing ten denominations, each with a seating capacity ranging from one hundred to fifteen hundred.

There are sixteen colored public schools including a Junior-Senior High School that is now in process of construction, costing \$350,000. The total school improvement program for colored people is now in progress and is calling for an expenditure of one million dollars.

There are five private educational institutions: Clark University with a student body of 517; faculty of 19 teachers; with preparatory, college, normal and commercial courses. Clark has just completed one of the largest and best equipped administration buildings in the country for educational purposes. Morehouse College has a student body of 5,000; twenty-one teachers, with academic, college and theological courses. Atlanta University has a student body of 623; 37 teachers, college, normal and high school courses. Morris Brown University, a student body of 800; 35 teachers, theological college, teacher-training, commercial, high school and industrial courses. Plans are under way for the construction of a science building and girls' dormitory on the

campus of Morris Brown University. Gammon Theological Seminary, with a student body of 139 students has seven teachers and offers a theological course. Spelman Seminary has a student body of 744, 314 of which are day students. Courses of study include nurse training, Latin High, normal high, home economics, collegiate high, teachers' professional, advanced home economics and college leading to A. B. degree. Spelman College plans for larger development for the fall of 1924. They expect to construct a new science building, new chapel and gymnasium. The faculty numbers 57.

Atlanta has 700 business enterprises representing every character and type of business.

Atlanta has the only modern equipped Y. M. C. A. building south of Washington and east of St. Louis.

There are among other buildings owned by Negroes in this city, the Atlanta Life Insurance Building, the Home Office of the Standard Life Insurance Company, the Cater Brothers Office Building and several already constructed and in the process of construction.

The Citizens Trust Company is the largest financial institution controlled by Negroes in the world and has a capitalization and surplus of five hundred thousand dollars.

ATLANTA NEEDS

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A College of Commerce and Finance.

Shoe stores, drug stores, grocery stores, furniture stores, music stores, book stores, hardware stores, laundries,

filling stations and garages, millinery shops, haberdasheries, confectioneries.

A sanitorium to be conducted on the plans of the Mayo Brothers in Rochester, Minnesota, or Johns Hopkins, at Baltimore, Maryland.

Recreation centers, amusement parks, theatres.

A larger number of men with training and ability, moral courage and conviction, sterling character, and a spirit of unselfish service.

Manufactories of all kinds.

A modern equipped hotel.

A large department store representing the organized capital of our group.

Information for this article furnished by JESSE O. THOMAS, Secretary, Atlanta Urban League.

THE EMPLOYEE'S CREED

P. 35

I must pay attention to my health for without good health I cannot serve well my employer or myself.

I must work hard, realizing that perseverance is a great conqueror of difficulties.

I must work systematically - plan my work and work my plan.

I must improve my education - the success of our institution depends on my keeping abreast of the times.

I must be loyal to those for whom and with whom I work - a mutual confidence is a stabilizing force.

I must endeavor to DESERVE as well as ATTAIN success.

THE EMPLOYER'S CREED

P. 35

I must set the example for the workers under me - I must be a leader in every sense of the word.

I must not lose sight of the human side - and must have a sympathetic understanding of the employee's problems.

I must be fair in the matter of rewards - living wages with opportunities for advancement.

I must develop initiative - the future leaders are here in the making.

I must see that the spirit of helpful cooperation, love of work, confidence in, and respect for authority are in the atmosphere of the institution.

DOCUMENT VI

A. NO. 78632

FULTON SUPERIOR COURT

Charles H. Brown et al

VERSUS

Southeastern Trust Company et al

Filed in Office, this the 29
day of January 1926

Fred T. Edwards _____ Deputy Clerk

Recorded writs 349 Page 284

the day of 8 July 1927

T. C. Miller _____ Clerk

Fee, _____

Motion No. 171675

Minutes 108 Page 532

A. H. Martin, Dillon - Calhoun & Dillon
PLAINTIFF'S ATTORNEY

Sheriff's Writ Docket A - 1 Page 93
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STATE OF GEORGIA

COUNTY OF FULTON

TO THE SUPERIOR COURT OF FULTON COUNTY

TO THE HONORABLE JUDGES OF SAID COURT:

Now come Charles H. Brown and George A. Howell, and bring this suit as stockholders of the Standard Life Insurance Company, a Georgia corporation, on behalf of themselves and all other stockholders similarly situated, and respectfully show to the court the following:

1.

Your petitioners name as the defendants, Southeastern Trust Company, a corporation, Silas W. Davis, John A. Copeland, Southern Insurance Company, Standard Life Insurance Company, a corporation organized under the laws of Arkansas, and the Standard Life Insurance Company, organized under the laws of Georgia.

2.

Silas W. Davis is a resident of Fulton County, Georgia.

3.

John A. Copeland is a resident of Fulton County, Georgia.

4.

Southeastern Trust Company is a Georgia corporation, doing a loan business, and has an office and place of doing business in Fulton County, Georgia.

5.

The Southern Insurance Company is a life insurance corporation of Tennessee, with an office and place of doing

business in the City of Atlanta, in the said County and State.

6.

Standard Life Insurance Company is a corporation of the State of Georgia, with offices and a place of doing business at Atlanta, Ga. The other defendant by the same name is a corporation doing a life insurance business and organized under the laws of Arkansas, and it has an office and place of doing business in the City of Atlanta, said State and County.

7.

The Standard Life Insurance Company, in which you petitioners are stockholders, is a corporation which was organized about 1912 for the purpose of doing a life insurance business upon a legal reserve basis; that it wrote insurance exclusively on the lives of colored people and up until about December 1925, was managed, officered, controlled, and built up by colored people; that during about the first ten (10) years, the capital stock consisted of 1250 shares of a par value of 100.00 per share; that on said date of December 1923, its business was in a prosperous condition, its policy holders satisfied, new business was being written and it was generally in a good condition, and the stock held by your petitioners had a value of three hundred dollars per share.

8.

Your petitioner, Charles H. Brown, is the owner of five (5) shares of stock in the said Standard Life Insurance Company, a corporation of Georgia, and he is a resident of the City of St. Louis, State of Missouri.

9.

Your petitioner, George A. Howell, is a resident of Atlanta, Georgia, and has held stock in the Standard Life Insurance Company of Georgia amounting to three (3) shares; that not knowing what the meeting of January 15th, 1925, was called for, and not anticipating a sale of the Standard Life Insurance Company to the Southern Insurance Company, and without knowing anything about the merits of the trade, he attended said meeting but did not vote; that he accepted the representations made by the Southern Insurance Company and believed the same, and, thereafter, he was sent twelve (12) shares of stock in the Southern Insurance Company, which stock he now has; that since being advised, in the last few days, of the true facts concerning said sale, he has repudiated the same and rescinded what he has done in accepting stock in the Southern Insurance Company for his shares in the Standard Life Insurance Company, and has tendered back all dividends paid.

10.

That about said date of December 1923, the defendants, Silas W. Davis and John A. Copeland, induced Heman E. Perry, then the president, dominating officer and executive of the Standard Life Insurance Company, to illegally appoint the said Silas W. Davis, and his counsel Arthur W. Powell, as so-called executive managers of the said Standard Life Insurance Company; that said appointment was made in writing by the said Perry representing his said company and which writing your

petitioners do not have and are unable to produce at this time; that pursuant to such arrangement, the said Davis in connection with Copeland and the Southeastern Trust Company, took possession and control of all the money and property of the Standard Life Insurance Company, received and paid out all monies, and exercised control of its finances; that Davis and defendant Copeland, took a brief inventory of all its assets and made certain pretended audits of its business, and thereupon assumed and promised to act in a fiduciary capacity towards the Standard Life Insurance Company; that although the transfer of the management from legally constituted officers and directors of the Standard Life Insurance Company to Davis and Powell, disinterested outsiders, was a fundamental change and was in conflict with the charter provisions governing said corporation, the same was accomplished without authority from the stockholders, without notice to them, and without even a consideration of the question by the board of directors; and, the taking over of the Company by Davis, pursuant thereto, was ultra vires and void; that thereby said Davis displaced the regularly constituted control of the Company, caused its officers and directors to cease to function, and ran the business in his own without regard to the said Company, its stockholders and officers; that the said contract appointing Davis and Powell, was entered into by the said Perry in the best of faith, he believing that the said executive managers would render valuable service which inured for benefit of the Standard Life Insurance Company, and that they

would work for the best interests of the Company, its stockholders and policy holders; that the said Perry was induced to substitute the said Davis and Powell as executives, upon false promises and representations made by Davis to him, and w which Davis did not carry out and which he did not intend to carry out; that said Davis pretended that he would advance money to finance other corporations which Perry was interested in; and the said Davis got control of the Standard Life Insurance Company, its assets and business by acts or threats amounting to duress perpetrated upon Perry by Davis; that in the latter part of 1923, after an unsuccessful effort to obtain sufficient money in New York, and on the Sunday afternoon, the said Perry appeared before officers and directors of the companies executing the executive manager contract and made the statement that he was facing disaster and that Davis and the Southeastern Trust Company had agreed to finance all of said companies, and said officers, accepting the statement of Perry that Davis would have deliberation, it being then understood that Davis would immediately advance 100,000.00.

11.

That Silas W. Davis is now, and was at all times herein-after mentioned president and director of Southeastern Trust Company, a loan concern of Atlanta, Georgia, defendant herein.

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That John A. Copeland is, and was at all times herein-after mentioned, a director and vice-president of the Southeastern Trust Company, a life insurance actuary for the

Southern Insurance Company, defendant, and at the times mentioned herein was the actuary of the Standard Life Insurance Company of Georgia.

13.

That soon after the appointment of the defendant Davis, as one of the executive managers, he planned, conspired, and confederated with defendant Copeland, and using the name and the influence of defendant, Southeastern Trust Company, to secure the absolute control of the Standard Life Insurance Company of Georgia; that although at such time the said H. E. Perry, as president of the Standard Life Insurance Company, and its board of directors, looked to the said Davis and to the said Copeland to guide its affairs in an honest way, without selfish motives on their part, the said Davis was only an illegally appointed officer and did not have any rightful control of the company, and he then planned its downfall in such a way that he could appropriate its assets, and endeavor to conceal his acts, in that regard, by not accounting to any one; that he and the said Copeland thereupon set about to obtain a majority, to-wit, 1251 shares of the capital stock of the said Standard Life Insurance Company so as to control the company, and thereby dominate the company and use its assets and business for their private gain and personal aggrandizement; that a certain amount of stock had been transferred, by various colored business men, to the Service Company, an affiliated company, the said Service Company acting as a holding company for this stock and shares

of stock of other corporations affiliated therewith and therefore managed by such stockholders; that the said Service Company was the holder of a large block of stock; that other persons and corporations interested in the Standard Life Insurance Company also owned or controlled shares of stock; that the said Davis and Copeland, acting in the name of the Southeastern Trust Company and the Southeastern Trust Company, for their benefit and its own benefit, made a trust agreement whereby it proposed to loan to the Service Company the sum of 300,000.00, or other large sums, in order to meet its financial needs and the needs of other affiliated companies.

14.

That the transfer of the 1251 shares of stock was made under the following conditions:

That about July 24th, 1924, the Citizens Trust Company, mentioned in Exhibit "A" attached hereto, had in its custody, a large number of shares of stock in the Standard Life Insurance Company held as collateral, and which belonged to various individuals who had borrowed money from the said Citizens Trust Company, said stock representing a new issue of about January 1924, and which aggregated 742 shares or more; that the said Citizens Trust Company was in need of funds to meet its clearings and there was danger of it being closed; that this was known by the said Davis who thereupon prepared said Exhibit "A"; that the said Davis, through the Southeastern Trust Company, had theretofore been advancing money for clearings; that, knowing the predicament of said bank, the said

Davis refused further to advance money to meet the clearings unless Exhibit "A" should be executed, which provided for turning over 1251 shares of stock on or before December 15, 1924; that he also made certain threats to the officers of the companies who signed Exhibit "A", which compelled them to enter said contract and, your petitioners charge, that the contract, known as Exhibit "A", was executed as a result of fraud and duress operating on the officer who signed the same; that said 1251 shares had theretofore had a value of about \$360,000.00; that it was agreed that sufficient money should be advanced to meet the clearings of said bank but that only \$36,750.48 was net amount advanced.

15.

Your petitioners further charge, on information and belief, that the loans to be made under said trust agreement were never in fact made, and the corporations to be financed were never in fact financed and no benefit other than to the extent of approximately \$37,750.00 was ever obtained as a result of the said trust agreement, as your petitioners are informed and believe; that the said trust agreement as against the said 1251 shares was never foreclosed and the title never rightfully came into Davis and Copeland, nor of the Southeastern Trust Company, and the right to vote the shares never passed from their true owners; that said stock was transferred under said trust agreement without legal authority from the owners thereof and in many instances, the stock was not even endorsed. That at the time of taking over said 1251 shares

by Davis, Copeland and the Southeastern Trust Company, with the purpose to thereby get control of its assets, the said Davis and Copeland were agents and fiduciaries of the Standard Life Insurance Company and of the Southeastern Trust Company, and they were disqualified thereby to act as agents for both parties at the same time and about the same transaction, and the interests of these parties was opposed and the purpose of securing said 1251 shares was for selfish purposes on the part of Davis, Copeland, and the Southeastern Trust Company, and they were acting fraudulently, not in the interests of the Standard Life Insurance Company, and the whole transaction was grounded in fraud.

16.

That soon after obtaining said shares, to-wit: about December 1924, and without having obtained the legal right to do so and without actually making the loans for which said stock was secured, the said Davis and Copeland, acting in the name of and for the benefit of the Southeastern Trust Company and for themselves as individuals and stockholders in the Southeastern Trust Company, collusively planned to sell all the assets and business of the said Standard Life Insurance Company to the defendant, Southern Insurance Company, and thereby wreck the company, conceal its records, obtain its assets and business and create a condition whereby they would not be compelled to account to any one for their wrongful withdrawals and illegal use of funds, as charged herein; that, thereupon, while acting as fiduciaries on the

Standard Life Insurance Company, and while in wrongful control of the same, they caused a meeting of the stockholders of Standard Life Insurance Company to be called and to be held on January 15, at which meeting a pretended sale of all of the assets and business of said Standard Life Insurance Company was made and business of said Standard Life Insurance Company, upon a pretended vote of the 1251 shares so illegally acquired and held as aforesaid; that a copy of the resolution containing a so-called agreement passed at such meeting, and which was brought about by defendants, Davis and Copeland and Southeastern Trust Company and the Southern Insurance Company, is hereto attached and marked Exhibit "B", and made a part hereof, which said argument, petitioners charge, is ultra vires and void.

17.

Your petitioners further show, on information and belief, that the said sale was illegal and was a fraud on the rights of your petitioners, and their company, and upon all the stockholders of the said Standard Life Insurance Company, because of the following:

(a) That at the time of effecting and bringing about said sale, by the said Davis and Copeland, they were agents and defacto officers of the said Standard Life Insurance Company and also were stockholders and officers of the Southeastern Trust Company, which company pretended to hold 1251 shares of stock in the Standard Life Insurance Company; that by a secret agreement made at the time of said pretended sale,

it was arranged, on the part of the Southern Insurance Company, and in order to induce the said sale, that during the year 1925, the said Silas W. Davis was to receive five (5) per cent of all premiums paid and collected, which five per cent, during the year, amounting to approximately forty-seven thousand dollars, the total premium paid during a year being about one million dollars; that said sum of forty-seven thousand dollars was paid by the Southern Insurance Company to the said Davis as a consideration for his delivery to it of said assets and business, and to induce said sale; that certain other so-called actuarial fees were fraudulently paid by the Southern Insurance Company to said John A. Copeland for his influence and activity in bringing about said sale; that it was also planned, as a part of such sale, that the Southeastern Trust Company should also receive a large amount of assets based on fictitious expenses and indebtedness, which the Southern Insurance Company assumed and agreed to pay, and which has since been paid to it; that these so-called fees, commissions, and expenses were never allowed or provided for by any legally constituted authority, and no accounting has been made for same; that these payments and withdrawals constituted illegal, unjust, unfair, and iniquitous graft; that such payments made to and for the benefit of the Southeastern Trust Company, its stockholders, the said Davis, Copeland, and their agents, allied and co-conspirators, amounts to approximately five hundred thousand dollars, as petitioners are informed, the details of which will appear in the books and

records of the Southern Insurance Company, Standard Life Insurance Company, and of the Southeastern Trust Company, and of the said Davis and Copeland individually, said amounts having been paid out of the assets of the Standard Life Insurance Company.

(b) That in said sale, it was provided that the stock of your petitioners should be exchanged for stock in the said Southern Insurance Company; that as a basis for the exchange and at the time of making said sale, the said Southern Insurance Company falsely and fraudulently represented that it had a surplus of two hundred thousand dollars, whereas, your petitioners have been informed, and so charge, there was no surplus, and was practically insolvent. The audits stock had no value and thereby the stockholders of the Standard Life Insurance Company were defrauded, its stock heretofore having been worth three hundred dollars per share, whereas, the stock which was given them by the illegal and fraudulent sale, had no value whatsoever, and, therefore, said sale was without consideration.

(c) That previous to making said sale and in order to bring the same about, the said Southern Insurance Company made representations, in writing, as fully appears in Exhibit "C" hereto attached and made a part hereof. That the dividend of two dollars per share provided therein, and which was paid only to stockholders who accepted the exchange, was a bait to lull the stockholders of the Standard Life Insurance Company, as provided therein, and this was a representation made

fraudulently, and likewise other statements and promises therein contained.

(d) That the meeting, at which a pretended vote was taken authorizing said illegal sale, was held without notice to the petitioners and without opportunity for them, or any of their class, to be heard on the things in said meeting pretended to be acted upon, and from which meeting petitioner Brown was necessarily absent and at which meeting he was not represented by proxy or otherwise, a certain resolution was brought forward and collusively declared adopted by its presiding officer, in furtherance of the fraudulent purpose of the said defendants, Davis and Copeland, which resolution has been referred to and was attached hereto as Exhibit "B". That no notice was given to petitioner Howell that the question of the sale was to be passed upon at said meeting and no notice was given to any other stockholders that such question would be considered, as required by law.

18.

Your petitioners further charge and show, on information and belief, that on January 15th, 1925, just following the meeting, which was a so-called meeting of the stockholders, wherein the question of the sale referred to was brought up, that a fraudulent and fictitious entry was set upon the books then kept for the business of the Standard Life Insurance Company, in the sum of \$1,056,242.09; that this fictitious entry was arrived at by appreciating the value of all the real estate of the Standard Life Insurance Company; that this

entry had been planned in the negotiations between the defendants herein prior to said meeting; that this entry was made in an effort to conceal and cover up the losses occasioned, and to be occasioned, by the wrongful drawing out of money and property by the defendants as charged herein; that the entry has the effect to deceive the insurance commissioners of the State, wherein companies do business, and lessened the value of your petitioners' stock, and is a part of the fraud being perpetrated upon your petitioners. That the loss having been sustained by the wrongful acts of Davis, Copeland and the Southeastern Trust Company in drawing out funds in an illegal way, lessened the reserve required by the insurance laws, and that in order to meet the required reserve, they made this appreciation, that is to say, the appreciation of the real estate, in the sum of \$1,056,242.09, was made in order to show the required amount in the reserve.

19.

Your petitioners further show, as bearing on the question of the validity of the sale of the Standard Life Insurance Company to the Southern Insurance Company, and as showing fraud perpetrated by the defendants, and as showing why an accounting is necessary and why damages have resulted to the Standard Life Insurance Company of Georgia, and to the stockholders thereof, the following:

That, as already stated, a false entry of the assets was set up on the books of the Standard Life Insurance Company, then used as the books of the Southern-Standard Life

Insurance Company, sometime following the stockholders meeting of January 15th, 1925, and as of that date, as follows:

Real estate owned	\$1,056,242.22
Market Value of R. E. over cost	\$1,056,242.22
To set up Real Estate as its value as appraised by Insurance Department of Georgia.	

That said entry is the entry already referred to and the value of the real estate had never been appraised by the insurance department of Georgia as claimed, and was arbitrarily increased by about one hundred per cent above its real value and there was never any appraisal had. That at the same time and in the same manner and for the same purpose, the following fictitious entry was entered:

Market value of Real Estate over	\$876,267.09
Suspense	\$876,267.09
To set up liabilities against all Real Estate as per list to date. This constitutes all liabilities known to date.	

That at the same time, and as a part of the same, another entry was entered on the said books as follows:

Market Value of Real Estate over cost	\$179,975.00
Surplus	\$179,975.00
To transfer this account into surplus.	

20.

Petitioners charge that defendants, having created fictitious assets in the sum of \$1,056,000.00, thereupon set up the false liabilities of \$876,276.09, which item represented, in the minds of the defendants, an indebtedness due the Southeastern Trust Company.

21.

That it is true that sixty thousand dollars was used to

pay off an indebtedness against real estate known as the Wesley Memorial Hospital property, a legal description of which is hereto attached and marked Exhibit "D"; that such property is now being held and claimed by the Southeastern Trust Company; that, inasmuch, as the assets of the Standard Life Insurance Company went into the said real estate to the extent of sixty thousand dollars, a lien should be fastened upon said property for its benefit.

22.

That soon after the said false indebtedness was set upon the books of the company in favor of the Southeastern Trust Company, which was set up under the name of "suspense" and as above set forth, the defendants, Davis and the Southeastern Trust Company, set about disposing of certain assets which the Standard Life Insurance Company has owned, namely, bonds described in Exhibit "E" hereto attached, and made a part of this petition; that said Davis and the Southeastern Trust Company, received, in cash from the sale of such bonds, the sum of \$127,527.69; that the proceeds of these bonds was used and charged to the said "suspense account" which was the account set up in favor of the Southeastern Trust Company, its officers and agents and as above set forth; that thereafter, beginning about August 1925, the Southeastern Trust Company received for the period of five (5) months, the sum of ten thousand dollars per month, being the aggregate of fifty thousand dollars which accrued from the assets of the Standard Life Insurance Company and which was used to reduce the

"Suspense account" referred to.

That, thereafter at the time the sale was consummated to the new Standard Life Insurance Company, the Arkansas corporation, the Southern Insurance Company having withheld assets belonging to the old Standard Life Insurance Company having a book value of about one and one-half million dollars, made a settlement, the details of which your petitioners cannot at this time give, whereby the Southeastern Trust Company was paid, in money or property, the balance of said "suspense account"; that the result of this transaction was to pay to the Southeastern Trust Company, its' officers and agents, out of the assets of the Standard Life Insurance Company, the balance of said false item of \$876,276.09 entered under the fictitious name of "suspense account".

23.

Your petitioners show that the details concerning the wrongful withdrawals under the name of "commissions" are as follows: That the books of the said Standard Life Insurance Company and later the Standard Life Insurance Company of Arkansas, contained the following: "Salaries to supervising trustees, disbursements made by Southeastern Trust Company out of Standard C. & S. Bank, account from January 1st, 1925, to January 15th, 1925. This journal entry to be verified when cancelled checks are returned to us, twenty-four thousand dollars." Accountant and actuary fees \$1,878.16; Southeastern Trust Company \$2,660.00; that during 1924, five hundred dollars per month was paid to each of the executive

managers; that in addition thereto, the five (5) per cent referred to and which was paid to Silas W. Davis or Silas W. Davis & Company the sum of \$47,505.60.

24.

Petitioners show that because of the fraud consummated by defendants herein, and especially by the Southeastern Trust Company, Davis and Copeland and the Southern Insurance Company, whereby funds and property were illegally obtained, an accounting is necessary; that by virtue of the said trust agreement and during the time that the said Davis was an executive manager of the Standard Life Insurance Company, a large amount of assets were turned over to him and to the Southeastern Trust Company; that the said Southeastern Trust Company and the said Davis still hold certain valuable assets belonging to the Standard Life Insurance Company, in trust, for which they have made no accounting; that during his term as executive manager, the said Davis drew certain compensation and expenses which he was then pretending to earn as the result of acting in good faith towards Standard Life Insurance Company but which were in fact not earned, it now being known that he was acting fraudulently, as above stated, and all the funds thus received should be repaid, and which sums amount to not less than seven hundred thousand dollars, as petitioners believe; that certain expenses should also be inquired into and their legitimacy be determined; that all amounts paid to the executive managers, including the five (5) per cent on the premiums paid by policy holders during the

year 1925 and for any other term so received, should be audited and determined so that a judgment can be rendered directing the return of such money into the hands of the Standard Life Insurance Company; that the amount received by the said Copeland for his fees as an actuary, and all expenses in connection therewith, should be accounted for and a judgment rendered for the return of such fees, it being alleged that said Copeland planned and devised the scheme which was carried out and executed by the said Davis to wreck the said Standard Life Insurance Company, dispose of its business and assets for the benefit and profit of the said Copeland and Davis and the Southeastern Trust Company; and accounting is necessary in order to determine the amount of assets of money which was taken over by the said Davis, as executive manager, and which he handled during his term of office and which he transmitted to the Southern Insurance Company, as well as all proper liabilities of the said Standard Life Insurance Company; that the true amount of assets, surplus, or reserve, of the Southern Insurance Company should be determined by an accounting or by an audit made under the supervision of this court, so that a judgment may be rendered against the Southern Insurance Company for the loss sustained and for the purpose of showing the fraud worked upon the Standard Life Insurance Company, and its stockholders, and so that said pretended sale can be vacated and set aside. The question of the solvency of the Southern Life Insurance Company should be investigated and determined.

That soon after consummating said fraudulent sale by defendants, Davis, Copeland and the Southeastern Trust Company to the Southern Insurance Company, and the Southern Insurance Company, recognizing that it held its title by fraud and that the same could be set aside, and for the purpose of concealing the fraud and so as to make it more difficult for your petitioners to recover the assets belonging to the Standard Life Insurance Company, and also was consummated for the purpose of being relieved of carrying a reserve for the policy holders, and thereby increase its net assets, the said Southern Insurance Company made another sale of the Standard Life Insurance Company of Georgia to three white citizens of Arkansas who organized themselves under the name of Standard Life Insurance Company, having complied with the laws of Arkansas, and thereupon made a trade with the Southern Insurance Company for certain of the assets of the Standard Life Insurance Company; that your petitioners do not have a copy of this contract but, on information and belief, they state that the new Standard Life Insurance Company took over only a portion of the assets which the Southern Insurance Company had obtained from the old Standard Life Insurance Company; that the Southern Insurance Company kept assets of a book value of about one million, five hundred thousand dollars, out of which it was agreed that the Southern Insurance Company should pay pretended liabilities of the old Standard Life Insurance Company, including large sums, to-wit, \$876,000.00, to the Southeastern

Trust Company, or to Davis and Copeland, which liabilities were largely fictitious and illegal, as explained herein.

26.

Petitioner, Charles H. Brown, shows that he did not know and was not informed of the wrongful, fraudulent, and illegal action complained of until about January 1926, because of fraudulent concealment by said defendants; that petitioner, George A. Howell, did not know and was not informed of the fraud as herein set out and of the wrong perpetrated, until during the last few days; that ever since petitioners have known them, said Standard Life Insurance Company has been without responsible management, and is now without responsible management, the management thereof having been surrendered and delivered up to the defendants under stress of the advice and influences wielded by defendants upon said officers and directors, and they are now in control, of what appears to be, a majority of the stock of the Standard Life Insurance Company, as at present constituted, sufficient force, ability or power to withstand or oppose said illegal, fraudulent and corrupt influence which illegally dominated the proper order of the said company to the loss, injury and damage to the said Standard Life Insurance Company and petitioners and other stockholders similarly situated, and the said board of directors are powerless to institute any measure calculated to correct the same, and it would be futile to request them to act.

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27.

That, upon information and belief, petitioners charge that the Southern Insurance Company is insolvent.

28.

That, upon information and belief, your petitioners charge that the Southeastern Trust Company is insolvent.

29.

Petitioners allege that the damages resulting from the fraud of the defendants, Davis, Copeland and Southeastern Trust Company to the Standard Life Insurance Company, amounts to more than seven hundred thousand dollars.

30.

Petitioners allege that the damages caused to the Standard Life Insurance Company, by the fraud of the Southern Insurance Company, constitute a damage of at least 300,000.00

31.

Petitioners show that the said executive managers and the said Southeastern Trust Company, in handling the funds of the Standard Life Insurance, have accounted to no one and have failed and refused to make any kind of accounting whatsoever.

32.

That your petitioners are without remedy in the premises except in a court of equity where matters of this kind are properly cognizable.

33.

That the old Standard Life Insurance Company, organized under the laws of Georgia, is dormant, due to the fact that

the said Davis and Copeland had taken charge of the same, dominated it and controlled it, without authority, and have caused its officers and directors to cease to function; any activity on the part of the directors and officers has been suspended and it has been in such state since about December 1923; that by reason of such condition, a receiver should be immediately appointed so that a judgment may be rendered in behalf of such received and against the other defendants named, and as prayed for herein.

34.

Petitioners bring this suit on the equity side of the court in order to avoid a multiplicity of other suits; that a receiver should be appointed for the Southern Insurance Company in order to protect the amount that will be found due the Standard Life Insurance Company of Georgia, and your petitioners herein; that a receiver should be appointed for the Southeastern Trust Company in order to protect the rights of the Standard Life Insurance Company or any judgment which it may be entitled to as against the Southeastern Trust Company.

35.

Petitioners come into a court of equity for the purpose of obtaining relief as follows: That many important books, records, accounts, memoranda, etc., are in possession of the Southeastern Trust Company, said Davis, Copeland, and Southern Insurance Company, and there is danger that such records, books, etc., will be destroyed or removed to the injury of your petitioner and said Standard Life Insurance Company of Georgia,

and defendants should be each restrained by proper order of this court, and the books and records immediately taken possession of by a competent receiver to be appointed herein.

36.

Your petitioners further show that the sale as between the Standard Life Insurance Company and the Southern Insurance Company should be rescinded because of the fraud, and, thereupon, the sale between the Southern Insurance Company and the new Standard Life Insurance Company so that it may be permitted to continue its business as heretofore, and the status as respecting trades be restored and equity be done between the parties.

WHEREFORE, the premises considered, your petitioners pray as follows:

(a) That process issue against all the defendants named and that judgment be rendered according to law and equity.

(b) That each of the defendants be severally enjoined and restrained from, in any manner, changing the status of the property involved and from removing or destroying any of the books and records of the transactions referred to.

(c) That receivers be immediately appointed for the Standard Life Insurance Company, a Georgia corporation, with authority to intervene herein, and recover in this suit all property, money and damages as set forth, with full power and authority in the premises.

(d) That a rule nisi be entered, directing the Southeastern Trust Company and the Southern Insurance Company to

show cause, at a time to be fixed by the court, why a receiver should not be appointed for each of said corporations.

(e) That an accounting by the Southeastern Trust Company, Silas W. Davis, John A. Copeland and the Southern Insurance Company to the Standard Life Insurance Company, be ordered.

(f) That a decree be rendered vacating and setting aside the sale of the assets from the Standard Life Insurance Company to Southern Insurance Company, that an accounting be taken of all property transferred, diverted, misappropriated, or lost to petitioners and their class, and all the property, as far as possible, be restored to the Standard Life Insurance Company, and that in lieu of the property taken, a judgment be rendered, for its value, with damages against all parties who participated in taking the same for the benefit of the said Standard Life Insurance Company of Georgia, or its receiver to be named herein.

(g) That the sale between the Southern Insurance Company and the Standard Life Insurance Company of Arkansas be also vacated and set aside, and that all the assets be restored to the Standard Life Insurance Company of Georgia, and in lieu of such assets that a judgment be rendered for the benefit of the Standard Life Insurance Company of Georgia, against the defendants participating therein, and that judgment be rendered for the benefit of the Standard Life Insurance Company of Georgia, against the other defendants, for any damages that it may have suffered at the hands of any of the defendants.

(h) That petitioners have such further and other relief

in the premises according to equity.

A. H. Martin
Dillon, Calhoun & Dillon
ATTORNEYS FOR PETITIONERS

EXHIBIT "A"

Memorandum of Agreed Basis of Financial Statement and Readjustment between the Service Realty Company, the Standard Life Insurance Company, the Citizens Trust Company, and the Southeastern Trust Company. July 24th, 1924.

1. The Service Realty Company will convey to the Standard Life Insurance Company all of the property covered by the deed of trust of the Service Realty Company to the Southeastern Trust Company as trustee, and all supplements thereto, and also all property covered by the conveyance of the Service Realty Company to secure obligations of the Dubald Holding Company, and supplements thereto, said property to be conveyed subject (1) To the unpaid purchase money thereof; (2) To the said obligations under the deed of the said Southeastern Trust Company as Trustee, and supplements; and, (3) To the conveyance to secure the obligations of the Donald Holding Company, and supplements. The equity in said property of the Service Realty Company is to be taken as of the value of 550,000.00, and to be paid for by the Standard Life Insurance Company by the transfer of the certificates of deposit of the Citizens Trust Company held by the Standard Life Insurance Company, and by a check against the checking account of the Standard Life Insurance Company with the said Citizens Trust Company; all of which are to be accepted at par by the Service Realty Company.

2. The Service Realty Company will thereupon use the said certificates of deposit and the said check in extinguishing its indebtedness to the Citizens Trust Company, amounting to \$335,575.00; and the remainder thereof as a payment on the account of the indebtedness of Service Company, which indebtedness of the Service Company to the Citizens Trust Company amounts to \$237,045.94. Where the Service Realty Company extinguishes the debts of its allied and associate corporations to the Service Company it will take from the Citizens Trust Company transfers without recourse, of all obligations of the Service Company thus extinguished.

3. The Southeastern Trust Company, in order to aid and assist the said corporation in rearranging and handling their finances and liquidating the same, and in consideration of such obligation to it of the Service Company for its compensation in this respect, as the Service Company has agreed to pay, which said agreement is shown in a separate agreement between the Southeastern Trust Company and the said Service Company, does hereby agree with the Standard Life Insurance Company that it will not foreclose and that no present or

future holders of any of the obligations issued under the deed of trust to it will foreclose, on the deed of trust to it as trustee, or the obligations secured thereby, prior to the 15th of December, 1924, provided that during the said interval the condition of the said companies and the condition of the said securities is such as to in no way impair or to depreciate in any way the security thereon; and provided further, the management of the said corporation is continued along sound business policies as may be approved from time to time by the said Southeastern Trust Company.

4. As a part of this transaction and to induce same, and as a condition of the agreement of the Southeastern Trust Company stated in the previous paragraph, the Citizens Trust Company will release the ultimate equities of the holders of 1251 (twelve hundred and fifty-one) shares of stock of the Standard Life Insurance Company, and assign all of this absolutely to the Southeastern Trust Company as additional security for its said loan, coupled with an irrevocable power of attorney to vote the stock so long as it shall be so held. The reversion of the stock, if the loan is paid off, shall be to the Service Company, or to its nominees, but subject to the agreement that compensation of the Southeastern Trust Company, for handling this transaction and financing the same, as covered by the separate agreement between it and the Service Company, shall be a first obligation on said stock, and the present indebtedness to the Southeastern Trust Company shall be a second obligation thereon.

5. The Southeastern Trust Company does further agree with the Standard Life Insurance Company, in the event of this foreclosing on its obligation or taking steps to collect same, it will first exhaust the 1251 shares of stock and its security thereon before proceeding against the real estate.

6. If by December 15th, 1924, the indebtedness to the Southeastern Trust Company has not been paid in full, it is, in that event, given an irrevocable option either to foreclose on the stock and property for its obligations or, at its election, take a fee simple title in the stock in satisfaction of its unpaid claims. In the event of the exercise of this option it will surrender, by proper instruments, its mortgages on the real estate.

7. It is understood that more complete conveyances, instruments and contracts will be drawn to carry out fully the transactions outlined in this agreement, and each of the companies pledges itself to execute, through its proper officers, such additional instruments as may be prepared and presented by counsel to this end. Nevertheless, however, the present instrument shall itself constitute a binding contract upon all of the parties hereto.

IN WITNESS WHEREOF, the parties have caused the same to be signed by their corporate officials, and their corporate seals to be attached; this 24th day of July, 1924.

SERVICE REALTY COMPANY

By (signed) W. F. Boddie,
Vice President

Attest: J. C. Arnold, Sec'y.

STANDARD LIFE INSURANCE COMPANY

By (signed) Heman E. Perry, Pres.

Attest (signed) T. J. Ferguson,
Treasurer.

CITIZENS TRUST COMPANY

By (signed) A. M. Wilkins,
President.

Attest: W. F. Boddie,
Cashier.

SOUTHEASTERN TRUST COMPANY

By (signed) Silas W. Davis,
President.

EXHIBIT "B"

WHEREAS, at this regular annual meeting in January, 1925, of the stockholders of the Standard Life Insurance Company, a proposal was submitted to this meeting from the Southern Insurance Company in the shape of a letter as follows:

To the Standard Life Insurance Company,
Atlanta, Georgia

The undersigned Southern Insurance Company does hereby make you a proposal to reinsure your outstanding policies, take your stockholders in proportion to their several holdings, 10,000 shares of the common stock of the Southern Insurance Company. In order to put the matter before you in more complete detail we have drafted a contract containing fully the proposal which we make, a copy of which proposed contract is transmitted herewith and made a part of this proposal. The proposition is for prompt and immediate acceptance.

Very truly yours,

THE SOUTHERN INSURANCE COMPANY

Will G. Harris, President

And whereas, accompanying said letter and embodying in more detail the said proposal was a draft of the said proposed contract as follows:

Georgia
Fulton County

This agreement made and entered into this 15th day of January, 1925, between the Southern Insurance Company, a corporation under the laws of the State of Tennessee and duly authorized to write insurance in the State of Georgia, of the first part, and the Standard Life Insurance Company, a corporation under the laws of the State of Georgia, of the second part, witnesseth:

The purpose of this contract is to effect a reinsurance of all outstanding policies of the Standard Life Insurance Company, to effect a provision for the liquidation of all debts of the Standard Life Insurance Company, and to effect a method of distributing, on an agreed basis, the amount of stock hereinafter named, of the Southern Insurance Company, to the Standard Life Insurance Company.

To this end, the parties hereto, in consideration of the mutual covenants and agreements and undertakings hereinafter

recited, do agree with each other as follows:

The said Southern Insurance Company will:

1. Take all of the assets of every kind and character, and wherever located belonging to the Standard Life Insurance Company, and all choices in action of every kind or character.

2. The said Southern Insurance Company does hereby, and as of this date, reinsure all outstanding policies of insurance issued by the Standard Life Insurance Company, and does hereby undertake and agree to perform all obligations of the Standard Life Insurance Company under all of said policies, according to the terms and tenor of said policies or contracts of insurance, and subject to all the terms, conditions and limitations thereof. The effect of this agreement is to substitute the said Southern Insurance Company as insurer under all of said contracts so that by the terms of this agreement the said Southern Insurance Company assumes all existing liabilities under said policies of the Standard Life Insurance Company to the extent that the said Standard Life Insurance Company is liable thereon, but not defenses, in whole or in part, which are or may be available to the said Standard Life Insurance Company. The Southern Insurance Company agrees in carrying out this contract, that it will promptly cause communications to be issued to the holders of all of the said policies of insurance advising them of the obligations herein assumed by the said Southern Insurance Company, and will adopt some practical method of furnishing the holder of each policy of insurance written evidence of the obligations of the Southern Insurance Company, either by a rider to be attached to the existing policies of insurance, which said rider shall state the obligations of reinsurance under this contract, or by taking up the said policies of insurance and substituting in lieu thereof policies of the Southern Insurance Company directly insuring the said persons according to the terms and tenor of their policies of insurance with the Standard Life Insurance Company.

This contract, with regard to reinsurance, is made for the use of both parties hereto and also for the use and benefit of each of the holders of policies of insurance outstanding issued by the Standard Life Insurance Company and now in force; and the rights hereunder against the Southern Insurance Company shall insure to the benefit also of each of the persons reinsured and may be enforced by the Standard Life Insurance Company or by its policyholders who may be entitled to the benefits thereof, or by any one or more of such policyholders jointly or severally, and the suing and recovering in an action by any one of the parties at interest shall not terminate the liabilities hereunder but only to the amount so received in such action.

3. The Southern Insurance Company does further assume,

undertake and agree to pay all lawful debts, liabilities and obligations of the Standard Life Insurance Company on the date hereof.

4. The Southern Insurance Company does further agree that promptly upon this contract coming into force it will execute and deliver to the Standard Life Insurance Company a valid certificate or valid certificates, for ten thousand (10,000) shares of the common stock of the Southern Insurance Company which it is contemplated that the Standard Life Insurance Company may desire the Southern Insurance Company to make the distribution for it to the shareholders of the Standard Life Insurance Company, in which event, the Southern Insurance Company agrees to make said distribution, but the obligation of the Southern Insurance Company to undertake the distribution is limited as follows: The Southern Insurance Company will, either through itself or its employees, or some agency to be selected by it, cause to be issued to the holders of the stock of the Standard Life Insurance Company the proportionate amount of said ten thousand (10,000) shares of the common stock of the Southern Insurance Company which the said holders or holders are entitled to receive under this agreement upon the presentation to the Southern Insurance Company or the agent or agency to be selected by it, by the several shareholders of the Standard Life Insurance Company validly and legally transferred by the holders thereof to the said Southern Insurance Company to make this distribution to the several shareholders of the Standard Life Insurance Company instead of delivering to the Standard Life Insurance Company itself certificates covering the entire block of ten thousand (10,000) shares of stock of the Southern Insurance Company shall arise only when and if it shall be requested by the Standard Life Insurance Company to undertake said distribution.

In consideration of the foregoing, the Standard Life Insurance Company agrees, undertakes and covenants as follows:

1. It will promptly transfer to the Southern Insurance Company all assets of any kind or character, and wherever situated, belonging to the said Standard Life Insurance Company. It is provided that this instrument itself is a complete transfer and assignment of all said assets and may be so treated at any time, but it is specifically agreed that the obligation of the Standard Life Insurance Company to make transfers is not completely fulfilled by this instrument, but the said Standard Life Insurance Company specifically agrees and obligates itself to execute all further and necessary and proper deeds, quit claims, endorsements and transfers of any kind or character which may be necessary, proper or appropriate to convey unto the said Southern Insurance Company all of the assets of the said Standard Life Insurance Company of any kind or character whatsoever. To this end it is specifically agreed and made a part of this contract and obligation that the law firm of Little, Powell, Smith and Goldstein, or any

member thereof, are, by both parties, given authority to determine what instruments, deeds, contracts, assignments, endorsements, etc., are appropriate to carry out the obligations of the Standard Life Insurance Company obligates itself promptly to execute, by proper officers and under its corporate seal if necessary, such papers and instruments as the said firm shall so advise.

2. The said Standard Life Insurance Company will immediately deliver to the Southern Insurance Company all of its books, records, papers, policy cards and records of every kind or character whatsoever, including all forms, blanks, and other documents which may be in its possession.

3. The Standard Life Insurance Company will immediately execute checks to the Southern Insurance Company conferring all bank balances in the possession of the Standard Life Insurance Company, and when and as further checks and remittances may be received, payable to the Standard Life Insurance Company, will promptly endorse and transfer the same to the Southern Insurance Company.

Generally, and for the purpose of enlarging, but not restricting, the specific obligations hereinbefore recited, the Standard Life Insurance Company covenants and agrees that it, as well as its officers and directors will cooperate with the Southern Insurance Company in the fullest and most complete manner, and will do all things necessary to carry out fully the spirit and intent of this contract, and to transfer to the said Southern Insurance Company all of the policies of the said Standard Life Insurance Company and all of its assets, and will continue its corporate existence and continue a board of directors and a complete set of officers so long as it may be necessary or desirable in connection herewith, and will from time to time execute such further instruments, conveyances, assignments and transfers as may from time to time be deemed desirable or necessary.

This contract will become effective when by both parties and approved as required by law by the Insurance Commissioners of the State of Georgia and of Tennessee, but upon becoming effective, its effective date for all purposes hereunder shall be treated as the 15th day of January, 1925.

In witness whereof the respective parties have caused these presents to be signed by their proper corporate officers and their respective corporate seals to be hereto attached; this the day and year first above written. Executed in four duplicates, each of which shall be deemed and considered to be an original.

SOUTHERN INSURANCE COMPANY
By Will G. Harris, President.
Attest: Will L. Harris, Ass't. Sec.

STANDARD LIFE INSURANCE COMPANY,
By H. E. Perry, President.
Attest: J. A. Robison, Secretary.

Approved this January 15th
1925,
William A. Wright, Insurance
Commissioner of Georgia

Approved this January 16th, 1925,
A. S. Caldwell, Insurance
Commissioner of Tennessee

(Said contract was subsequently signed as above)

AND WHEREAS a full complete consideration of the business and affairs of this company leads inevitably to the conclusion that it is to the best interest of the company that its affairs be liquidated, and it is believed by the stockholders of the company that the said proposal of the Southern Insurance Company is the fairest and best proposal looking to this end that can be obtained and whereas the matter has been discussed with the commissioner of insurance of the State of Georgia, and the said commissioner of insurance, while not assuming to act formally until the matter is submitted formally to him, has, nevertheless, out of his interest in all companies acting under his jurisdiction, expressed informally his view that said proposal is to the interest of the company, that it should be accepted, and will be approved by him when formally submitted to him.

NOW THEREFORE, in consideration of the premises, it is RESOLVED by the stockholders of the Standard Life Insurance Company that the said proposal be and is hereby accepted and the officers and directors of this corporation are hereby authorized, empowered and directed to execute the said contract and to carry out all of the obligations therein imposed upon this company, and to execute from time to time such further conveyances, deeds, quit claims, instruments, or proper fully and completely to carry out the said understanding and agreement.

RESOLVED FURTHER, that the stockholders of this company who have by this contract become shareholders in the said Southern Insurance Company, pledge their active earnest cooperation with said Southern Insurance Company in order to make our relationship profitable and agreeable both to that company and to ourselves.

RESOLVED FURTHER, that this company request the Southern Insurance Company to make the stock distribution to its shareholders as provided for in said proposed contract with it.

EXHIBIT "C"

GEORGIA

Fulton County:

WHEREAS, The Southern Insurance Company has made a written proposal to the Standard Life Insurance Company to re-insure its policies and take over its business, as is more fully shown by the written proposal and contract.

WHEREAS, the stockholders of the Standard Life Insurance Company are considering said proposal, and

WHEREAS, in order to induce favorable action thereon by the stockholders of the said Standard Life Insurance Company, the said Southern Insurance Company has represented that:

(1) Its outstanding capital stock is TWO HUNDRED TWELVE THOUSAND DOLLARS (\$212,000.00), and that its surplus as of December 31, 1925, has TWO HUNDRED THOUSAND DOLLARS (\$200,000.00), and has warranted that its unimpaired capital stock and surplus shall in no event vary more than twenty-five thousand dollars (\$25,000.00) from the above represented figures:

(2) That there is now due a dividend of two dollars (\$2.00) per share on the ten thousand (10,000) shares of its capital stock, which it is proposed to turn over to the stockholders of the Standard Life Insurance Company, and that the right to said dividend shall go with the said ten thousand (10,000) shares, and shall be paid to the stockholders of the Standard Life Insurance Company, who take over the said ten thousand (10,000) shares:

(3) That as promptly as possible amendment will be applied for the charter of the Southern Life Insurance Company, so that its name shall be changed to SOUTHERN & STANDARD LIFE INSURANCE COMPANY:

(4) That no less than three (3) members of the present Board of Directors of the Standard Life Insurance Company shall be elected to membership on the Board of Directors of the Southern & Standard Life Insurance Company:

(5) That the present office administration of the Standard Life Insurance Company shall be maintained as the Atlanta Office of the Southern & Standard Life Insurance

Company, insofar as the same may be found by the Board of Directors thereof to be for the best interest of said Company:

(6) That the debts of the Standard Life Insurance Company, assumed by The Southern Life Insurance Company, is understood to include, and shall include specifically, all indebtedness to the SOUTHEASTERN TRUST COMPANY, A. A. LYNCH, and KATZ & LEVY.

(7) That if a majority of the directors of the Standard Life Insurance Company shall organize a new life insurance company within ten (10) years, that the Southern Life Insurance Company will re-insure with said new company so organized, all of the policies that shall then remain outstanding of the business this day re-insured by the Standard Life Insurance Company, at a consideration of twelve dollars per one thousand dollars.

NOW THEREFORE, BE IT RESOLVED:

That any action which may be taken upon the proposal of said The Southern Life Insurance Company, shall be understood to have been taken upon the basis of the above representation, constructions, and agreements, as to the effect and scope of said proposal, and this resolution shall be considered as a part of, and construed together with, any resolution that may be adopted in acceptance of said proposal.

SIGNED: STANDARD LIFE INSURANCE COMPANY
 By Heman E. Perry, President
 By J. A. Robinson, Secretary
 SOUTHERN INSURANCE COMPANY
 Will G. Harris, President
 Will L. Harris, Assistant
 Secretary

EXHIBIT "D"

All that tract or parcel of land lying and being in Land Lot Fifty-one (51) of the Fourteenth (14th) District of Fulton County, Georgia, more particularly described as follows:

Beginning at the South side of Auburn Avenue at a point one hundred ninety (190) feet east of the southeast corner of Auburn Avenue and Courtland Street, at the east line of the property of the Wesley Memorial Hospital; and running thence, east along the south side of Auburn Avenue, one hundred (100) feet to a ten (10) foot alley; thence south, along the west side of said alley, one hundred fifty (150) feet; thence west one hundred (100) feet to the property of the Wesley Memorial Hospital; thence north along said property one hundred fifty (150) feet to the point of beginning; said premises being improved property known as Numbers 115 and 119 Auburn Avenue, according to the present numbering of houses in the City of Atlanta, being the same property described in bond for title from Asa G. Candler, Inc. to H. E. Perry made under date of September 11, 1919, transferred to R. S. Williams, H. C. Dugas, W. F. Boddie, A. M. Wilkins, J. S. Turner, G. A. Howell, J. A. Robinson, and J. F. Boddie, transferred to Service Realty Company, said bond for title being recorded in Deed Book 637, page 394, Fulton County Records.

AND ALSO

All that tract or parcel of land lying and being in Land Lot fifty-one (51) of the Fourteenth (14th) District of Fulton County, Georgia, more particularly described as follows:

Beginning at the southeast corner of Auburn Avenue and Courtland Street; one hundred fifty (150) feet; thence east one hundred ninety (190) feet to property of Asa G. Candler, Inc.; thence north, along Candler's line, one hundred fifty (150) feet to Auburn Avenue; thence west, along Auburn Avenue, one hundred ninety (190) feet to point of beginning, being the same property described in bond for title made by Wesley Memorial Hospital to H. E. Perry wherein a loan of twenty thousand dollars (\$20,000.00) was assumed transferred to R. S. Williams, H. C. Dugas, W. F. Boddie, A. M. Wilkins, J. S. Turner, G. A. Howell, J. A. Robinson, and J. F. Boddie and transferred to Service Realty Company, said bond for title being recorded in Deed Book 637, page 391, Fulton County Records.

B. No. 70095

FULTON SUPERIOR COURT

Standard Life Insurance Company

44

VERSUS

Southern Insurance Company

et al.

Filed in Office this the 3

day of November, 1926

Fred F. Edwards Deputy Clerk

Recorded Writs Page

the day of192

. Clerk

Fee,

Motion No. 18181

Minutes 109 Page 240

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Alston, Alston, Foster and Moise

Plaintiff's Attorney

Sheriff's Writ Docket A - 1 Page 385

STANDARD LIFE INSURANCE)	
COMPANY)	
VS.)	IN EQUITY
)	
SOUTHERN INSURANCE COMPANY)	
ET AL.)	

TO THE HONORABLE, THE SUPERIOR COURT OF FULTON COUNTY, GEORGIA:

This the petition of Standard Life Insurance Company, respectfully represents unto this Honorable Court as follows:

1.

Your petitioner is a corporation organized and existing under the laws of the State of Arkansas, and is the same Standard Life Insurance Company which is described in the contracts hereinafter mentioned.

2.

Petitioner brings this its petition against Southern Insurance Company, a corporation under the laws of the State of Tennessee, having its principal office at Nashville, Tennessee, and being the same corporation which is mentioned in the contracts hereinafter referred to; the said Insurance Company has an office and agency and is engaged in doing business in the County of Fulton and State of Georgia; and against Citizens Trust Company, a corporation under the laws of the State of Georgia, having its principal office and place of business in Fulton County; and against Will G. Harris, a resident and citizen of the City of Nashville and State of Tennessee.

3.

Your petition represents that heretofore, a corporation known as Standard Life Insurance Company was created under the laws of the State of Georgia, and was qualified to do a life insurance business in the State of Georgia and elsewhere and having its principal office and place of business in the City of Atlanta. The said Standard Life Insurance Company (the Georgia corporation) issued a large number of policies of life insurance. For the most part, if not exclusively, those policies were issued on the lives of colored men and women. The policies of the said Georgia corporation amounted to several millions of dollars, and reserves on the policies written by the said Georgia corporation and outstanding on the 25th day of December, 1925, aggregated a sum in excess of three million (\$3,000,000.00) dollars. Representing the investment of the said sum, the said Georgia corporation owned a considerable amount of property which included all of the property hereinafter described in Exhibit No. 3 hereto attached.

4.

The said Standard Life Insurance Company, the Georgia corporation, became involved in financial difficulties, and operated for some time under the immediate supervision of the Insurance Commissioner of Georgia. The said Georgia corporation and the Southern Insurance Company entered into a contract dated January 15, 1925, by which the business and assets of the two companies were merged into Southern Insurance

Company. Stock of the Southern Company was exchanged for stock of the Georgia corporation at the rate of four shares of the Southern Company for one share of the Georgia corporation. An agreement was also entered into whereby Southern Insurance Company, the defendant in this case, assumed the full responsibility for all of the policies of the Georgia corporation then outstanding and for all of the debts and obligations of the Georgia corporation. The Georgia corporation conveyed to said Southern Insurance Company all of its assets, including those mentioned in Exhibit No. 3. The said assets thus conveyed were not more than enough to balance the reserve liability under the policies issued by the Georgia company and assumed by the said Southern Insurance Company.

5.

On the 28th day of December, 1925, said Southern Insurance Company entered into a contract with Standard Life Insurance Company, the plaintiff in this case, and a corporation organized under the laws of Arkansas, wherein the Southern Insurance Company agreed to sell and convey to the petitioner, Standard Life Insurance Company, a certain part of its insurance business, being that part of its insurance business which it had acquired from the Standard Life Insurance Company, the Georgia corporation, and being the business originally written by the Standard Life Insurance Company, the life insurance thus described being on the 28th day of December, 1925, about twenty-three million (\$23,000,000.00) dollars. A copy of the contract entered into between the Southern Insurance

Company, one of the defendants and Standard Life Insurance Company, the Arkansas corporation and this petitioner, is hereto attached, marked Exhibit No. 1. The said contract is made a part of this petition and of this paragraph.

6.

Under said contract, Exhibit No. 1, this petitioner underwrote, assumed and reinsured all of the insurance policies known and designated as the former business of the Standard Life Insurance Company, of Georgia, then owned by Southern Insurance Company, and the Standard Life Insurance Company, this petitioner, undertook to agree to pay all valid, letal liabilities of Southern Insurance Company arising or accrued under the policy contracts of the Standard Company, the Georgia corporation, from and after December 28, 1925.

7.

The Southern Insurance Company agreed to transfer and assign, convey and set over unto the said Standard Life Insurance Company, this petitioner, and amount of property and assets equal to the amount of, and legally acceptable as the reserve required on the said business sold by it and purchased by your petitioner, less the sum of seven hundred and fifty thousand (\$750,000.00) dollars. The property and assets which the Southern Company agreed to convey and your petitioner agreed to accept, were to consist of mortgage loans on real estate, collateral loans, policy loans, premium notes, bonds,

stocks, cash in bank, interest due and accrued, rents due and accrued, unexpired value of fire insurance premiums, due and deferred premiums, and real estate at appraised value, the seven hundred fifty thousand (\$750,000.00) dollars above mentioned (being the amount of the difference between the assets which were to be transferred by the Southern Company to petitioner, and the reserve upon the said policies assumed by petitioner) was represented by assets formerly owned by the said Georgia corporation, including the real estate referred to in Exhibit No. 3, hereto.

8.

In order to induce your petitioner to enter into the said contract of reinsurance, the said Southern Insurance Company and one Will G. Harris, entered into a contract in writing with your petitioner, copy of which is hereto attached and marked Exhibit No. 2, which said contract is made a part of this petition and paragraph. In said contracts, it was agreed that the assets or legal reserve to be transferred to your petitioner, were to consist substantially of the following:

Mortgage loans on real estate	\$485,773.73
Collateral loans	48,553.29
Policy loans	484,714.77
Premium notes	15,161.98
Bonds, U. S. Liberty	10,000.00
Stocks, Mississippi Life	59,784.43
Cash in Banks	65,379.78
Interest due and accrued	52,525.18
Unexpired value, Fire Insurance Premiums	1,599.27
Due and Deferred Premium	231,728.91
Real Estate	1,374,465.15
Rents due and accrued	4,917.55

Fluctuations in said amounts were provided for as follows:

"It is also understood and agreed that the Southern Insurance Company and Will G. Harris, personally, guarantee to the said Standard Life Insurance Company, the amount turned over in mortgage loans on real property, collateral notes and the stock in the Mississippi Life Company, and bank accounts, shall be substantially of the value listed and turned over, and agree to pay to the said Standard Life Insurance Company, any loss that it may sustain on either of these items, provided said loss is not due to the negligence or carelessness of the said Standard Life Insurance Company."

By this contract, the said Southern Insurance Company and Will G. Harris guaranteed the following items:

- (1) The amount turned over in mortgage loans on real property;
- (2) Collateral notes;
- (3) The stock in the Mississippi Life Company;
- (4) Bank accounts.

The mortgage loans which were actually turned over amounted to \$399,915.02
face value. Losses have been incurred and actually realized on account of the said mortgages in the sum of \$57,363.56.

The said losses were incurred and realized as follows:

1. Mortgage of Robert and Elliott Moore was foreclosed. A loss was sustained of \$2,367.08
2. Mortgage of Wallace Harvey. It was represented that there was mortgage executed by Wallace Harvey in the assets so sold and transferred, constituting a part of the said \$399,915.02. In fact, this mortgage had been foreclosed, and a loss had been sustained in the sum of \$18,644.63,
the property acquired being of a value less by that sum than the amount of the mortgage.

3. Mortgage of E. W. Whatley in the aforementioned item of mortgages when in fact there was no such mortgage. It had been foreclosed, the property had been purchased and it was of a value less than the amount of the mortgage by \$4,401.97 and a loss was sustained to that extent.

Interest on the three items has accrued for a period of ten months, amounting to \$2,393.07

4. Mortgage by Leon Wright has been foreclosed and a loss incurred of \$9,290.15
5. J. H. Hunter mortgage. It has been agreed by the Southern Company that this mortgage is not worth the amount at which it was taken in the sum of \$262.24

9.

Your petitioner represents that on account of the matters and things herein mentioned, it has suffered a loss on account of the item of mortgages in the sum of fifty-seven thousand, three hundred sixty-three dollars and fifty-six cents (57,363.56) and the said Insurance Company and the said Will G. Harris are indebted to your petitioner in the said sum with interest at the rate of seven per cent. Seven per cent from the date of the filing of this petition.

10.

Your petitioner further represents that the said item of mortgages is of a value less than that at which the same was transferred to your petitioner, and which value was represented by the Southern Company to be the true value thereof of fifty thousand (\$50,000.00) dollars in addition to the aforementioned fifty-seven thousand, three hundred sixty-three dollars and fifty-six cents (\$57,363.56), in which sum

the Southern Company is indebted to your petitioner with interest from the date of the filing of this petition, at the rate of seven per cent (7%) per annum.

11.

Your petitioner represents that heretofore your petitioner made claim against the Southern Insurance Company and Will G. Harris in the sum of one hundred twenty-nine thousand, two hundred seventy-five dollars and forty-four cents (\$129,275.44), which said claim was admitted by the said Insurance Company delivered to the Standard Life Insurance Company, your petitioner, assets of the estimated value of one hundred four thousand, fifty-one dollars and sixty-four cents (\$104,051.64), leaving a balance due on this item of twenty-five thousand, two hundred twenty-three dollars and eighty cents (\$25,223.80), in which sum defendant, Southern Insurance Company and Will G. Harris are indebted to your petitioner, together with interest at the rate of seven per cent per annum from the date of the filing of said petition. The items constituting the above mentioned claim of one hundred twenty-nine thousand, two hundred seventy-five dollars and forty-four cents (\$129,275.44) are as follows:

Premium Notes	since 12/31/25	\$56,726.71
R. & L. McMichale	Interest included in mortgage	1,843.70
Lillian Terrel	8" since 12/31/25	2,575.54
M. R. Burch	7" since 12/31/25	2,672.44
R. H. Milner	8" " "	112.67
G. F. Porter	8" " "	590.00
John W. Sweatt	7" " "	31,230.68
Augusta Stores	8" " "	20,000.00
Carrie Anderson	8" " "(Overcharge)	43.29
A. L. E. Weeks	6" " "	961.09

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Sallie Johnson	6	since 12/31/25	65.00
W. B. Blackstone	7	" " "	90.00
Homer Thomas	7	" " "	27.82
C. Williams	8	" " "	53.30
J. L. Young	7	" " "	84.95
Agric. Imp. Co.			
Foreclosed-Int.	6	from 4/6/26	1,762.37
Bessie Brackins			
Foreclosed-Int.	6	" "	1,931.98
Ben J. & Inez Love			
Foreclosed-Int.	7	" "	869.79
Service Company Lot			
Foreclosed-Int. and sold 5/4/26			3,091.42
W. J. Shaw Mortgage		5,278.63	1,778.63
Interest on the above			<u>2,764.06</u>
			<u>\$129,275.44</u>

These losses were agreed upon and a partial settlement made as per correspondence of May 11, 1926.

12.

Petitioner represents that among the assets delivered over to your petitioner by the Southern Insurance Company, was a certain loan of the Penny Savings Loan & Investment Company of Augusta, Georgia. This was transferred to your petitioner at a value of thirty-nine thousand, two hundred eighty-nine dollars and sixty-five cents, (\$39,289.89), accrued interest as of December 31, 1928, making the aggregate value of this item at which the same was delivered to petitioner, forty-two thousand, three hundred twenty-nine dollars and fifty-four cents (\$42,329.54). This loan was of practically no value whatever. At the same time as a part of the same transaction, a mortgage executed by the Penny Savings Bank, in Augusta, was transferred to petitioner at the value of forty-two thousand, three hundred thirty-two dollars and fifty cents (\$42,332.50) plus one thousand, nine hundred eighty-four dollars and one cent (\$1,984.01) of accrued

interest to December 31, 1925, making the aggregate value at which this item was turned over to your petitioner, forty-four thousand, three hundred sixteen dollars and fifty-one cents (\$44,316.51). The aggregate of these two items was therefore eighty-six thousand, six hundred forty-six dollars and five cents (\$86,646.05). An adjustment had been made of these two items with the consent of the Southern Insurance Company and of Will G. Harris, by which your petitioner has received ten thousand (10,000.00) dollars in cash and twenty thousand (\$20,000.00) dollars as a mortgage upon the aforementioned building occupied by the Penny Savings Bank, the cash and the mortgage amounting to the face value of thirty thousand (\$30,000.00) dollars. Thereby your petitioner had secured a loss of fifty-six thousand, six hundred forty-six dollars and five cents (\$56,646.05) on this, which said loss is recognized by the said Southern Insurance Company and by the said Will G. Harris and liability therefore to your petitioner is admitted.

13.

Your petitioner represents that the aforementioned items, aggregating eighty-six thousand, six hundred forty-six dollars and five cents (\$86,646.05) were and are of a value of fifty-six thousand, six hundred forty-six dollars and five cents (\$56,646.05) less than the value at which the same were delivered over to your petitioner.

14.

Said Southern Insurance Company and the said Will G.

Harris are indebted to your petitioner in the sum of fifty-six thousand, six hundred forty-six dollars and five cents (\$ 56,646.05) on this account, besides interest thereon.

15.

Petitioner further represents that after it had taken possession of the assets which had been assigned to it by the Southern Insurance Company as aforesaid, it continued to operate through the same person who had been, and who continued, in the employ of Southern Insurance Company, deposited the moneys of your petitioner, which moneys were received from its policyholders and payments on account of premiums, in Citizens Trust Company. Said moneys were improperly deposited by such person to the account of Southern Insurance Company. The Southern Insurance Company drew its checks on Citizens Trust Company, and the said Trust Company on said checks on the said Southern Insurance Company, paid out the moneys which had been deposited from the funds of your petitioner as aforesaid. The aggregate amount of the check of the Southern Insurance Company was forty-one thousand, three hundred forty-three dollars and ninety-one cents (\$41,343.91), which amount was paid out by the said Citizens Trust Company from the moneys which were owned by your petitioner. The said moneys were wrongfully used by Southern Insurance Company and it received from your petitioner's funds the aforesaid amount of money and converted the same to its own use. This was done between January 15 and February 15, 1926. The Southern Company is therefore indebted to your petitioner in the said sum with

interest thereon at seven per cent per annum from February 15, 1926.

16.

Your petitioner represents that it agreed to pay Southern Insurance Company twenty-five thousand (\$25,000.00) dollars for agents' balances, premium notes (other than the fifteen thousand (\$15,000.00) dollars listed in the contract in Exhibit No. 2) including furniture, fixture, stationery, supplies, etc.

Said amount of twenty-five thousand (\$25,000.00) dollars was to be paid after certain adjustments had been made as is contemplated in said contract.

Your petitioner paid, at the request of the said Southern Insurance Company, many items to be applied against said twenty-five thousand (\$25,000.00) dollars item; the aggregate of said payments being three thousand fourteen dollars and twenty-nine cents (\$3,014.29) more than said twenty-five thousand (\$25,000.00) dollars.

Defendant, Southern Insurance Company, is indebted to your petitioner in the sum of said three thousand fourteen dollars and twenty-nine cents (\$3,014.29) on this account, together with interest thereon at the rate of seven (7) per cent per annum from the date of the filing of this petition.

17.

Your petitioner represents that at the time the Southern Insurance Company delivered to your petitioner certain of the

assets which it agreed to deliver under the contracts and in the circumstances hereinbefore set out, it represented that certain parcels of the real estate so conveyed was subject to encumbrances. In ascertaining the amount of such encumbrances, certain interest accrued on the mortgage loans affecting parcels of said property was not taken into consideration, but, in error was omitted. The interest which had thus accrued to December 31, 1925, is three thousand thirty-five dollars and thirty-eight cents (\$3,035.38), the said date being the date to which said interest was to have been calculated. The encumbrances, therefore, on said parcels of property were that much more than the amounts at which they had been taken into account, forcing your petitioner to carry that much greater burden and to pay that much more money for which it has received no corresponding consideration.

The said excess interest had accrued on the following mortgages:

<u>MORTGAGE TO</u>	<u>PRINCIPAL</u>
David Stern against 1010 Moseley Drive	\$2,000.00
Acacia Mutual Life Insurance against H. A. Queen Property	2,125.00
S. W. Herren against H. A. Queen property	2,125.00
Henry Witt against Odd Fellows' properties	3,000.00
William Matthews and Black & Siple	2,000.00
H. R. Boswell	2,500.00
E. L. McNair	20,000.00
Adair Realty & Trust Company	\$122,444.00

Defendant is therefore indebted to your petitioner on this account in the sum of three thousand thirty-five dollars and thirty-eight cents (\$3,035.38), with interest thereon at the rate of seven (7) per cent per annum from the date of the filing of this petition.

18.

Petitioner represents that in the aforementioned contract, the said Southern Insurance Company and the said Will G. Harris guaranteed, among other things, that the stock in the Mississippi Life Company and bank accounts shall be substantially of the value listed and turned over. The stock of Mississippi Life Company was valued at \$59,784.43. The said Southern Insurance Company and the said Will G. Harris caused the stock in the Mississippi Life Company, to-wit: six hundred fifteen (615) shares, to be transferred to Citizens Trust Company and the said Citizens Trust Company issued therefor a sixty thousand (\$60,000.00) dollar time certificate of deposit due in one year with interest at six (6) per cent per annum. The said certificate of deposit was tendered to your petitioner in lieu of the Mississippi Life Insurance Company stock and your petitioner accepted the said time certificate of deposit under the condition, in lieu of the Mississippi Life Insurance Company stock specified in the contract, with the understanding that the guarantee, for cash, and the Mississippi Life Insurance Company stock, stated is to follow and be held against the Southern Insurance Company and Mr. Will G. Harris, personally, for this time certificate of deposit. The said condition was agreed to by the said Southern Insurance Company and by the said Will G. Harris. The aforementioned certificate of deposit is dated December 31, 1925, though it was actually issued by said Citizens Trust Company on January 18, 1926. It is due one year after date, that is,

on the 31st day of December, 1926. The said Citizens Trust Company has declared to petitioner that it will not pay the said certificate and that it is not liable thereon. The said certificate is worthless, save for the guarantee of the Southern Insurance Company and the said Will G. Harris. That the said Southern Insurance Company and the said Will G. Harris are indebted to your petitioner on this account in the sum of sixty thousand (\$60,000.00) dollars, with interest at the rate of seven (7) per cent per annum from the 1st day of January, 1926.

19.

Petitioner represents that an item of lien notes on policies amounting to sixty-two thousand, fifty-nine dollars and seven cents (\$62,059.07) were delivered by the Southern Insurance Company in part satisfaction of its liabilities under the said contract. Your petitioner accepted the same with this condition and claim.

It being the contention of the Standard Life Insurance Company that under the contract with the Southern Insurance Company, this item was to be thrown in as a part of the purchase money specified in the contract for \$25,000.00 and said item is received, therefore, under the condition, under protest. The Standard Life Insurance Company, therefore, reserves the right to claim from the Southern Insurance Company and Mr. Will G. Harris, personally, an amount of \$62,059.07 in other admittable assets.

The part of the contract for twenty-five thousand (\$25,000.00) dollars there referred to is as follows:

It is agreed by both companies that the Standard

Life Insurance Company is to pay to the Southern Insurance Company, \$25,000.00 or agents' balances, premium notes (other than 15,000.00 above listed) including furniture, fixtures, stationery, supplies and everything of a similar nature.

The said twenty-five thousand (\$25,000.00) dollar consideration has been otherwise fully satisfied.

The condition on which your petitioner accepted the said lien notes as above set out, was agreed to by the said Southern Insurance Company and the said Will G. Harris.

WHEREFORE, petitioner alleges that the said Southern Insurance Company and the said Will G. Harris are indebted to your petitioner in the sum of sixty-two thousand fifty-nine dollars and seven cents (\$62,059.07), with interest thereon at the rate of seven (7) per cent per annum from January 1, 1926.

20.

Petitioner alleges that the Southern Insurance Company came into possession of the assets set out in Exhibit 3 hereof because of its reinsuring the policies of insurance issued by Standard Life Insurance Company, a Georgia corporation. That the said Georgia corporation had become embarrassed and unable to carry on business; and the properties set out in Exhibit 3 (all this being real estate in the State of Georgia) were held as a part of the assets necessary to constitute the legal reserve due by the said Georgia corporation, and without said assets there would have been a deficiency in the reserve, this is, that portion of the premiums paid to the Company and set

apart for the protection of policyholders with which to mature or liquidate claims arising under the policies.

21.

It was intended by the contracts hereinbefore referred to that the Southern Insurance Company would transfer, convey, assign and deliver over your petitioner moneys and other properties of the kind known under the laws of Georgia, as admitted assets, which would be equal to the legal reserve upon said policies of insurance which has been issued by the Standard Life Insurance Company, the Georgia corporation, less seven hundred fifty thousand (\$750,000) dollars, which latter amount it was intended would be otherwise provided.

22.

The Southern Insurance had failed to transfer, assign, or convey and deliver to your petitioner, assets of the kind mentioned equal in value to said reserve after deducting seven hundred fifty thousand (\$750,000) dollars therefrom as of December 28th, 1925, by the sum of \$358,687.06 dollars.

23.

The acts of the Southern Insurance Company, unless corrected, will have the effect of taking out of this State, the assets in the hands of a corporation foreign as to the State of Georgia, which said assets are necessary to the preservation of the reserve fund required by the laws of Georgia, to be set aside for the policies, and without which said fund the said Georgia corporation would be insolvent as to its

obligations under its policies.

In the circumstances the said properties listed in Exhibit 3 hereto make a part of a trust fund and should be impressed with a trust in favor of your petitioner and through your petitioner for the protection of the policyholders of the said Georgia corporation and those who are interested in or beneficiaries under the policies of the said Georgia corporation.

24.

Your petitioner alleges that the claims herein set out in its favor against the said Southern Insurance Company and the said Will G. Harris, are summarized as follows:

1. Loss on mortgages	\$57,363.56
2. Loss in value of mortgages	50,000.00
3. Unpaid amount of settlement of certain items set out in Par. 11 of petition	25,223.80
4. Loss on items set out in Par. 12 of petition	36,646.05
5. Misapplication of deposited funds as set out in Par. 15 of petition	41,343.91
6. Overpayment on furniture, etc., as set out in Par. 16 of petition	3,014.29
7. Loss on account accrued interest, as set out in Par. 17 of petition	3,036.38
8. Loss on account of Mississippi Life Company's stock, Par. 18 of petition	60,000.00
9. Loss on account of lien notes, Par. 19 of petition	<u>62,059.07</u>
AGGREGATE OF TOTAL CLAIMS	\$338,687.06

25.

Your petitioner reserves the right to file other and additional claims against said defendants, or either of them, as they may develop under the said contracts or under the

relationship between the parties hereto.

Petitioner waives discovery of the defendants, and prays that:

- (1) Process issue requiring said defendants to be and appear at the next term of this Honorable Court to answer petitioner's petition;
- (2) Your petitioner have relief against the said defendants according to the allegations of said petition, and as the same may be amended;
- (3) The lands described in Exhibit No. 3 to the petition be equitably seized under the order of this court and a lien be fixed thereon;
- (4) A trust be declared to exist on and against the said lands mentioned in said Exhibit No. 3 in favor of petitioner and through your petitioner in favor of the policyholders of the Standard Life Insurance Company, the Georgia corporation, and in favor of all persons who are beneficiaries under any of said policies or interested therein.
- (5) Defendant Southern Insurance Company be restrained and enjoined from selling, encumbering, or otherwise altering the status of any of said properties mentioned in said Exhibit No. 3.
- (6) A receiver be appointed for said property so described in said Exhibit No. 3 and for other properties of the Southern Insurance Company in the State of Georgia.
- (7) A rule nisi issue requiring defendants to show cause, if any they have, why the restraining order to be issued hereon shall not be made permanent and injunction issue and permanent Receiver be appointed.
- (8) Petitioner prays for such other and further and general relief as may be meet and proper under the facts of this cause.

C.

J. S. FLIPPER, et al	:	
	:	
VS	:	NO. <u>70095</u>
	:	
STANDARD LIFE INSURANCE	:	FULTON SUPERIOR COURT
COMPANY OF EUREKA SPRINGS,	:	
ARKANSAS, et al,	:	

Now come the plaintiffs in the above stated case and amend their petition in said case as follows:

1. Plaintiffs now learn that the defendants in this case are claiming or will claim some rights as against plaintiffs and other policy holders similarly under and by virtue of a certain decree rendered in this court on March 16, 1927, in the case of Charles H. Brown, et al, against Southeastern Trust Company, et al, the same being case No. 68732 in this court, and plaintiffs therefore by this amendment desire to bring to the attention of the court the pertinent facts relative to said decree, for the purpose of showing that said decree is not in any wise binding upon these plaintiffs and other policy holders similarly situated, and to ask the court to set aside said decree in so far as it may in any wise attempt to affect the rights of these plaintiffs and other policy holders similarly situated, in so far as by its terms it purports to affect such rights. In this connection, plaintiffs show that the fact of such said decree had been entered, and they were unknown to them until long after said decree had been entered, and they were not parties in said case or represented therein before the court.

2. The decree hereinbefore to was entered in the case sounding Charles H. Brown and others against Southeastern Trust Company and others, No. 68732, in this court, that was instituted by the petition of Charles H. Brown and George A. Howell, who alleged themselves to be stockholders of the Standard Life Insurance Company of Georgia. The petition in said case is long and voluminous, and reference thereto is prayed as often as may be necessary. The same is of record in this court, and plaintiffs pray that they be not required to set forth a copy of said petition but that the same by reference, in so far as may be essential to this amendment, be made a part hereof. This case was filed in behalf of stockholders of the Standard Life Insurance Company of Georgia, and was against Southeastern Trust Company, Silas W. Davis, John A. Copeland, Southern Insurance Company, Standard Life Insurance Company of Arkansas, and the Standard Life Insurance Company of Georgia. As disclosed by the petition in said case, the object and purpose thereof was to recover from said named defendants various assets which had formerly belonged to the Standard Life Insurance Company of Georgia for the benefit of stockholders in said company. In said original petition it was prayed, among other things, that Receivers be appointed for the Standard Life Insurance Company of Georgia with authority to intervene in said suit to recover money and damages from the defendants named in said suit. That suit was filed on the 29th day of June, 1926,

and temporary receivers were appointed for the Standard Life Insurance Company of Georgia with authority to take charge of and control all books, records, property, affairs and business of said defendant Standard Life Insurance Company of Georgia. It is alleged that the said receivers did not seize and take possession of any of the property involved in this present litigation, and the court did not acquire possession through its receivers of any of such property.

3. The suit of Brown and others above referred to was subsequently amended on several occasions, and during its progress two policy holders, namely, Jesse Brown and E. Franklin Frazier, intervened therein, alleging themselves to be policy holders of the Standard Life Insurance Company of Georgia. They adopted the allegations of the original petition and of an amendment that was filed to the original petition on the same day that said parties intervened, which was November 8, 1926. The said interveners asked leave to intervene in behalf of themselves and all policy holders of said insurance company, that is, the Standard Life Insurance Company of Georgia, whether re-insured in Southern Insurance Company or Standard Life Insurance Company of Arkansas. In this connection plaintiffs show that these intervening policy holders were represented by the same attorneys who represented the original plaintiffs in said case, Brown and Howell, as stockholders.

4. It appears by the pleadings of file in said suit of Brown and others above referred to that on the same day that

the final decree was rendered therein four other persons designating themselves as policy holders in the Standard Life Insurance Company of Arkansas, namely W. L. Ivey, Charley Hughes, Ernest C. Robinson and John M. Robinson intervened in behalf of themselves and all other policy holders similarly situated as regards the assets and controversies involved in said case. These intervenors were likewise represented by the same attorneys who filed the original cause on behalf of the stockholders.

5. Plaintiffs aver that, as will appear from the original petition of Brown and Howell, as stockholders, hereinbefore referred to, the sole and only purpose of said suit was to recover from the defendants the rein certain property, money and assets alleged to belong to the Standard Life Insurance Company of Georgia which it was alleged were unlawfully taken from said Standard Life Insurance Company of Georgia for the benefit of the stockholders in said company and thereby to place said Standard Life Insurance Company of Georgia in a position where it could for the benefit of its stockholders resume business, and, if this could not be done, to have the business, property and effects of the Standard Life Insurance Company of Georgia liquidated. Plaintiffs allege that said suit had no other purpose, and was instituted for and on behalf of the stockholders of said Standard Life Insurance Company of Georgia.

6. Plaintiffs further aver that there was at no time any pleadings in said case setting forth or suggesting any

plan for attempting to re-insure the policy holders of the Standard Life Insurance Company of Georgia or even of the Standard Life Insurance Company of Arkansas, and that any suggestion would not have been within the purview of the original bill and would not have been germane thereto and would not have been within the province of the court in dealing with said suit under the allegations thereof.

7. Plaintiffs further aver that no policy holder either of the Standard Life Insurance Company of Georgia or the Standard Life Insurance Company of Arkansas could by constituting himself a representative of all other policy holders have taken any action, by consent or otherwise, that would have the effect of making binding upon all policy holders, any contract or plan whereby such policy holders would be deprived of their fixed contract right as against said insurance companies, or imported into any other company without their consent and in violation of their vested contract rights.

8. Plaintiffs further aver that there was nothing in the pleadings in said case of Brown and Howell above referred to to put any policy holder on notice, that it was the purpose or intention, or the desire of the parties or any of them in said court to undertake to re-insure the business of the Standard Life Insurance Company of Georgia, or the Standard Life Insurance Company of Arkansas in any other company and to transfer to another company the money, property, assets, good will and business formerly owned by the Standard Life Insurance Company of Georgia. In said case, the first

suggestion or notice of any such re-insurance and transfer of said assets and property was made to the court on the final hearing of said cause and at the time the final decree was entered, and this was done then even without any pleadings to that effect.

9. Plaintiffs further aver that the interest of the stockholders who instituted said cause was in many respects antagonistic to the interests of policy holders, and they aver that the same counsel could not properly and legally represent such conflicting interests of the policy holders and stockholders.

10. Plaintiffs further allege that until the 16th of March, 1927, and some time thereafter, these plaintiffs and other policy holders similarly situated had no notice of any intention of the parties in said suit to ask the court to authorize the transfer of the business and property of said companies and to import them into said National Benefit Life Insurance Company of Washington, D. C., and had no opportunity to ascertain the terms and provisions of the contract under which this was attempted, which is referred to in said decree and made a part of said decree, and had no opportunity to present any objections they might have to said contract or to said decree, and had no opportunity to be heard before the court said decree was rendered, and until long thereafter.

11. Plaintiffs aver that for such a plan to be put in force as against them and other policy holders similarly situated, would amount to depriving them of their rights without

due process of law, contrary to the provisions of Article 1, Section 1, Paragraph 3 of the Constitution of the State of Georgia, which provides that "no person shall be deprived of life, liberty, or property, except by due process of law," and contrary to the fourteenth amendment of the Constitution of the United States, which provides, "nor shall any State deprive any person of life, liberty, or property, without due process of law, nor deny to any person within its jurisdiction the equal protection of the laws."

12. In the rendition of said decree these plaintiffs and other policy holders in a similar situation had no opportunity to be heard and were not in fact heard, and they were not represented before the court and no person had any power or authority or right to represent them before the court, as a class or otherwise, in view of the law and the facts alleged in this amendment and in the original petition in this cause.

13. Plaintiffs further aver that the court had no power, jurisdiction or authority to enter said decree of March 16, 1927, in so far as it undertook to adjudicate or fix the rights of these plaintiffs and other policy holders similarly situated, and that as to them said decree is void and of no effect and is not binding on them.

14. Plaintiffs aver that the plan for so-called re-insurance as undertaken to be set up by said contract, a copy of which is attached to the original petition in this case as "Exhibit A", is not one that would in any wise protect or further the interests of policy holders, but on the contrary

if given force and effect would result in depriving plaintiffs of their vested contract rights and their property. In this connection, plaintiffs specifically direct attention to the provisions of said contract which in substance and effect provide that the whole cost incurred by the National Benefit Life Insurance Company of Washington, D. C., in acquiring and taking over the property and the business shall be charged up against policy holders and made additional liens against their policies. It is expressly provided in Paragraph XIV of said contract that all of such expenses, including investment expenses, so-called commissions, attorneys' fees, accounting expenses, and in fact, all expenses incurred or to be incurred in connection with the transfer of said property and business shall be added to the deficit or impairment of assets and made liens against the policies of these plaintiffs and others similarly situated. In other portions of the said contract, it is provided that under the designation of "commissions" there shall be paid to the Standard Life Insurance Company of Eureka Springs, Arkansas, sums aggregating 295,000.00 with interest on the deferred payments at six per cent per annum. The other items of expense to be charged against the policy holders and made liens on their policies are not specified. Plaintiffs further show in this connection that there was paid by the National Benefit Life Insurance Company of Washington, D. C., prior to the time of the making of said contract, the sum of 15,000.00 for some sort of an option from the Standard Life Insurance Company of Eureka Springs,

Arkansas, and in said contract it is provided that this item shall be charged against the policy holders and made a lien against their policies. Plaintiffs further show in this connection that it is in effect conceded by both of said companies that the Standard Life Insurance Company of Eureka Springs, Arkansas, had allowed the legal reserve to become impaired, thus violating the contract rights of these plaintiffs and other policy holders similarly situated; and in the face of this it is provided by said contract that the said Standard Life Insurance Company of Eureka Springs, Arkansas, is to be paid a large bonus to inure to the benefit of its stockholders for turning over its impaired assets which were, under the law, for the protection of these plaintiffs and other policy holders, when as a matter of law and equity, the said stockholders in said company were and are liable to repair said deficit by reason of the fact that they had perpetrated a fraud in organizing said company by selling to said company property at grossly exaggerated prices, as set forth in the original petition in this case.

15. Plaintiffs further show in this connection that the so-called re-insurance plan does not amount to any real re-insurance by which the National Benefit Life Insurance Company of Washington, D. C., obligates itself or its assets to plaintiffs and other policy holders similarly situated, but in express language states that in effect it is in the nature of a trusteeship, and plaintiffs aver that the court would have no jurisdiction, especially under the pleadings in the case in

which said contract was undertaken to be approved, to constitute or appoint some foreign corporation trustee for these plaintiffs or other policy holders similarly situated.

16. Plaintiffs further aver that the effect of said contract between the Standard Life Insurance Company of Arkansas and the National Benefit Insurance Company of Washington, D. C., is to transfer the entire business and property of the former company to the latter at a pretended price of \$295,000.00, together with other large sums in the way of commissions, fees and expenses, and that said amounts are, under the terms of said contract, to be paid out of money and property which should, under the law and the contracts, constitute a part of the reserve fund to carry out the plaintiffs' policies, and that therefore the National Benefit Life Insurance Company of Washington, D. C., has under the terms of said contract acquired the entire business, property and good will of the Standard Life Insurance Company of Arkansas without paying one dollar of its own money therefor, but the entire purchase price, under the terms of said contract, is to be paid from the already impaired reserve which in law and equity belongs to these plaintiffs and others similarly situated, and thus further greatly impairs said reserve. Thus, by said contract, the National Benefit Life Insurance Company of Washington, D. C., has in effect taken plaintiffs' property and money and used the same for the purchase of said property and business of the Standard Life Insurance Company of Arkansas for its own purposes and its own benefit, and has in effect

confiscated plaintiffs' property and the property of others in a similar situation.

17. In view of the decree herein referred to, plaintiffs show that the following named parties who were parties in the case in which said decree was rendered are either necessary or proper parties to this cause, and they therefore ask that they be made parties herein. The said parties are Jesse Brown, E. Franklin Frazier, W. L. Ivey, Charley Hughes, Ernest C. Robinson and John M. Robinson, who designated themselves as policy holders intervening in said case of Brown and others against Standard Life Insurance Company and others. Said parties were represented in said cause by counsel, and if for any reason they cannot be personally served, plaintiffs pray that they be served by serving their counsel of record in said cause.

18. Upon information and belief plaintiffs say that the said Jesse Brown lives in Atlanta and is a messenger boy. The said Frazier is, or was a resident of Atlanta, Georgia, and the other four parties, viz; Ivey, Hughes, Ernest C. Robinson and John M. Robinson are residents of Little Rock, Arkansas. Said last four named parties, being non-residents, can be served only by publication or by serving their counsel who represented them in said cause.

WHEREFORE, plaintiffs pray that this amendment be allowed and ordered filed, and that a rule nisi be issued directed to the said Jesse Brown, E. Franklin Frazier, W. L. Ivey, Charley Hughes, Ernest C. Robinson and John M. Robinson requiring them

to show cause at a time to be fixed by the court why they should not be made parties to this cause for the purpose indicated by this amendment, and that said parties be served with said rule nisi and that upon the return of said rule nisi an order be entered making them parties to this cause.

Plaintiffs' further pray that said decree in the case of Brown and others herein above referred to and described be set aside and declared null and void in so far as the same may in any wise appear to affect the rights of plaintiffs and other policy holders similarly situated.

ATTORNEYS FOR PLAINTIFFS.

E.

No. 70095
Fulton Superior Court
In Equity

STANDARD LIFE INSURANCE COMPANY

v.

SOUTHERN INSURANCE COMPANY, ET AL,

Special Demurrer of Defendant,
Southern Insurance Company

Filed in Office, This the
18th day of January 1927

Fred T. Edwards Deputy Clerk

STANDARD LIFE INSURANCE COMPANY)	No. 70095.
)	
vs)	FULTON SUPERIOR COURT
)	
SOUTHERN INSURANCE COMPANY, ET AL.))	IN EQUITY.

SPECIAL DEMURRER

And now comes Southern Insurance Company, one of the defendants in said suit, and demurs specially to plaintiff's petition, and for grounds of demurrer says:

1-

Defendant demurs to those portions of paragraph eight of plaintiff's petition in which certain items of loss are claimed upon the mortgages described and set forth on pages six, seven and part of eight of said petition, on the grounds that said items do not constitute a legal claim or demand against this defendant for the reason that it appears upon the face of said items that the plaintiff has not exhausted its remedies against principal debtors and because it further appears that the loss, if any, that will be sustained by the said plaintiff, has not been legally ascertained. Defendant further demurs to each and every one of said items on the grounds that the suit in respect thereto is prematurely brought. Defendant further demurs to each and every one of said items for the reason that it is not sure whether the property covered in each of said items was purchased by the plaintiff, the sale price of said property would not be the measure, in any event, of plaintiff's loss.

2-

Defendant demurs to paragraph nine of plaintiff's petition for the reason that said paragraph sets out no legal claim or cause of action against this defendant and should be stricken from all of the reasons set forth in paragraph one of this demurrer.

3-

Defendant demurs to paragraph ten of plaintiff's petition because said paragraph sets forth no legal claim or demand against this defendant; that said paragraph shows on its face that the claim is prematurely brought.

4-

Defendant demurs to paragraph twelve of plaintiff's petition because the allegations in said paragraph show that there is no legal liability against this defendant because of the items therein set out, and because the suit upon the items therein set forth is prematurely brought. Defendant demurs further to said paragraph because it appears on its face that the plaintiff has made no effort to exhaust its remedies against the principal debtor.

5-

Defendant demurs to paragraph thirteen and fourteen of plaintiff's petition because there is set out no legal claim or demand against this defendant and said paragraphs should be stricken for all of the reasons set forth in paragraph four of

defendant's demurrer.

6-

Defendant demurs to paragraph fifteen of the plaintiff's petition because the said paragraph sets forth no legal right, claim or demand against this defendant, and defendant demurs further for the reason that said paragraph contains a misjoinder of causes of action in that the demands set forth in the other paragraphs of said petition are based upon an alleged obligation of indemnity jointly entered into by this defendant and another, whereas, the alleged claim set forth in said paragraph is based upon the tortious application of petitioner's alleged monies.

7-

Defendant demurs to paragraph sixteen of plaintiff's petition because the same contains a misjoinder of causes of action in that the other items set forth in said petition arise out of an alleged joint obligation to indemnify against loss alleged to have been entered into by this defendant jointly with another and the alleged claim and demand set forth in paragraph sixteen arises out of the alleged overpayment by the plaintiff of a sum due the defendant. Defendant demurs further to said paragraph for the reason that no itemized statement of the sum sued for is set forth in said paragraph or attached as an exhibition to said petition.

8-

Defendant demurs to the allegations of paragraph seventeen of said petition for the reason that the same does not set forth any legal claim, right, or demand against this defendant and because said paragraph contains a misjoinder of causes of action in that the other items in said petition arise out of an alleged contract of indemnity entered into by this defendant and another, whereas the alleged claim set forth in said paragraph arises out of an error in interest calculations.

9-

Defendant demurs to paragraph eighteen of plaintiff's petition because said paragraph does not set out any valid right, claim or demand against this defendant; defendant demurs further because the allegations in said paragraph do not show any loss has been suffered by said plaintiff; because the allegations in said paragraph show upon their face that the defendant has not exhausted his remedy against the principal debtor.

10-

Defendant demurs to the said paragraph eighteen because the allegations in said paragraph show on their face that the item therein sued for was not embraced within the terms of the alleged indemnity contract sued upon.

11-

Defendant demurs to allegations of paragraph nineteen of the plaintiff's petition because said paragraph shows on its face that no legal right, claim or demand exists against this defendant and because said paragraph shows on its face that it is seeking to recover for an item that was embraced in the alleged settlement between the plaintiff and the defendant set forth in paragraph eleven of plaintiff's petition.

12-

Defendant demurs to paragraph twenty of plaintiff's petition because said paragraph sets forth no legal equitable right or demand against this defendant.

13-

Defendant demurs to paragraph twenty-one of plaintiff's petition because the allegations therein are merely the conclusion of the pleader and the basis of any claim or demand against this defendant in favor of the plaintiff.

14-

Defendant demurs to paragraph twenty-two of plaintiff's petition for the reason that said paragraph sets forth no legal right or demand against this defendant.

15-

Defendant demurs to paragraph twenty-three of plaintiff's petition because the allegations of said paragraph do not entitle the plaintiff to any redress, legal or equitable, against

this defendant.

16-

Defendant demurs to paragraph twenty-four of the plaintiff's petition because the items therein set forth, nor any of them, do not constitute valid and legal claim against this defendant.

WHEREFORE, defendant prays that each and everyone of said grounds of demurred to may be stricken and said petition dismissed with all reasonable costs, in defendant's favor.

Attorneys for the Defendant,
Southern Insurance Company.

F.

No. 70095

Fulton Superior Court,

In Equity

STANDARD LIFE INSURANCE COMPANY

V.

SOUTHERN INSURANCE CO., ET AL

General Demurrer of Defendant,
Southern Insurance Company

Filed in Office, This The

18th day of January 1927

Fred T. Edwards Deputy Clerk

STANDARD LIFE INSURANCE COMPANY)	NO. 70095
)	
vs)	FULTON SUPERIOR COURT
)	
SOUTHERN INSURANCE COMPANY, ET AL)	IN EQUITY

GENERAL DEMURRER

And now comes Southern Insurance Company, one of the defendants in said cause and files this its demurrer to plaintiff's petition, and for grounds of demurrer says:

1-

That said petition is without equity.

2-

That said petition shows on its face that plaintiff has a complete and adequate remedy at law.

3-

That the contract Exhibit No. 2 which is the basis of plaintiff's claim shows on its face that it is void for the reason that it did not receive the approval of the Insurance Commissioner of Tennessee, as required by the statutes of that State.

4-

That said petition shows on its face that the suit is prematurely brought in that the obligation, if any, assumed by the defendant is merely the obligation, to indemnify against loss on claims upon which others are primarily liable, and said petition shows on its face as to each of the items that constitute the subject matter of said suit, that the remedies against the principal debtor have not been exhausted

and the loss, if any, that said plaintiff will sustain has not been determined.

5-

That the paper Exhibit No. 2, which is the subject matter of plaintiff's suit, shows on its face that it is without consideration and for this reason is unenforceable.

WHEREFORE, defendant prays that this, its general demurrer, may be sustained on each and every ground therein set forth and that plaintiff's petition may be dismissed with all costs in defendant's favor.

Spalding MacDougal Giblen
Attorneys for the Defendant,
Southern Insurance Co.

DOCUMENT VII

THE ATLANTA CONSTITUTION

Friday, July 15, 1921
p. 8, Col. 2

A NOTABLE STEP FORWARD
(The Citizens Trust Company)

It is an advanced day in southern progress when construction figures among the colored race can organize and throw open the doors of a half-million-dollar bank and trust company, oversubscribed and every dollar paid in.

When the Citizens' Trust Company of Atlanta begins to function early in August such a forward step will have been made.

It illustrates what the members of the race can accomplish when satisfied to bend their efforts toward constructive things. H. E. Perry, who will be the Chairman of the Board, and who has been largely instrumental in the organization, is a successful business man, and as president of the Standard Life Insurance Company of Atlanta, has become a financial factor among his people.

Perry never attended a political meeting in his life, not even a ward meeting, and his efforts have been to build by industry and not to tear down by agitation.

H. C. Dugas, well known as a colored banker, of Augusta,

is of the same type. He will be the president of the institution.

For years he was closely associated with the labors of Charles Foster Peabody, and his efforts have been directed to racial uplift through industry, and not through attempted "solution" of political and social problems.

Whenever the colored man has worked along constructive lines he has succeeded; and no better illustration of what can be cited that the organization of his bank, owned and officered entirely by southern Negroes.

DOCUMENT VIII

THE ATLANTA INDEPENDENT

Thursday, July 21, 1921
p. 4, Col. 1

MR. PERRY AND THE CITIZENS TRUST COMPANY
(A Series of Articles on H. E. Perry and the Standard Life's
Enterprises)

The Independent desires to state, as a matter of fairness and justice to everybody concerned, that if the Citizens Trust Company, which Mr. Perry seeks to establish, qualified and opens next August, under the laws of the banking department of our State, Mr. Perry deserves the commendation of the public for his effort, and the support of the community in the business he seeks to promote.

The Independent is in favor of all race enterprises, it matters not who establishes them. If they are honest, constructive and capable of rendering the community service by furnishing the people employment and capital, each of them has our support, without regard to the proprietor; but we do not take kindly to what we regard as the downright sophistry and todayism which appeared in an editorial of the Atlanta Constitution last Friday, in which the Constitution undertook to commend the enterprise.

We take the position that if Mr. Perry, Mr. Dugas or anybody connected with the company is responsible for the sentiment stressed, that Mr. Perry had succeeded so far in his undertaking

by reason of the fact that he had never attended a political meeting of any kind - not even a ward meeting - this will in no way help his business financially or increase the personal estimation that the people in the community have of the promoters of the Trust Company. We do not feel that it will add anything to the company by undertaking to hold out to the public that it does not stand, in common, for the political rights of the Negro, along with his economic and industrial rights.

The most successful Negro bankers in the southland are men who have participated in every honest effort of the race. They have not sought only to enrich themselves by selfish methods and devoting their entire time to making money, but along with the building up of the race industrially, economically and financially, they have even had in mind that no race of people can reach its highest usefulness, which does not take in the political welfare of the country of which they are a part.

Among those most successful bankers who have known no failure, and who are very largely responsible for whatever success Mr. Perry has had, are L. E. William president of the Wage Earners Bank, Savannah; E. C. Brown, of Brown and Stephens, Philadelphia; R. Church and E. M. Roddy, president and cashier respectively of the Solvent Saving Bank, Memphis, Tennessee; Walter S. Scott, president of Savannah Banking and Savings Company, Savannah; Bishop R. S. Williams, president of the Penny Savings Bank, Augusta, and J. O. Ross, president of the

Atlanta State Savings Bank, Atlanta. Each of these men has attended all kinds of political meetings from the ward up to national conventions, and has participated in their proceedings and does not hold this meritorious service out to white and black people as being responsible for the success of their enterprises.

The fact that Mr. Perry does not register or visit any political meetings, does not make him any better banker, insurance president or anything else, and we think it a mistake that he or any other Negro, who must get their support from Negro people, should stand around white people with their hats in their hands in order to get a good word in a white paper, and say; "I am about to open a bank, market or grocery store and my stock is over-subscribed because I never attended a political meeting of any kind or done any race agitation." These things come in bad grace. The manhood or make, themselves less than men by denying that they stand for the principles and aspirations of men to any other race of people, in order to gain favor and a good word or have the white people say, "He's a good nigger."

We hope that the Citizens Trust Company will materialize, that it will open its doors and do business under the banking laws of our State. We need the institution in the community and it deserves the support of the people, provided it qualifies and does business in a legitimate, business-like way. But we cannot subscribe to the vacillation that Mr. Perry succeeded, if he does succeed, because he does not qualify to vote, "has

never attended a political meeting in all his life, not even a ward meeting, and that his efforts have been to build by industry and not to tear down by political agitation."

DOCUMENT VIII - 2

STATEMENT OF THE OFFICERS AND DIRECTORS OF CITIZENS
TRUST COMPANY TO THE ATLANTA PUBLIC

The Atlanta Independent
Thursday, April 3, 1924, p. 5

Citizens Trust Company has just passed successfully through one of the most trying ordeals which ever faced a banking institution. For this happy result we are indebted to our depositors and friends whose confidence in us has remained unshaken and to all the other agencies, both white and colored, which have given their cooperation.

In this crisis, as in the more remote history of this bank, it has been our purpose to demonstrate the fact that Citizens Trust Company has been and is an institution of real public usefulness; that right here in Atlanta the colored man can work out his economic salvation.

There are times in the life of a bank when the men who conduct it have to go through a period that tests the best in them. The supreme test of Citizens Trust came in the crisis through which it has just passed. The manner in which we have won a battle against great odds is shown by the accompanying record, and it is on such winnings we stake our belief in further public confidence.

Our auditor's reports show the following:

On February 4, 1924, Citizens Trust Company had 1,902

commercial accounts. On April 1, 1924, we had 1,876 commercial accounts. On February 4, 1924, we had 3,555 savings accounts; on April 1, 1924, 3,414 saving accounts. On February 4th we had 149 time certificates of deposit; on April 1st, 145 time certificates. On February 4th we had 12,625 educational thrift system accounts; on April 1st, 14,185. On February 4th the total deposits of the educational thrift system amounted to \$6,093.55; on April 1st, 7,580.80. On February 4th we had 195,312.93 in savings deposits; on April 1st, \$99,007.08. On February 4th our time certificates of deposit amounted to \$746,936.28; on April 1st we had \$823,318.57.

The amount withdrawers from all departments of the bank has been \$165,015.75, and represents a small portion of its resources.

Men responsible for building of Citizens Trust Company, have brought into Atlanta millions of dollars which have helped to make a better community, a better Atlanta. The amount of taxes paid in the past twelve months aggregates \$9,277.98.

The contribution of Citizens Trust Company to the economic welfare of Atlanta, while a considerable amount in dollars and cents, is small compared to the value of the good will of those who have watched our growth in Atlanta.

In things most vital we have your cooperation and for this we are grateful. It spurs us on to merit the same further. We have begun the building of a banking institution which, both by reason of our vision and our task, is necessarily difficult. The work, however, must be done. With your assistance we shall

continue to build worthy of your faith and your confidence.

OFFICERS

A. M. Wilkins, President W. F. Boddie, Vice President-
Cashier

John Hope, Vice President

L. D. Milton, Secretary C. R. Yates, Assistant Cashier

DIRECTORS

R. S. Williams	R. E. Jones	O. P. DeWalt	W. F. Boddie
H. E. Dugas	William Burch	H. E. Perry	P. H. Hogan
J. A. Robinson	C. H. Brown	C. J. Calloway	A. L. Lewis
T. J. Ferguson	A. M. Wilkins	John Hope	G. A. Howell

E. G. Bowden	W. H. King
D. A. Williston	W. H. Reeves
H. M. Holmes	George F. Oliver
J. F. Boddie	G. W. Atkins

CITIZENS TRUST COMPANY
196 Auburn Avenue, Atlanta, Georgia

DOCUMENT VIII - 3

EDITORIAL

A COMMON LIAR
Atlanta Independent
Thursday, April 17, 1924

It is the well established policy of the Atlanta Independent not to enter into personal controversies with brother editors for the reason that so few of the craft have the intelligence to separate a personality from a principle, arise to the dignity of the helpful discussion. Our policy is a constructive one. We believe in the truth and not in error, and without deviating from our well known policy, we feel it a public duty to disabuse the public's mind of the lies and counter lies published in the last issue of the Chicago Whip with reference to our connection with H. E. Perry's interests on his connection with ours.

In our statement, we will neither defend nor prosecute Mr. Perry as any of his interests, further than to state, as we stated four years ago, that we believed then and we believe now, that if he would relinquish the presidency and leading role in the several organizations that he controls, that he would increase the efficiency and the public's confidence in his concerns one hundred per cent. But, holding no stock or interest in any of his concerns except Standard-Life, we do not care to play in the role of a meddler.

First - Brother Bibb would have it appear that the article

headed "Tell Why Ben Davis is Silent" originated in Atlanta, when, in fact, it was manufactured out of a network of inconsistent lies in the editorial rooms over which Brother Bibb presides.

Second - The statement in the article that Mr. Perry owns a controlling interest in the Atlanta Independent, and that Editor Davis is afraid that he would be voted out of his position, or that Mr. Perry has ever owned a share of stock in the Atlanta Independent, or owned interest in anything that Ben Davis is interested in save the Standard Life Insurance Company, is a wilful and premeditated lie, manufactured out of the whole cloth by Joe Bibb.

Third - That Ben Davis trims or cringes to any interest controlled by Perry or any other living man, is a malicious and malignant lie birthed in the imagination of Brother Joe Bibb.

Fourth - We challenge Editor Bibb to prove this statement of Mr. Perry's interest in the Atlanta Independent or admit publicly, as he charged publicly, that he lied, or was imposed upon by a liar. If he had taken time to read our sworn statements for the past twenty years, he would not have fallen into the error of lying on a brother editor.

Mr. Perry does not and never has owned a penny's worth of stock in the Independent. Editor Bibb might enlighten the public, if he would truthfully inform it, who owns the majority of the stock in the Whip, and why he faced about in the last campaign.

We hold no brief for the Standard Life, the Service Company or any other Perry interest, and we do not regard Mr. Perry as our enemy, and we have never been his enemy. We criticised the Standard Life years ago, because we were on the inside and knew of its workings, and we maintained today the same position we did then. But there are more people's interests involved in Standard Life, the Service Company and other interests besides Mr. Perry. If we hate Mr. Perry as much as Mr. Bibb hated the truth, we would not strike down the interest of thousands of others in order to get at Mr. Perry. Mr. Perry is merely an incident on the vast corporate interests he has developed, and our policy is a constructive one and not a destructive one, and the sooner Brother Bibb learns that he can destroy a man with the truth and not with lies, he will cease his rabid, red, and destructive policy.

First - It is the policy of the press, with one exception, in this city, not to knock financial institutions when the public believe they are in trouble. Of the three white dailies in this city, not one of them has mentioned in any way the trouble that Mr. Perry acknowledges his bank was in when he makes the unfortunate statement that the bank has just passed through a trying ordeal.

Other reasons why we do not join Mr. Bibb and others in destroying a home enterprise, thereby weakening the confidence in the races' economic value throughout the world is

- (a) That we control fifty shares of Standard Life's stock.
- (b) We have several thousand dollars on deposit in the Citizens Trust Company, which we never moved because

we did not believe the lies that were appearing in the Whip, and other papers.

- (c) The Service Co mpany owed us more than 50,000 past due and why should we jump on and tear down allied interests that owed us all told more than 75,000 and still owe it.

We have a time to speak out, if the public is wrong. We will fight back with all the vigor that our soul possesses, an innocent public, but we are going to be sure of our grounds - we are going to know the truth; for the truth will make you free. We are not going to lie or libel anybody. The first thing we try to do if our brother is in error, is to save him; if his business is in jeopardy, help him save it, not expose his weakness and incite a vicious public to devour him. If we cannot save a man or business, then we go to him or to it, and demand the facts, and if they give them to us, we will publish them. If they refuse, we will deduct our own conclusion and give the public the benefit of it.

In conclusion, we want to say, that Mr. Perry does not and never has owned one penny's interest in the Atlanta Independent - that we publish the ownership of the stock in the paper annually under oath, as required by the Government, and all men, including Brother Bibb, if they want to know the truth, can read the ownership from our files.

Brother Bibb referred to having examined our files. This is another lie out of the whole cloth. Editor Davis owns in fee simple 90 per cent of the stock in the Atlanta Independent Publishing Company, and the corporation - we are independent free lance, and we challenge Brother Bibb, as a man, to prove

his statements that are libelous and cowardly, that Mr. Perry or anybody connected in any way with him owns a share or his interest in a share of stock in The Atlanta Independent Publishing Company. We call upon him to put up or shut up, and have guts enough in his belly to prove his charges or admit he lied.

This statement is made only with a view of setting the public right, that it may not be misled by Brother Bibb's falsehoods and deliberate misrepresentations as to the editor.

DOCUMENT VIII - 4

EDITORIAL

THE ATLANTA INDEPENDENT
May 1, 1924

We are fully advised that the public has no interest in a personal controversy between Joe Bibb and Ben Davis - and there ought not to be anything personal in the controversy. If Mr. Bibb desires to discuss the affairs of Mr. Perry's interests and feels that he ought to give the source of his information or misinformation, he ought to do so without undertaking to make Ben Davis a party of his case.

We are free to admit that Ben Davis is no match for Joe Bibb as a liar, and will not burden the public with any further controversy with him after his articles.

The public is acquainted with both of us - it knows what each of us stands for. The public knows that the policy of the Independent is constructive and that of the Whip is destructive. Joe Bibb is just the opposite of Ben Davis. Ben Davis is interested in public questions and principles, and not in personalities. Joe Bibb is interested in personal questions, the private life of individuals and slander. We run a newspaper in the interest of the race. Joe Bibb runs a yellow sheet and is a past master in the witchcraft of scandal. As a liar, Joe is an adept and has easily won for himself the presidency of the Ananias club; and the only

reason we can offer for writing this article is to refute the lie that we gave the press any information in February about Mr. Perry's interests. At the time, we were at the association we have been out of Atlanta for three weeks and knew nothing of the difficulties of any of Mr. Perry's promotions, except, the common rumor that the Standard Life was impaired, and it was a matter that being generally discussed throughout the country. Mr. Bibb and other members of the association could tell more than we knew or had heard of, for the reason we had not been home. We stated that from rumor which we could not verify and could not discuss, that the Standard Life was impaired approximately \$150,000.00, and that it had been given a number of days to repair the apparent insolvency.

Mr. Bibb says that Ben Davis handed out this matter at the residence of Dr. Henry Allen Boyd. In this he is joined to his favorite pastime - lying. Ben Davis stopped at Dr. Boyd's home, but Joe Bibb never put his foot in the home while he was there - if he did, he never saw him nor spoke to him.

So, we deny we handed any information for the reason we did not have any. Mr. Bibb knows when he got his information, and the public in general knows - and it knows that Ben Davis did not hand it out.

Ben Davis, Joe Bibb, and no other outsider can know the facts about the inside of any man's business, unless somebody inside of the business hands out the information.

Mr. Bibb says that Ben Davis is known as a fighter and a man of courage. We try to be both, and we think we have earned

that reputation among those who know us best, but we have never thought that moral courage or manly fighting existed in wrong doing, in scandal or vituperation. We have always thought that true courage was a combination of moral and physical forces that equipped a man to do right and let the Golden Rule be his guide in dealing with men and things. There is no courage beyond the physical element in character assassination, or in the destruction of a legitimate business.

We have not attacked the Perry interests and we are not going to attack them. We see no good that would accrue to the public or the race in exposing the weakness of racial enterprises which may overcome their weakness, if left to work out their own problems.

There is absolutely no issue between Joe Bibb and Ben Davis that is worth the attention of the public. Joe simply told a lie on Ben, and Ben refuted it and gave the public facts, and beyond truth, the public has no interest. Mr. Bibb's only charge against us is that we did not jump on Perry and help race destruction destroy the Standard Life, Citizens Trust and Service Company. That is the crime that our brother charges us with, well, we plead guilty to the indictment, that we may have not joined the muckrakers and common liars, and will not join them. What the inside of those concerns are now and how far they are from insolvency and disruption, we do not know, and do not feel called upon to investigate those businesses in view of furnishing the public such information as would shock its confidence in the faith and solvency of them.

Journalism is a profession and has a code of ethics that bind gentlemen and editors not to attack one another without great provocation. The code does not protect the fraternity in dishonesty or duplicity, but there are certain rules that gentlemen must observe in the profession of journalism with regard to their dealings with, and sayings about a brother editor; but there are so many misfits in the profession who have no sense of honor or conception of ethics, that many of us lose so much time in defending ourselves against the scandal-monger within the profession, that we had but little time to serve the public.

We have little patience with the scandal-monger and the yellow journalists, and but little respect for the newspaper editor who plays up the bad of the race all the time, and who has nothing to say of its good. There is no benefit in destroying character or business, we are profoundly wanting in both - we need more character that the world may respect us as a contributing group; and we need more business that we may employ honorable boys and girls of our race. There is nothing to gain in front paging every week murder, scandals, crime and spleen. The white press sufficiently parades our vices and obscures our virtues, and Negro newspapers would better serve the race, if they would not tell on their front pages in red letters every week a story of some Negro man killing his sweetheart, quitting his wife, killing his neighbor, shooting her husband, or being pulled in some house of assignation. Why not play up the colleges, universities, schools, or his clean

and wholesome spirit, church news, outing and social movements.

So far as the controversy between us, it is at an end. We have stated the facts so far as our case goes. The public having no further interest in it, and it being so much against our policy to deal in personalities, we dismiss with contempt any further discussion of this matter as an idle wind which we do not respect, and the falsehoods and misrepresentations that the President of the Ananais club may publish in yellow sheet to the contrary notwithstanding.

DOCUMENT VIII - 5

THE ATLANTA INDEPENDENT
Thursday, December 11, 1924
p. 4, Col. 2

WHITE MAN IN CHARGE OF NEGRO THEATER

We do not believe in a racial boycott, but whenever a Negro's chief stock in trade is race support because I am a Negro, we feel that such a character ought to at least be consistent. We are tired of that Negro leadership which grabs everything it can from Negroes and turns it over to white folk. We believe in consistency. The Negro who appeals to Negroes to support him because he is a Negro, and when he gets a little way up the ladder, turns everything he can get his hands on that belongs to Negroes over to white folk, such a Negro does not deserve the support of his race.

We know of no Negro theater anywhere operated for Negroes, where a white man is in charge as manager. Every theater in this country, finance by white people or Negroes, is managed by Negroes; and it was left for Perry of the Paramount Theater to reverse this custom and practice by putting out Negro management for a poor white manager; for no white man who amounts to anything in the South will take charge of a second class Negro theater as manager.

Mr. Charles P. Bailey, who has built the Crystal Theater,

one of the finest movie houses in the South and who operates the 81 Theater has Negro managers. But, it seems to be the policy of Mr. Perry, who has benefited more from Negro support than any Negro in America, to turn over everything he can get his hands on that belongs to Negroes to white folk. Some of these days when we have the time, we want to give his record as a manipulator of Negro property to white folk.

Poor old Bob Blanchard, who has managed the theater, acted as janitor, ticket seller and everything else, and who has suffered the humiliation of turned down checks and much else, has been placed under a white man at the Paramount Theater, who knows far less about the business than he does. Yet, Mr. Perry, who appeals to the public to support him and his enterprises, because he is a Negro, puts Taylor, Lockett, and Bob out and turns his business over to a white man.

We are getting tired of frauds and fossils. We want a clean public leadership. We are tired of being betrayed by Negroes who collect money under the pretense of race loyalty to turn over to white folk to call them a good "Nigger."

We have supported the Paramount Theater in season and out. When its bills were paid, and not paid, but we are not going to stand by any longer behind things that seem rather than be. We get tired of pretenses. The owners of the Crystal and 81 Theaters, who are white, do not attempt to handle their patrons socially - then run the books and financial end, and have courteous and polite Negro men and women to handle the patronage. How Heman Perry is going to have a white man handle

Negro men and women socially, is a problem that must be worked out. Even Mr. Perry may fool all the people a part of the time, but he cannot fool all the people all the time. We think Mr. Perry owes it to the public to let it know whether his white manager whom he has placed over poor old Bob is a member of the Ku Klux Klan or not.

When white folks put Negroes in charge of white theaters it will be time for Negroes to put white men in charge of Negro theaters - though the Negro promoter may be a millionaire and raised from a bootblack in a Turkish bathroom to a multi-millionaire, and be head of twelve corporations in ten years, aggregating thirty million dollars in gold.

DOCUMENT VIII - 6

THE ATLANTA INDEPENDENT
Thursday, December 11, 1924
p. 1, col. 1

JULIUS ROSENWALD BACKS STANDARD LIFE 500,000 LOAN
ARRANGED BY MESSRS. ROSENWALD, OF CHICAGO, KELSEY
AND OTHERS OF NEW YORK

Tuskegee and Hampton Institute Will Receive Benefits. Will Arrange With Stockholders to Place Control of Company in Hands of Trustees of Loan.

Chicago, December 5. - Tuskegee and Hampton Institutes, Negro schools, will benefit from the acts of white business men who have come to the rescue of a Negro insurance company, it was explained by Julius Rosenwald, with Clarence H. Kelsey and other New Yorkers, is providing 500,000 to take the Standard Life Insurance Company of Atlanta, Georgia, headed by Heman E. Perry, out of the hands of white money-lenders.

Mr. Rosenwald furnished half the funds. "It is our intention," he said, "to arrange an agreement with the stockholders so a control of the stock is vested in a trustee. The agreement would provide that the income on one-third of the stock be contributed to Tuskegee Institute and to Hampton Institute. We expect to be reimbursed for the money which we have advanced as rapidly as the conditions permit. Therefore, we shall have no interest in the company." "Several months ago, R. R. Moton, principal of the Tuskegee Institute, brought

to my attention the fact the insurance company, organized and conducted by and for Negroes, with thousands of policy-holders, while solvent was in financial difficulty," continued Mr. Rosenwald. "He said that unless someone came to the rescue, white money lenders would take possession and the stockholders would lose all, and the policyholders a large part of what they put in.

"Upon investigation by expert insurance accounts I found that that company might be saved if taken out of the hands of the money lenders, and the subsidiary companies in which the insurance company had invested its funds were liquidated.

"Mr. Kelsey also became interested, and he and I, with a number of New York friends, agreed to furnish the funds necessary."

DOCUMENT VIII - 7

EDITORIAL

THE ATLANTA INDEPENDENT
Thursday, December 29, 1925

NO LOAN TO STANDARD LIFE YET AND NEGOTIATIONS SEEM
TO BE OFF

The press, white and black, throughout the country last week announced to the public that Rosenwald and others had granted the Standard Life Insurance Company a loan of a half-million dollars. This statement was handed out in good faith by the press, upon the strength of an interview alleged to have been furnished the public through the press by Messrs. Rosenwald, Kelsey and others conducting the negotiation. But the statement was not only misleading, but untrue.

The loan has not been made, and it appears from the best information we can obtain, that the Yankees and Jews who were behind the proposition, have abandoned the project, and there will be no loan. This information has not been furnished directly to the Standard Life people, or to the public, but Monday of this week, all the papers of the Service Company's indebtedness to the Southeastern Trust Company and other people, fell due, and it was in the power of the creditors to foreclose their mortgages and liens and dispossess Perry and his associates of their property and rights in the premise.

The failure, so far, of the Rosenwald interests to take over the Perry interest from the Southeastern Trust Company

and its associates, according to their promise and their announced purpose, presents an embarrassing situation. It looks like the Wall Street people led the Perry people up to the slaughter block and left them in the hands of those they claimed were strangling them and oppressing them by usury, unlawful bonus and other financial intrigues.

But, the purpose of this article is to correct the statement that went out through the press that the loan had been made. No loan has been made, so far, and unless all indications fail, there will be no loan from the big hearted and philanthropic people who seemed to have loved Mr. Perry and his bunch up to the minute of fore-closure, and then dropped them without notice.

The public is entitled to the truth and we are taking this means to inform it, that no loan has been made, and the Standard Life is still in the hands of those whom our northern friends advertised as money-lenders, Perry having disposed of his interest to the Southeastern Trust Company.

The stockholders were called to meet on the 19th for the purpose of ratifying the loan and accepting the Rosenwald proposition, to the effect that the minority stockholders, whether they had anything to do with the majority involving the Standard, surrender until the Rosenwald people were paid in full the loan. The stockholders met, barely a majority, and adjourned until Monday. They met again Monday, and that the negotiation for the loan had not been granted, and that the negotiation for the loan was probably at an end. The roll

was called and President Perry announced that a quorum was present, inasmuch as the Southeastern Trust Company held a voting trust of 1,251 shares of the capital stock and had control. It then developed for the first time, that a majority of the Standard stock was not up as collateral, but had been 'sold outright' to the Southeastern Trust Company, and had so been transferred on the books of the company, and they held a voting trust to the same.

The Trust Company was represented by Mr. Tripp, and the Standard Life is still in the hands of its creditors, to be disposed of as they see fit - foreclose, take over, liquidate, or do as they please, unless there is a secret agreement between the Southeastern people and the Wall Street interest that neither Mr. Perry nor the stockholders knew anything about.

The situation is alarming, and as we carried in our columns last week, in common with the press throughout the country, that the loan had been put over, we take this the first opportunity to correct the statement, and give the public the entire truth, that the loan has not been made, and negotiations dropped so far as the Rosenwald interest is concerned. In fact, Mr. Perry announced that he had received information that the original proposition was off, and that he received that information from Mr. Silas W. Davis, president of the Southeastern Trust Company.

DOCUMENT VIII - 8

THE ATLANTA INDEPENDENT
Thursday, January 22, 1925
Vol. XXIII, p. 1

STANDARD LIFE AND SOUTHERN INSURANCE COMPANIES MERGED -
STANDARD LIFE ACCEPTS THE PROPOSITION

The Standard Life Insurance Company of Georgia, a colored company and the Southern Insurance Company of Tennessee, a white company, merged their interest January 15, 1925 at the annual meeting of the stockholders of Standard Life, subject to the approval of the Insurance Departments of Georgia and Tennessee - the Southern Insurance Company taking over the assets of the Standard Life and assuming all of its liabilities. The name under which the merger is approved by the Insurance Commissioners of Georgia and Tennessee, and such charter amendments can be secured to do business in accordance with the laws of the state in which it operates. Meanwhile, the Southern will conduct the business of the Standard and meet its obligations.

Whenever in the course of business events, it becomes necessary to make such revolutionary changes as were necessary in the Standard Life, affairs to preserve the interest of the policyholders, first, and the stockholders next, it is but fair and just, not only to the policy and stockholders, but to the public, to state the reasons therefor.

There is a personal responsibility in this transaction - and that responsibility ought to be placed upon the proper party or parties. The negotiations were conducted between President Will G. Harris, of the Southern Insurance Company and President Heman E. Perry, of the Standard Life Insurance Company.

The Standard was a race concern, and was largely the idea of the race's heart, and any act on the part of white people to destroy its identity, would be regarded by the race as an effort on the part of white men to do the Negro an injustice. Therefore, it is imperative that the reasons for the merger be stated.

But, let us lay the facts before the people and let them judge from the facts, whether the conduct of President Harris of the Southern was that of an honest creditor, trying to collect his accounts against the Standard, which the Standard has assumed, or that of a money shark trying to strangle a race enterprise, in the light of the fact he had extended the credit from August 1, 1924, to January 15, 1925. Read the facts as we outline them:

The Service Company of which Mr. Perry was head, owned controlling interest in the Standard Life - 1,251 shares out of 2,500 - through an Atlanta broker, Mr. Harris, President of the Southern Insurance Company, loaned the Service Company \$300,000. Meanwhile, the Service Company borrowed more than \$200,000 from the Tanlac people and Cates and Levy of New York. Mr Harris having the first trust against the holdings of the

Service Company, guaranteed the payment of these two loans. To secure Mr. Harris for the 550,000 or more, Mr. Perry hypothecated the Service Company's 1,251 shares and his equity in the various real estate holdings the Service Company owned.

The stock was put up as collateral and the first trust was placed on the land in favor of Mr. Harris. Thus you see Mr. Harris held a mortgage on all the property the Service Company had, both real and personal, to secure his direct loan of 300,000 and his guarantee of 250,000 to be foreclosed December 15, 1924.

The contract between Messrs. Perry and Harris carried two options, either of which Mr. Harris was at liberty to exercise December 15, 1924, one option was to foreclose the mortgage against the Service Company; and the other was to transfer the Service Company's holding in Standard Life (1,251 shares) on the stock book of the Standard Life in fee simple to Mr. Harris. Mr. Perry made this transfer about December 13, 1924. Thus, the Southern Insurance Company came into control of the Standard Life and Perry went out, and Mr. Harris came in the minute the stock was transferred to him or his interests. So, Mr. Harris was in the meetings as a stockholder, and not to enforce the mortgage which he held when he became a stockholder.

Standard Life Impaired

Thus, the policyholders' interest was threatened and impaired, and the issue put up to the stockholders to protect the policy holders first and themselves next. Mr. Harris being a stockholder and no longer a creditor, it was as much up to

him as it was up to the minority to take such steps as would preserve the assets of the company. He faced with all the other stockholders, a situation when the stock of the Standard Life Company was without value, because of an impairment in the reserve of \$450,000 more or less.

The impairment came about in this way: Mr. Perry was President of Standard Life Insurance Company, President of the Service Company, Chairman of the Board of Directors of the Citizens Trust Company and various other subsidiaries controlled by the Service Company. Mr. Perry, President of Standard Life, deposited the Standard Life's money in the Citizens Trust Company, (his bank) to the tune of \$700,000, more or less. He in turn, loaned these funds to the Service Company, with or without collateral. The insurance commissioner investigated the bank and called the deposit. As the bank loaned the money to the Service Company, it called on the Service Company to pay the loan - the Service Company having bursted, it could not meet the obligation. At this time, the Standard Life had \$630,000 in Perry's bank on deposit - \$80,000 in Augusta and \$550,000 in Atlanta. In order to meet the bank's call, the Service Company washed everything it had into the bank including all of its land which Mr. Harris held first trust to. And the bank, in order to remove the deposit, turned over the Standard in lieu of its deposits of \$630,000, everything it had received from the Service Company. But taking from the securities washed into the Standard by the Service Company in lieu of its cash deposits of \$630,000, and

\$550,000 which Mr. Harris holds a trust deed to come in ahead of the bank's claims which it transferred to the Standard, presented an apparent impairment in the Standard Life's reserve of \$500,000, more or less, leaving the stock of the Standard without market value and the corporation not in a liquidating condition.

Thus, you are able to determine for yourself, in the light of these facts, who is responsible for the company's failure and the necessity for the merger.

Stockholders' Meeting

These are the conditions that faced the stockholders' meeting January 15, 1925: Mr. Harris was a stockholder, standing on the floor of the meeting in common position, not to take over the Standard, but to merge it with the Southern Insurance Company - that he had 1,251 shares of the capital stock transferred to him on the books of the Company by Mr. Perry, and that he was there to act in conjunction and to solicit the good-will and cooperation of the minority stockholders.

There were about 2,000 shares of the 2,500 represented in person and by proxy. Mr. Harris stated that the Service Company owed him directly which the Standard Life Insurance Company had assumed, \$500,000, more or less - that he called for his money and his creditors could not pay, and they turned over to him the stock control of the company, but the minority stockholders did not want him to merge Standard with Southern and help them to save the policyholders and themselves, that he did not want it, and he would not take it over just because

he had the stock power - if he could not have the goodwill and cooperation of the minority stockholders, he would withdraw his proposition - that he had raised his offer of 5,000 shares of Southern Insurance par value \$5.50 for distribution among Standard stockholders to 10,000 shares - stating that his stock had a selling value of \$30.00 per share, and that Standard's stock had no selling value. He stated that he was exchanging four shares of Southern stock for one share of Standard stock, and the merger would bring Standard stock from no value up to the selling value of the Southern stock. He further states that if the minority stockholders could arrange to take care of themselves and him, by paying him Perry's indebtedness, and bring the company up to liquidation condition, he would be glad to step out, but if they could not, the next best thing to do, was to come with him and help him rebuild the company - that any other course meant loss to both stock and policyholders.

Mr. Pinkett asked if it had been demonstrated that the Negro companies throughout the country could not afford the necessary relief? Mr. Perry answered that he had exhausted every means he knew with the Negro companies, and had the inclination to help the Standard out - that the Negro companies preferred to see the Standard Life wrecked, or some white company take it over rather than to live.

The merger plan was supported by the stockholders present. It was apparent that Standard Life was a wreck, and the choice of the minority stockholder was to go with Mr. Harris, a man

with ample capital to rebuild the company, or enter endless litigation, and probably lose all to themselves and the policyholders. Then, it appears that the stockholders accepted the Harris proposition. If they had not, Mr. Harris could have voted his proposition across himself, but this he declined to do, and gave them a written option to sell the Company back to them any time within ten years at \$12.00 per \$1,000.

Probabilities

The probabilities are that had the minority stockholders not accepted the merger, there would have been a long drawn out court fight between the majority and minority stockholders, which would have ended in a receivership, and a possible dissipation of the entire assets of the corporation. We opposed the merger, but confess, we did not have the money to pay Mr. Harris to get out, or any other means of remedying the conditions which had wrecked the Standard Life.

Mr. Harris was entitled to his money as a creditor, and as the Service Company could not pay, he was in his rights to get it out of whatever collateral or securities he had in hand. He came in the game fair - he put his cards on the table - he made the minority a proposition and asked them to counter it, and said, if you cannot take care of yourselves, come with me and I will save you - I have ample money and resources to save the interest of every policy and stockholder - all I want is your good-will and cooperation.

Let the public, in common with the policyholders and

stockholders judge for themselves, with the facts laid before them, whether it was best for the minority to cooperate with the majority, or raise hell. Mr. Harris was present as a stockholder, and not as a creditor to enforce his claim by foreclosure. These are the facts and the reason for the merger.

DOCUMENT VIII - 9

EDITORIAL

THE ATLANTA INDEPENDENT
Thursday, January 29, 1925
P. 4, Col. 2

WILL THE ENTERPRISE WAKE UP?

We call on Brother Bibb of the Chicago Whip and other Chicago newspaper men to wake up the editors of the Enterprise and tell them that the Standard Life has failed and been handed over to the white folk more than three months ago, and the action of the policyholders January 15th was perfunctory - merely a ratification of what had been done months ago by Perry and his cabinet.

Please tell Brother Derrick and Gaskin that they make themselves ridiculous by sleeping at the switch until the world turns around - that while they have been asleep, all the businesses started by Perry have failed - that the Standard Life, the mother of them all, has been sold to the Southern Insurance Company by Heman Perry's interests, who owned a majority of the stock - that all of the flatteries they are planning on Mr. Perry, is labor lost, and that they further make themselves ridiculous by parading to the world the genius of a man who has failed at every undertaking and who has wasted in extravagance and wild schemes, millions of his race's money.

But, just tell these boys to wake up and let the Whip and the Negro press throughout the country tell them what is going on in the country.

Moton and Perry cannot work together. Moton believes in the truth, and Perry in deception. It is hard for us to understand whether the Enterprise is trying to bury Perry after his financial death, or keep his carcass above the surface as a guide post that others may not fall into the frenzied financing that only Perry and Ponzi know how to institute.

DOCUMENT VIII - 10

THE ATLANTA INDEPENDENT
Thursday, January 29, 1925
P. 4

A SYMPOSIUM ON THE STANDARD-SOUTHERN MERGER

Since the merger of the Standard Life Insurance Company with the Southern Insurance Company, a white concern of Nashville, Tennessee, on Thursday, January 15, 1925, nearly every race journal in the country has carried a news story of the merger under glaring headlines, and numbers of them have expressed editorial opinions of the transactions. The Independent has very closely observed the various opinions and notes, that while there are those of the craft who, while deploring the fate of the Standard, are less prone to censure, the majority in full frank and free condemnation of those whose acts caused the condition which made the merger as a calamity, more or less.

The Philadelphia (Pa.) Tribune writes under the caption, "Crashes Will Come," and portrays the situation with an earnest feeling - It says:

An organization is wrecked. An ideal smashed. The Standard Life Insurance Company of Atlanta, Georgia, has floundered, wavered, and crashed. The institution that was the pride, the joy of thousands of Negroes is no more. The passing of the "Standard" is more than the failure of a big business institution. It means the shattering of hope and confidence ... while it is true that crashes will come, let us do our best to prevent them from occurring too frequently. For as the constant dripping of water wears away a stone, so will constant failure break down confidence in our business men."

However, The Washington Eagle takes an entirely different view of the situation and sees in the merger "A victory and an indication of a new day in race relations." The Eagle feels that "the new Company is stronger, safer and better than the original." The Eagle further believes that the merger will be of greater benefit because "it reduces overhead expenses and yet increase the working capital and the revenue." The Eagle takes pride in the conduct of the Standard Life in the following closing paragraph;

The Independence of the race is a fact and not a mere assertion. That the business of the great Standard Life Insurance Company made great strides is shown in mastering the most intricate and characteristic phase of American life, the commercial game. Heman Perry did it.

But, The (Baltimore) Afro-American feels that "the enforced merger of the Standard Life Insurance Company with a white company in Atlanta means the loss to the race of its biggest corporation in the South." The Afro-American feels that "the loss" is due more to "over expansion" than manipulation of funds or personal dishonesty," and that "the merger is a setback rather than a catastrophe." After issuing a warning to the fourteen remaining Negro insurance companies, the Afro says: "Failure of the Standard turns loose hundreds of experienced insurance men who have learned how not to run the insurance business. Undoubtedly they will locate, the message that big business must be safe first and just big last."

The (Oklahoma) Black Dispatch seems to think that everybody

has more "stage fright" than Heman Perry. After reciting a story where a Negro and a Jew were partners in a money-lending business in which the Negro survived and the Jew went broke, it has this to say:

Just keep on paying your insurance premiums to the Standard Life. You cannot tell what is working in the back side of the head of Heman Perry. At any rate his financial proximity to the white man does not seem to be giving him any stage fright, such as you have. He may be another BLACK JEW - who knows, who knows!

But the Chicago (Illinois) Whip says: "We told you so," (quotation marks ours). It recites its warning of a year ago in which it charged "fraud, deceit, and misrepresentation, revealed plunging, wild-cattling and shady maneuvers." "Last Thursday," says the Whip, "White folk of the South took the Standard Life Insurance Company away from us: It was a thing of beauty, but now it is gone forever. We saw it conceived ... and we were on the scene of its last rites." The Whip continues, "The future of black boys who had hoped to rise in this company was blighted, the hearts of those who put their money in it as a monument to their race hung heavy."

The East Tennessee News essays:

Negro and white interests do not customarily work hand in hand, especially in our fair southland, and those who are of the opinion that the Southern Insurance Company has any idea of working hand in hand with the stockholders of Negro Company of Georgia, with a view of preserving it for the race are just of that class with a serious mistaken idea perambulating through their cranium.

The News also avers, "I told you so." (quotation marks ours). It recites its review of the condition of the Standard,

"Exactly four weeks less than one year ago." The News holds up encouragement to the race in its concluding paragraph:

There is at least one lesson in connection with the unfortunate affair and that is men who are desirous of managing business affairs for the people must exhibit caution and conservatism as they handle the money else the same fate will befall. While the loss of the Standard to the race is a calamity, there is no need for discouragement or worrying over 'milk that has been spilled.' There are hundreds of well-trained business men who are honest and straight-forward who will appear on the scene to take up the reins and drive Negro business on to solid heights where competition cannot be destroyed by the Southern or any other company.

DOCUMENT IX

THE HOUSTON INFORMER
Houston, Texas, Saturday
January 5, 1929
(An Article on the Death of Heman E. Perry)

Founder and Former President Standard Life Interred
in City - Decedent Had Humble Beginning but Became Race's
Outstanding Insurance Luminary - Died Suddenly in Kansas
City Upon Launching New Company.

Kansas City, Missouri

Heman Perry is dead. The man whose success and failure startled the financial world was found dead here last Friday morning from heart disease, and his diligent effort to stage a comeback was stopped in its infancy.

The life of Heman Perry reads like fiction. Born March 5, 1873, in Houston, Texas, in a hut, with an education that barely extended through seventh grade, he rose to an enviable position in the commercial world at one time being referred to as the "Atlanta Millionaire" and the "Financial Wizard," only to have his foundation swept from under him by the failure of one of his gigantic corporations.

Mr. Perry began life's work as a farmer, at the early age of twelve. Two years later found him employed as an expert sampler of cotton with a Houston firm. Experience gained from the contact of men who were doing things on a big scale inspired him to enter the commercial field.

His first venture in this direction was a solicitor for

insurance companies. The success which he had in this capacity led him to endeavor to establish a Negro insurance company, with Negro capital, Negro management and Negro policyholders.

Began Operating Atlanta Venture

The story of this first meeting with the proposed directors and stockholders in the effort to found the Standard Life Insurance Company, is legendary in Atlanta, Georgia, where he began his operations. Old timers tell yet of the awe-stricken group that listened to Mr. Perry talk of a Negro corporation capitalized at \$100,000.00. Several were alleged to have asked him if he did not mean \$10,000.00, but Perry was determined to do things on a big scale.

After much hard work on the part of himself and his associates, Mr. Perry launched the Standard Life Insurance Company in June, 1913, which under his direction grew to be the largest Negro insurance company in the world, boasting of millions of dollars worth of business.

Projected Various Ventures

Spurred on by the success he attained in the insurance field, Perry sought to expand his activities, and in 1921 formed the Service Company, a corporation with a capital of 100,000.00 the purpose of which was to equip and operate a chain of laundries and dry cleaning plants in various states and to promote other industries among Negroes. This was followed by the establishment of the Citizens Trust Company with a capital stock of \$250,000.00.

Perry was then riding upon the wave. In 1925, financial conditions in Georgia, bad loans, and frozen assets of the Service Company led a crash which resounded throughout America, and started the "financial wizard" on the downgrade. He saw his brain child, the Standard Life Insurance Company, pass into the hands of white capitalists; the Service Company wrecked, only the Citizens Trust Company survived, and the man who was the founder and moving spirit in each was on the outside.

Started Comeback in Missouri

A few years ago, Mr. Perry started on his comeback. Again he turned to the insurance field, in which he had his first success. Selecting Missouri as his field of adventure, the once "financial wizard" started once more at the bottom. In the midst of his efforts to climb back to the top, he was stricken here Friday morning and passed away.

Mr. Perry was a bachelor and had lived to himself. His success as a bachelor was at one time as much heralded as that of his business endeavors. Friends of the deceased expressed the belief that if death had not intervened, Heman Perry would have come back.

DOCUMENT X

ATLANTA UNIVERSITY
Atlanta, Georgia
December 16, 1935

Memorandum from J. B. Blayton to Dr. W. E. B. Dubois

Re: Standard Life Insurance Company and affiliates, Heman E. Perry, et. als.

(Historical Development of Standard Life Insurance Company and Enterprises)

In 1911 Heman E. Perry made an attempt to sell sufficient stock to incorporate and begin the Standard Life Insurance Company of Georgia. The time allotted for completing the task of raising these funds expired before the job was finished. Mr. Perry returned to subscribers all money entrusted to him for the purpose and announced to such prospective investors that the company would not be launched, at least, not at that time.

In 1913 another attempt to raise sufficient funds for the objective sought in 1911 was made. Due largely to the confidence inspired by the return of the former funds, this attempt resulted in the successful launching, and licensing of the Standard Life Insurance Company with a paid-in capital stock of 100,000.00 and with sufficient paid-in surplus to underwrite the expense of "getting going" and to leave a satisfactory surplus for operations.

As a result of an examination in 1918-19, a slight impairment was found to exist in the reserves of the company. This was easily overcome by issuing another 25,000 worth of capital stock at a price sufficiently above the par value to wipe out the deficit and establish a surplus again.

In 1922, due to a great desire to improving the housing conditions of Negro urban and rural dwellers, the company resorted to a practice of making loans on real property in amounts beyond that permitted by law. This unsound investment policy (which proceeded under the guidance of white lawyers, actuaries, and accountants) led to another impairment considerably larger than the former. It again became necessary to increase the capital considerably larger than the former. It again became

necessary to increase the capital stock. This time new stock in the par value amount of 125,000 was sold for a cash consideration of 250,000. The method used to dispose of this stock was not one which would be regarded as sound financing. It was this new issue of stock (then one half of all stock outstanding) which finally fell into the hands of white persons who lost no opportunities to manipulate the stock, the assets, the reserve, and the management of the company to their own advantage.

In December of 1924 a merger was effected between the Standard Life Insurance Company of Georgia and the Southern Insurance Company of Tennessee. The Tennessee company was managed by white people. After the "merger" the affairs of the combined companies were handled by officers of the Southern with the "aid" of legal and financial advisers who had formerly "advised" The Standard, and to whose genius must be assigned the credit for the scheme which "gutted" the Georgia and the Tennessee companies of everything they possessed.

Among the principal officers and directors of Standard were: Heman E. Perry, founder and president, R. L. Isaacs, first treasurer; H. H. Pace, first secretary; W. H. King, vice president, and director of agencies; J. A. Robinson, secretary (after Pace); Bishop R. E. Jones; director; Bishop R. S. Williams, director; Dr. A. M. Wilkins, director; Dr. W. F. Boddie, director; T. J. Ferguson, cashier. The entire board was controlled almost absolutely by Heman E. Perry.

THE SERVICE COMPANY

In 1917 The Service Company was organized. The capital stock of this corporation was first authorized at 100,000 (50,000 common, and 50,000 preferred stock). The powers of the corporation extended to the operation of laundries, grocery stores, drug stores, printing concerns, real estate concerns, engineering departments, and generally engaging in all sorts of commercial and industrial activity. In the same year of its corporation the company began a small laundry business in Augusta, Georgia. This business grew until in 1919 there existed a thriving laundry business at Augusta. This beginning gave encouragement to Perry and his associates (except Harry Pace, who believed that all their energies should be devoted to the prosecution of the life insurance business), and in that year (1919) there was established in Atlanta a branch of the Service Laundry. The Service Company devoted its energies to the laundry business almost exclusively until the latter part of 1920, when it occurred to Perry that housing conditions for Negroes should be improved. The company then began purchases of, and the general traffic in real estate. All of this was being done under the charter of the Service Company, and in its

name. In July 1921, because of the weakened condition of the Atlanta State Savings Bank (a Negro bank of Atlanta, not at all connected with the Perry enterprises), Perry and his associates organized the Citizens Trust Company which bank began business August, 1921. With the sale of the stock of the newly organized bank, much cash was realized. Perry then saw an opportunity to pour even larger sums into the Service Company. As a matter of fact, more than half of the stock of the new bank was bought by Service Company, payment for which was largely by notes handled through other Atlanta finance houses. With the growth of the resources and deposits of the bank came increased opportunity and urge to expand. The capital stock was increased (i. e. of Service Company) to \$500,000, and later to \$1,000,000. The new issues of the Service Company stock sold at various prices from \$15.00 per share to \$30.00 per share (par value was \$10.00 per share).

In 1922 it became apparent that the Service Company, as one corporation, could not possibly owe the bank such large sums, and for other good reasons, subsidiaries were organized. After the organization of the subsidiaries, the Service Company became strictly a holding company, and the subsidiaries performed the several functions which had theretofore been performed by the Service Company through a departmental arrangement. Among the new companies which were organized were:

The Service Realty Company,	Capital stock	\$500,000
Service Engineering & Construction Co.		50,000
Service Drug Corporation		25,000
Service Laundries, Inc.		25,000
Service Printing Company		25,000

The Service Company was sole owner of all of these stocks. In addition to the incorporated companies, there remained the Service Farm Bureau, and The Service Foundation which were unincorporated departments of the Service Company, and The Syndicate Underwriters, an unincorporated syndicate made up of Perry and his closest associates for the purpose of controlling all stock interests.

(The functions and operations of these units will be discussed on a separate sheet).

FUNCTIONS OF SERVICE SUBSIDIARY CORPORATIONS AND DEPARTMENTS,
and Their Outstanding Achievements.

The Service Realty Company purchased property in the City of Atlanta and suburbs costing more than \$600,000 including most of what is now (1935) Atlanta's West side residential district. The company at one time owned most of the property lying between Simpson and West Hunter Streets, and stretching roughly a mile in length. Altogether there were several hundred acres in its holdings. The present site of the Booker Washington High School was sold to the City of Atlanta by this company for a consideration of \$140,000. The company did a vast real estate business for a two year period. Much of the property was bought by it on the time payment plan. The sales to colored home lovers were on the same basis. Large maturities of the company's obligations could only be met by the sale of equally large quantities of mortgage notes, usually at great discounts. Sometimes these discounts amounted to as much as 50 per cent. The method of financing used by the average persons wishing to buy a home was about as follows: The prospective home owner would have a small amount of cash which he would pay "down" on the proposition. The Service Realty Company would engage the services of The Service Engineering and Construction Company to build the home according to the plans and specifications of the buyer. The first mortgage market was investigated to locate the best place to secure funds for this purpose (more often than not, these funds were secured from Standard Life Insurance Company where more liberal appraisals would be likely), and the remainder of the price of the house would be accepted in the form of a "second mortgage". These second mortgages would be discounted in the most favorable market. The Service Realty Company, in 1923 purchased the Odd-fellows Block" for a consideration of approximately \$300,000, paying a large portion of the purchase price in cash, and assuming mortgage notes for the balance. There was already mortgages on the property of large amounts. The records show that these mortgages dated back to 1920, and probably marks the beginning of the downfall of that organization (i. e. of the Odd-fellows). In 1923 the Service Realty Company joined with its parent company and other subsidiaries in borrowing large sums of money from The Southeastern Trust Company, and in 1924 surrendered most of its powers to that corporation through an "executive managership." The executive managers of the Service Companies being the president and attorney respectively of the Southeastern Trust Company. The vice president of Southeastern was ACTUARY and technical adviser for the Standard Life Insurance Company. (The Southeastern Company was of course made up entirely of white people). The majority of the capital structure of the S. E. Company was made up by carvings from the resources of Standard Life, Service Company, and subsidiaries. All of which was later established in the courts.

All of the unsold properties of the Service Realty Company were deeded in 1924 to Southeastern Trust Company in "trust" to facilitate the executive manager arrangement. If anyone act can be said to have most greatly influenced the final "crack-up" of Standard Life, and these companies, it would seem to be this agreement. The set-up for fraud was as nearly perfect as possible. The actuary for the Standard Life was adviser to the State Insurance Department. The attorney for the companies (also president of the company which was set up to gut them) was a good personal friend, and unofficial legal adviser for the insurance commissioner. These people were in direct charge of the Negro companies. In the early part of 1925 the entire new issue of the Standard Life was foreclosed against by the Southeastern Trust Company, thereby giving that company a 51 per cent interest in the ownership of the Standard. The Service Companies were already under its control.

THE SERVICE ENGINEERING AND CONSTRUCTION COMPANY

This company was the agency used to build homes, and other structures. Its principal client was the Service Realty Company as already pointed out. It did however build some homes for other persons but not to speak of. There were as many as 100 houses under construction at one time by this concern. Practically the entire "West Side" was built up by the workmen of this company. Outstanding among its assistants with building skill were R. E. Pharrow, a contractor of long and successful experience, and R. F. Walker of equal standing who had done much of the building for white and colored persons in Macon, Georgia. Mr. Walker died a few years ago, Mr. Pharrow is still living and doing some work in his field. His health has practically failed him now. Among the heavy building done by this company might be mentioned the David T. Howard Junior High School on Houston Street in Atlanta, and one of the modern buildings at Gammon Seminary also in Atlanta, and one of the buildings for the Georgia Masons at Americus, Georgia. The high school building cost nearly \$400,000, and the Gammon building was in the neighborhood of \$200,000. (The cost accounting for all of these structures and for all other projects by these companies, as well as the complex consolidated and intercompany accounting was done by the author of these notes.)

THE DRUG CONCERN

This unit was a regular drug and sundry retailing establishment, it operated two stores. One on the corner of Hunter and Ashby Street, and one on the corner of Butler and Auburn (now operated by Yates and Milton). Also for a rather brief period it operated a small drug store at the corner of Irwin and Howell Streets. These stores did a considerable volume of business but

not in accordance with the capital devoted to them. This unit, like all of the others, paid executive salaries far out of line with the service rendered. The working personnel did not receive excessive salaries; they were, however, adequately paid. The officers, who were the same for the entire family of companies, with perhaps a slight rearrangement here and there, received large salaries, and did nothing of value to earn them.

SERVICE PRINTING COMPANY

This was a regular job printing concern. Its largest client was the Standard Life Insurance Company. It usually made a book profit because the insurance company paid for its printing whatever the printing unit charged. This charge was of course measured by whatever was necessary to make the unit show a profit. The printing concern had many customers from the outside. It did most of the catalog work for most of the Negro colleges in the South, and printed a good portion of church publications. It kept one salesman on the road. He worked the entire southeast, his operations extending as far north as Virginia.

SERVICE FARM BUREAU

This unit was unincorporated and had for its object, the stimulation of farmers to produce more and better crops, and to facilitate the marketing thereof. In many cases the farmers encountered by the representatives of the Bureau sought and received mortgage loans from the insurance company. Many of them also became stockholders in the Service Company (the parent organization.) The usual method of paying for such stock was to devote the proceeds of a mortgage which the insurance company had placed on the farmers' property to the purchase of the stock. Thus, insofar as all the companies may have been considered as one economic unit, no cash was paid out, but that a new asset (the mortgage) was acquired. The Bureau did much real good, and many present day successful farmers of Georgia can trace their success to their dealings with this unit. At one time Mr. H. S. Murphy was in charge of the unit.

SERVICE FOUNDATION

This unit was unincorporated and had for its purpose the giving away of funds for all of the concerns in the affiliation. It made substantial gifts to education. Two of such gifts being to Meharry Medical College and Fisk University, one of these amounted to several thousands of dollars. The foundation made gifts to the Community Chest, community funds, the YMCA and the

like. It was efficiently run, but was used largely as an advertising medium. Large stock sales always followed in the wake of a substantial gift.

SYNDICATE UNDERWRITERS

This unit was also unincorporated. It was of the joint venture type, and was made up of the executive officers of the companies personally. In cases where notes needed to be made, and the note of an incorporated unit would not be acceptable, the Syndicate would sign it. Generally it cooperated with the Service Company in perfecting the control of the bank and insurance company. Whatever the Service may have lacked at any time of having a majority of the stock of the bank or the insurance company, the difference was always held by the Syndicate. Naturally, the Syndicate never did actually pay for anything. The issuance of a note was so much easier.

Another unit which was not entirely a subsidiary, but which should be mentioned in the association of companies was the National Fuel Corporation of whose stock, the Service Company owned a virtual control, though not a majority. This company had a coal mine in Tennessee and actually shipped many carloads annually into Georgia, Alabama, the Carolinas, and Tennessee.

The only major officer of the coal concern who was not also a major officer in the others was W. A. Bell, now Educational Secretary of the C. M. E. Church. Mr. Bell actually directed the operations of the company in so far as its coal operations were concerned, but its stock was well manipulated along with the others.

These companies did ferret out and develop many young business minds. As a matter of fact, a list of the company subordinates would have read like a Class A College catalog. Among the personnel of this class were: C. E. Arnold, graduate of Clark and Harvard Universities, now deceased; A. M. Carter, graduate of Clark and Columbia Universities, now actuary for the Pilgrim Life Insurance Company; J. C. Arnold, graduate of Clark and Boston Universities, now one of the secretaries of the New York YMCA; John R. Pinkett, graduate and former football star of Amherst College, now a successful insurance broker in Washington, D. C.; David D. Jones, Phi Beta Kappa, now president of Bennett College, Greensboro, N. C.; J. H. B. Evans, Phi Beta Kappa, University of Michigan, now adviser to the director of rural resettlement of the United States; O. C. Brown, A. B. and LLB., Howard University, now practicing law in Chicago, his brother Sydney, Northwestern University law graduate, also now practicing law in Chicago; L. D. Milton, A. B. and A. M., Brown University, now banker, merchant, and university professor in

Atlanta, Georgia; C. R. Yates, A. B., Atlanta University, now banker and merchant of Atlanta; Aaron Day, Jr., graduate of Prairie View College, now educational adviser of North Carolina Mutual Insurance Company; C. A. Shaw, graduate of Howard University, now secretary of the Watchtower Mutual Insurance Company of Houston, Texas, and the author of these notes.

The above paragraph will suggest that there was competence in the lower stratum. This was true, but these people did not sit in the "seats of the mighty." They were largely window dressing. Wherever one of these men was recruited was always a good place to sell stock or the wares of the affiliated companies. This in itself was only what is usually done by corporations throughout the country. It is believed, however, that if the advice of some of these men had been followed the companies could have weathered the storms.

Report on Oddfellows follows-----SOON

DOCUMENT XI

THE LARGEST NEGRO COMMERCIAL ENTERPRISE IN THE WORLD

Amazing Story of Heman E. Perry, Commercial
Booker Washington, Founder of 30,000,000
Standard Life Insurance Company

By Eric D. Walrond
Forbes Magazine, February 2, 1924, pp. 503-5, 523,525

(The Life of H. E. Perry and the Development of Standard
Life Insurance Company)

In these days, when the price of Negro leadership of the Marcus Garvey kind - a leadership that had as its foundation the conquest of Africa, industrially and commercially, by the black legions of the Western Hemisphere - is so dear that in the case of the "Black Star Line" alone it cost something like 5,000,000, it would be well to reflect that the Negro in America, everything to the contrary, is plugging ahead in industry and commerce at an encouraging rate.

Recently it was my privilege to go down to Atlanta, Georgia, for "Forbes Magazine," to look in on what is by all odds the largest Negro commercial enterprise in the world - the Standard Life Insurance Company, the oldest, old-line legal reserve company operated by Negroes.

Before I describe the amazing metamorphosis that is taking place down at 180 Auburn Avenue, the "Black Belt," let me sketch briefly the situation of the Atlanta Negro. The colored population of Atlanta is 75,000 as against New York's 185,000.

It is, however, the most literate kind of population, for Atlanta is a sort of breeding place for Negro schools and colleges. Besides being the home of Morehouse College, Atlanta University, Morris Brown, Clark, and Spelman Seminary, the largest missionary school for colored girls in the world, it is the soil out of which grew that eccentric genius who wrote "The Souls of Black Folk."

Up in Harlem, the Negro "belt" of New York, the dilettante press agent is vigorously at work. You are told that it is a city within a city; a melting pot for the multiple races of the darker world; a gorgeous, exotically gorgeous haven for its proportion of the half-million-odd souls stalking half-drugged out of the South's ochre-red desert.

It is all of these; yet, with half its might color, its 185,000 people, Harlem, compared to Atlanta, with its bee-like 75,000, is shaming in its backwardness.

When I entered the \$152,000 office building of the Standard Life I felt like one in a trance. I could not imagine Negroes owning or operating anything like it (the office equipment alone cost close to \$100,000), I saw dozens and dozens of colored men and women, of the very finest type, employed as clerks, stenographers, bookkeepers, statisticians, accountants, actuaries, and executives. In the words of one of the leading white corporation lawyers of Atlanta, "These people are no longer serfs - fit to be cooks and butlers. Educated, they must be helped; the South must go out of its way to help them realize their ambitions." Fresh from the North, I concurred;

for I knew there was not anything like it anywhere up there.

Nor is it the fly-by-night, mushroom sort of business. Far from it. Everything at the Standard Life is predicated on the basis of system and organization. Every morning at 8:30, not 8:31, the men who are directing the affairs of Standard Life and its twelve subsidiary corporations (including two banks, one in Atlanta and the other in Augusta, Georgia) whose combined assets amount to 10,000,000, meet and confer and map out plans for the day. Keen, alert, hard-headed, these are men who have made outstanding successes of their personal financial affairs, men who can and do rub elbows with the keenest financial minds of the South.

Organized in 1913 with a capital and surplus of \$117,598, the Standard Life today has \$2,400,000 assets and \$30,000,000 of insurance in force. (Incidentally, that represents thirty-three and one-third per cent of the total volume of business done annually by Negro enterprises in the United States.) It is operating in thirteen states including the District of Columbia; it maintains branch agencies in twenty-two cities and gives employment to 400 salesmen, 300 inspectors, and 700 examining physicians. Altogether it has 2,500 people - all colored - on its payroll.

In addition to the Citizens Trust Company, whose total deposits up to December 5, 1923, amounted to \$846,998.79, an increase of \$550,422.85 over the previous year's, it operates the Service Company which, in its turn, operates ten corporations - The Citizens Company, Service Realty Company, Service

Engineering & Construction Company, Service Pharmacies, Service Printing Company, National Fuel Corporation, Penny Savings Bank (Augusta, Georgia), Service Farms Company, Sunset Hills Development Company, and Service Foundation Company, with combined assets of \$8,498,217.37.

The Service Company was organized in 1917 under the laws of the State of Georgia. Starting with an authorized capital of \$100,000.00, this was increased in 1920 to \$500,000, and in 1923 to \$1,000,000. Like most of the enterprises under the control of Standard Life it began humbly, conservatively - with two steam laundries, one in Atlanta and the other in Augusta. Later it grew, in its varied and ramified way, until today it owns 2,000,000 worth of real estate; 300 acres of land within the city limits of Atlanta, on which will be erected residential houses for colored people; seven four-ton trucks; eight box-car loads of building material; 1,000,000 feet of lumber; 1,000 acres of agricultural land in Calhoun County; \$50,000 worth of hoisting apparatus, concrete mixers, tools and office equipment; the Verdery Estate, a \$138,350 piece of property situated in the business district of Augusta; and a \$50,000 printing plant.

Also the Construction Company is in possession of contracts to the extent of \$448,576.90, exclusive of a \$212,000 contract recently awarded it through open bid by the municipality of Atlanta for the construction of a public school house. Incidentally, it employs a number of Negro architects, engineers, brick masons, carpenters, etc., whose payroll alone

amounts to 11,000 weekly.

With a capital of \$250,000, a surplus of \$250,000 and a reserve fund of \$548,269.54, the Citizens Trust Company opened its doors on December 16, 1921. In spite of the fact that a few days prior, a neighboring Negro bank had gone to the wall, thousands of hard-earned dollars with it, the deposits for that first day were \$12,746.97. All along its increase has been steady and marked until today it boasts of \$250,000 capital, \$264,037.14 surplus, resources of \$1,898,438.62, and 32,600 accounts. The president of the Citizens Trust Company, H. C. Dugas, is a banker trained in the schools of high finance, having been for a number of years private secretary to George Foster Peabody.

Singularly, the man who founded Standard Life and who is responsible for its gigantic success, while the busiest, brainiest Negro in the South, is modest, brisk-moving, unassuming. He is Heman E. Perry, whose forbears, according to legendary history, were owned by Judge Heman Perry, of Waynesboro, Georgia.

Wherever I went, whether to banker or college president, lawyer or minister, laborer or politician, farmer or millionaire, white or black, I heard in glowing terms of the financial genius of Heman Perry. Here is a man of humble origin, who, by virtue of his uncanny vision, courage, and Napoleon-like leadership, is building up a gigantic commercial institution whose very spirit is already beginning to revolutionize conditions for the Negro in the South.

HEADS \$30,000,000 ENTERPRISE

And the story of Perry's struggles and ultimate triumph is destined to live alongside the chronicles of those heroic giants who are building America.

For, let it be remembered, Heman Perry, son of a Negro drayman of Texas, at the age of 50, is the directing genius of a \$30,000,000 enterprise, earns \$75,000 annually, is insured for \$1,000,000, and is said to be worth \$8,000,000! (These figures, let me assure you, I did not get from Mr. Perry himself or from anyone in his organization, but from disinterested white men in Atlanta whose business it is to know these things.)

It was toward the end of the second week in Atlanta that I had an opportunity to interview Mr. Perry. In itself, the story of Heman Perry's life, recited as I would like to recite it, would fill many more columns that are at my disposal, for it bristles with anecdote, pathos, humor, tragedy, and human interest; and, most important, it reveals the triumph of an unconquerable personality.

Heman Perry was born in Houston, Texas, March 5, 1873. In school he was a "fiend" at arithmetic, but grammar and "things like that" - he hated 'em. Young Perry's job, after leaving school, was a cotton sampler and marker. It was a salaried position, but Perry didn't like it.

"I was never interested much in a salary," he said. "Salary business never appealed to me; it is too slow a game."

After an unsuccessful fling at cotton raising on a 250 acre farm on the Brazos River, the "Nile" of the South, Perry

started out to Cincinnati to cast his lot. There he worked as an attendant in a Turkish bath. In a few months, however, he was forced to return to Houston on account of his father's illness. His father died shortly after that.

"Then," said Mr. Perry, "I went to New York with the idea of getting rich.

"Cotton at that time was selling for eleven cents. Of course Texas always yielded one-third of the nation's crop and I felt satisfied that cotton was going to sell at a low figure at the end of the year. I went to New York a bear on cotton and a bull on stocks. You could buy U. S. Steel then for 10 outright. I went to the stock market with \$800 or \$900, and within a few weeks I ran it up to about \$10,000. Then, like everything else, I got caught in one of those reactions dealing with a bucket shop and lost everything I had.

"Knowing that New York is a cold place for a person who was broke," Mr. Perry continued, "I decided to go to Georgia and start all over again in cotton. I went to a pawn shop and disposed of my cuff buttons for \$5.00. I went down to a river boat and gave the purser the \$5.00 to work my way to Savannah. Before the boat got out in the water I made 65 cents in tips. Then I got seasick and I was forced to stay in my bunk for the rest of the journey."

With a capital of 65 cents, the indomitable Perry, after the rigidest exercise of economy, managed to keep alive for a week, eating ten-cent meals at two-day intervals, until finally he got a job with a cotton broker. Later he worked in a warehouse.

"When I left the warehouse I told the boss I was going into insurance, and he told me that if at any time I needed a job and I found his name on any place of business, all I need do was come in and hang up my coat and to go to work."

HOW INSURANCE COMPANY WAS FORMED

Getting into the insurance game, Mr. Perry found was not so easy as he had anticipated. For the company which he wrote for when he was in Houston (then it was a sideline) had gone out of business.

"I then wrote a letter to about every life insurance company in the United States. Out of twenty answers I received, there were about three that used colored agents and they confined their agents to endowment policies."

This brought to a head a matter Mr. Perry had been thinking over for a number of years - the organization of an old-line, legal reserve company for colored people.

"The first thing I did was to make a trip to different sections of the country to discuss the matter with prominent colored men. I met encouragement everywhere." After a trip to New York, Boston, Baltimore, Hampton, Virginia, and other places South, Mr. Perry returned to Atlanta, and in the old Y.M.C.A. Building called together about twenty men.

"To save time and to make sure that I had the right kind of men, I made each man pay 20 as a sort of entrance fee. I then put the proposition up to them. Few of them felt that an old-line, legal reserve company capitalized at \$100,000 could

be floated with shares selling at a premium of \$125 and \$150. It was something new among our people, and you couldn't get them to see it."

In spite of which, Mr. Perry went ahead, had each man agree to subscribe \$125 which was to be paid when the total amount of \$100,000, which was the amount required by the State before an old-line, legal reserve company could be started, was subscribed. Stock was to be sold at twenty per cent cash, the balance to be paid in three, six, nine, and twelve months. The money was then deposited in the Central Bank & Trust Company at four per cent interest.

Determined to make good, Mr. Perry, minus a salary, agreed to defray all the expenses of organization with the exception of 125, which was the incorporation fee.

REFUNDS SUBSCRIPTIONS

"After two years, the time required by law in which we had to qualify, of hard labor, spending largely one day in a town and traveling at night in the "Jim Crow" cars we had 85,000 cash. We put forth every effort with banking institutions and trust companies to help put over the proposition, but without success. We even appealed to the commercial side of Atlanta - that being the first old-line, legal reserve company being organized by our people and Atlanta being the headquarters with the president of the chamber of commerce an insurance man, we felt confident we could secure help, but without success.

"Reluctantly, we voted to return the money to the people

for it was the only thing to do. The \$85,000 with the four per cent interest was refunded to the subscribers without any string tied to it. The only thing we did, however, was to send a letter along with each remittance saying that I had paid the total expenses which amounted to \$4,740 and had given two years of my time to the proposition, without compensation, and asking them kindly to help reimburse me out of the interest on the money. We received replies from three persons whose donations were sixty dollars.

"I remember the evening well," Mr. Perry continued reminiscently. It was cold and windy, the fire had gone out, and it was fast growing dark. One of the men remarked, 'It's getting dark, boys. Let's light the gas.' And another said, 'No, don't light the gas; don't put Mr. Perry to any more expense.' And they filed out, one by one, and left me alone at the fireless stove thinking things over."

You'd think that Heman Perry's dream of a life insurance company would have ended there, but it didn't. Unbeaten, undaunted, profiting by the experience of the past, he went at it again with hammer and tongs, and in the end won out.

Standard Life as it stands today is there to testify to the indomitable will and unconquerable spirit of Heman Perry.

It is a unique institution in several respects. In it is to be found the finest, most aggressive set of young colored men and women to be found anywhere.

While at Standard Life, I talked with men and women from Harvard, Yale, Oxford, Cornell, Fisk, Columbia, Amherst,

Pennsylvania, Carnegie Institute of Technology, Chicago, Ohio State, Knoxville, Wisconsin, Michigan, and twenty other institutions of higher learning.

That is it - Perry believes in education. He is a man of meagre training - training as it is known in schools and academies. But the Standard Life library, for instance, is reputed to be the best banking library in the South. Regularly, Mr. Perry gets nearly every book or magazine published in the United States dealing with finance, economics, science, agriculture, etc. There is in addition, a house organ, "The Trail Blazer," which is distributed to the salesmen and employees of the company.

MR. PERRY'S RIGHT-HAND MAN

Naturally a leader of Mr. Perry's type is not without able, honest, and trustworthy associates, upon whose judgment he invariably relies. Of these J. A. Robinson, secretary of the company, is Mr. Perry's "right hand man."

Born in British Guiana, South America, Mr. Robinson came to this country when he was 34 years old. After graduating from Queens College, he went to work at Messrs. Playfair and Company, dry goods merchants of Georgetown, British Guiana. He was 17 years of age then. One day Arthur Playfair, son of Sir Lyon Playfair, the head of the firm, dropped into the store.

"Robinson," he said, "I understand you are fond of whistling. What are you practicing to be - a cart boy?"

That reprimand, trite as it was, the young dry goods clerk

never forgot.

"Then," Mr. Robinson said, "I went to the gold fields up the Potaro and Barima Rivers. I was very successful there. In Cayenne, French Guiana, I went up the Nappa River in search of more gold. I stayed there for some time; then I returned to British Guiana and was overseer at plantation Leonora, a sugar estate, on the West Coast of Demerara. From there I left and came to this country in 1909."

Mr. Robinson has always been associated with Standard Life. While working for it as clerk, auditor, accountant, and secretary in the evenings. He was auditor of the Atlanta State Savings Bank. Later he was appointed Dean of the Commerce Department of Morris Brown University for five years.

W. H. King, vice-president of Standard Life, is another of the pioneers. Mr. King was a mail carrier for ten years, when he answered the call to enlist in the ranks of insurance builders.

Born in Covington, New County, Georgia, 41 miles from Atlanta, W. H. King is an example of the perfect self-made man. He received his education in the little village school. Later he entered Atlanta University, but was not able, due to low family finances, to continue. But Mr. King never stopped studying. Forced to go to work, he used to borrow his school-mate's books and study at night.

King is reputed to be the best colored salesman in the United States. He has sold more life insurance than any other colored man alive. When the Citizens Trust was being organized,

Mr. King sold, between January 27 and June 16, \$300,000 of stock in the bank, \$125,000 of this being in cash. At one time he wrote 86,000 of life insurance in eleven days.

And this is what he said when I asked him what had been his chief source of inspiration:

"I have not missed a copy of 'Forbes Magazine' in five years. I got most of my inspiration from reading Mr. Forbes' 'Men Who Are Making America.' It has been my prayer book. I never dreamed of living to see the time when a colored man would be sent down here to get a story for 'Forbes Magazine.'"

DOCUMENT XII

"The Negro's Adventure in the Field of Life Insurance"

W. J. Kennedy, Jr., 1934

Published by Research and Review Department, North
Carolina Mutual Life Insurance Company, Durham, N. C.

(A Research Conducted in the Field of Life Insurance).

TWENTY YEARS DEVELOPMENT

1913 - 33

"Practically every period of marked improvement and unusual development experienced by a group of people or an institution has had some incentive which created the desire for advancement. This thought as to Negro life insurance enterprise is discussed in detail by Mr. W. J. Trent, Jr. in his thesis recently published. It is his opinion that the organization and promotion of Standard Life Insurance Company by the late Heman E. Perry and his associates was the direct cause of the expansion and rapid growth of several Negro life companies which had been in the field for several years operating either as industrial assessment, stock, or mutual enterprise. p. 5.

DOCUMENT XIII

CARNEGIE - MYRDAL STUDY

"A RESEARCH MEMORANDUM OF THE NEGRO IN THE AMERICAN ECONOMIC SYSTEM - with Special Reference to His Employment in the Fields of Business, Professional and Non-Professional White Collar Occupations." Ira De A. Reid, Atlanta University, 1940.

(A Sociological Study of the Negro in the American Economic System)

The Standard Life Insurance Company

In 1908, a young Negro in Atlanta, Georgia, who, at various times had been agent for several insurance companies, undertook the launching of a Negro legal reserve company in that city. State law required that one hundred thousand dollars be posted with the insurance commissioner as security for the stock-holders. Heman E. Perry, the agent in question, began soliciting this amount from the Negro community. Within the two years allotted for maintaining a charter, Perry was able to raise only \$70,000. He therefore, returning all funds to the participants and made another effort some years later. On March 22, 1913, the Standard Life Insurance Company was officially launched as the only legal reserve company owned and operated by Negroes that wrote only ordinary insurance. This same Perry within a short period of time wrote \$250,000 worth of insurance without commission and proceeded to set up an insurance company that has never been eclipsed among Negroes for the sheer audacity of its enterprise.

Within ten years this company increased its insurance in force from \$381,500 to \$22,881,575; its premium income from \$10,293 to \$1,178,022; its assets from \$116,702 to \$2,942,439; and its net reserves from \$7,639 to \$1,053,697.

Unfortunately, for successful prosecution of the business the founder and first president became involved in several allegedly dubious transactions concerning loans and real estate and began speculating with the funds of the company. During this period subsidiaries corporations were established to wit:

1. The Citizen's Company - a discount corporation
2. Service Realty Company
3. Service Pharmacy
4. Service Printing Company
5. Service Foundation, Inc. - a philanthropic unit
6. Service Farm Bureau
7. National Fuel Corporation
8. Penny Savings Bank
9. Service Engineering and Construction Company
10. Service Laundry
11. Citizen's Trust Company

The establishment of these subsidiaries brought into Atlanta as intelligent and promising a galaxy of trained young Negroes as have ever moved into any community, but their employment was tied in with this type of operation. In order to organize these subsidiaries, persons who could be induced to buy stock in them was told to apply for a loan on their property to the Standard Life; the Standard would lend the money which was immediately turned over to one of the companies in which stock was purchased. It was alleged that the Standard's own money was invested in these subsidiaries and furnished these companies with working capital. This type of operation caused

the Georgia Insurance Department to report in 1924 that:

The examiners state that the company is one of a group of men, a situation which carries with it the disadvantage of the same group of men having to watch out for the interest of all these organizations instead of being able to devote their sole attention to the affairs of the Standard Life Insurance Company. ... The officers are criticized for their handling of trust funds, loans without the right, security and preferential bank deposits - all of which the examiners desire to have corrected without delay.

The whole Standard structure collapsed, causing, what can only be described as, consternation in the Negro community. Chief among the rumors of reasons for the company's failure was that "a white loan shark, who had extended credit to Standard from August 1, 1924 to January 15, 1925, was trying to strangle a race enterprise," but the true facts seem to be to the contrary.

The Service Company of which Perry was head, owned controlling interest in the Standard Life, 1,251 of 2,500 shares (some of the Standard stockholders having been induced to exchange their stock for Service Company stock, 7 for 1). Through an Atlanta broker, a Mr. Harris, President of the Southern Insurance Company (white) loaned the Service Company \$300,000. Meanwhile, the Service Company borrowed more than \$200,000 from two other sources. Harris, having first trust against the holdings of the Service Company, guaranteed the payment of these two loans. To secure Harris for the \$500,000 or more, Perry hypothecated the Service Company's 1,251 shares of Standard stock and his equity in the various real estate holdings of the Service Company. The contract between Perry and

Harris carried two options, either of which Harris was at liberty to exercise on December 15, 1924. One option was to foreclose the mortgage against the Service Company and the other was to transfer the Service Company's holding in Standard Life on the stock book of Standard Life in fee simple to Harris. The first option could not be exercised because the Service Company had become defunct, thereby impairing the Standard Life. The impairment came about as follows - Perry was President of the insurance company and the Service Company, Chairman of the Board of Directors of the Citizen's Trust Company and the other subsidiaries. As President of the Standard Life, he deposited \$700,000 of its funds in the Citizen's Trust Company (his bank). Portions of these funds he loaned to the Service Company (his company) without collateral. When the Insurance Commission investigated the bank as a depository for insurance funds, it called the deposit. The bank called on the Service Company to pay the loan; the Service Company, having failed, could not meet its obligation. In order to meet the bank's call, the Service Company turned over everything it had to the bank, in order to meet the Insurance Commission's call to remove the deposit, turned over to the Standard in lieu of its deposits of 650,000, everything it had received from the Service Company.

But when the \$550,000 due Harris was taken from these securities turned over to the bank, the amount transferred to the Standard presented an impairment in Standard's reserve of approximately \$500,000, leaving the Standard stock without

market value and the corporation in a frozen condition. At a stockholders' meeting on January 15, 1925, Harris, as president of the Southern Life Insurance Company, now holder of 1,251 shares of Standard stock, in order to protect his equity proposed to merge the company with his company and exchange stock of the Southern for Standard stock held by the minority. If the minority could arrange to pay the \$550,000 indebtedness, he would, however, step out and allow the company to continue as an institution run by Negroes. The stockholders accepted the merger proposition and the Standard Life, as such, passed out of existence.¹

For some time the Southern and Standard Companies were operated separately, the former from its home office in Nashville, and the Standard from its headquarters in Atlanta. The Negro press accused Perry on the occasion of the merger of betraying the race's interests and permitting money sharks to control the company. With the hullabaloo raised by the press and the presence of several white officials in the offices of the erstwhile Standard Life, the policyholders lapsed their policies so quickly that the business lasted less than a year. In December, 1925 it was sold to a newly formed Standard Life of Eureka Springs, Arkansas, a white concern. About \$23,000,000 of insurance was thus reinsured, for which \$750,000 in assets were transferred.

¹See Atlanta Independent, January 22, 1925.

But just when it was concluded that the Standard, proudest of all Negro institutions was "lost to the race forever" the National Benefit Life Insurance Company of Washington, D. C., which had grown from a little assessment association in 1898 to a legal reserve company with over \$40,000,000 of insurance in force, reinsured the Standard Life of Arkansas, according to provisions and limitations provided for in a decree handed down by the Georgia courts.¹ This introduces another phase of the Negro insurance structure as it sought to weather the vagaries of capitalistic enterprise. Ere that company is discussed, however, it should be borne in mind that the Standard Life pointed out more than did any other company the possibilities of Negro insurance companies operating on the legal reserve plan. Furthermore, it schooled Negro men and women in the business of insurance, a fact attested by the presence of so many former "Standard men" in contemporary companies. Finally, the pioneering of Perry and the toppling of his structure, when viewed in the light of American business practices that resulted in the debacle of 1929, are not so untypical of American business. Today in Atlanta, at least two of the businesses initiated by Perry - the bank and the drug store - continue under new and efficient management. And, despite the heavy losses that many a Negro incurred, all will admit that the present location of better Negro homes is due in no small way to the pioneering of this so-called "Bronze Ponzi."

¹Best's Insurance Reports, 1928, p. 638.

But there is no more indicative aspect of the nature of Negro business enterprise than that indicated by the attempt of the late Robert Russa Moton to secure the necessary \$500,000. He couldn't save Standard Life,¹ it is reported:

The truth about the offer of a loan of \$550,000 from Julius Rosenwald and John D. Rockefeller, Jr., to the Standard Life Insurance Company of Atlanta, Georgia when it was in difficulty five or six years ago was told for the first time today by Dr. R. R. Moton, Principal of Tuskegee Institute, at a recent meeting here. . . . According to Dr. Moton, the Standard Life made appeals in all directions for help, but finally a committee came to see if they could interest Mr. Rockefeller or Mr. Rosenwald in the situation. 'The company wanted \$200,000 to tide them over,' he said. 'They were in the hands of lenders who had advanced them \$200,000 and insisted upon foreclosing and taking something like three million dollars of good assets to satisfy their claims. I was presiding at the National Negro Business League in Chicago at the time - the Twenty-Fifth Anniversary of the League. I asked the vice president to take the chair. I called Mr. Rosenwald over the phone and made an appointment. Jumping into a taxicab, I went over to see him - a long distance, and told him the story. But I didn't ask for \$200,000; I wanted to be on the safe side. I told him we needed \$400,000. Colored people in business don't always tell the truth. I thought it better to put up \$400,000 and be safe than to say \$200,000 and lose it. I told Mr. Rosenwald just that. He thought it over a minute and then said, 'I think I could get the money for you. Would you handle it yourself at Tuskegee?' 'No, sir,' I said. He asked me, 'How would you handle it?' I said I would handle it through New York, through the Title Guarantee and Trust Company. I would get the best actuary to make an investigation and get some certified accountants, Wall Street men, to come down and check up before I would spend a cent. He said, 'All right, I will see that you get the money.' I went back to New York to get things going. The money was deposited with the Title Guarantee and Trust Company! We got \$550,000 to be on the safe side, Mr. Rockefeller, Mr. Peabody, Mr. Kelsey, and others cooperating. We looked into the situation and on the 23rd of December, after an all day conference, I wired Mr. Kelsey and Mr. Rosenwald, we would have to send the money back. We didn't think it a safe investment from all information at hand, and we didn't do it.

¹The Baltimore Afro American, May 7, 1932.

The only possible reason for Rosenwald and others being interested in the Standard Life was their belief in the faith of Negroes, in Negro controlled business enterprises. In part, it was this same motive that led the National Benefit to acquire the Standard Life.¹

THE NATIONAL BENEFIT LIFE INSURANCE COMPANY.-- This company was organized in Washington in 1898. Because of its size and the conditions that gave rise to it, this company during its life was more nearly in position to compete with white companies than any of the Negro financial institutions up to its time. Analysts of the company's business, point out that when it took over the Standard Life in 1927, the National Benefit only moved closer to receivership. It failed in 1931 because of:²

- (1) Unwise expansion
- (2) Excessive operation costs
- (3) Reinsurance of the Standard Life Insurance Company
- (4) Manipulation of capital stock
- (5) Lack of a sound investment policy
- (6) Lack of sound underwriting policy
- (7) Lack of prudent management

Mitchell points out that this company with considerable less than 400,000 in capital was underwriting more than 70,000,000 of insurance, operating in 28 states under the delusion of the "big business" notions of the management. Its inefficient supervision over claims, failure to investigate mortality

¹James B. Mitchell, The Collapse of the National Benefit Life Insurance Company, Washington: Howard University Studies in the Social Sciences, Vol. II, No. 1, 1939.

²Ibid., p. 123.

experience, nurtured in a setting of factors over which a Negro business has no control were responsible for many of its difficulties.

Yet there are other points of view. One insurance executive wrote the author of this memorandum that the receivership alone was a "scandalous" matter. Another policy-holder charged that the receivers for the company had been conducting a modified insurance business without a reserve as required by law and that the money received from this business was being dissipated. During the long period of litigation to which the National Benefit was subjected, the assets of the company were reduced from three million to considerably less than a million dollars. All hope of rehabilitation has disappeared; no dividends have been paid to stockholders in the whole affair. The real losers in the whole affair have the policyholders whose response to the appeal to support Negro business enterprises made the National Benefit possible.

DOCUMENT XIV

DEVELOPMENT OF NEGRO LIFE INSURANCE ENTERPRISES
Unpublished Master's thesis, Department of Economics,
University of Pittsburg, 1934. p. 46

(A Thesis in Economics)

AN EVALUATION OF THE STANDARD LIFE INSURANCE COMPANY

Whatever criticism might be levelled at practices of officials of the company, it is undeniable that the Standard Life made two valuable contributions to the field of life insurance among Negroes. First, it pointed out the possibilities in the field of legal reserve life insurance companies operated by Negroes and one by one, the major Negro insurance companies changed over to the legal reserve plan and have grown steadily. Secondly, it took men from all walks of life and schooled them in the life insurance profession. The presence of so many former Standard Life men in positions of importance in any number of large Negro insurance enterprises bears testimony to that fact. The president of the Standard Life was a stickler for well-trained men and future generations will most probably profit by his farsightedness in preparing his associates and employees. One must take all into consideration when attempting to evaluate a man and an institution that he founded. It is only a question of whether the unsound business practices and finally the debacle of his institution outweigh the great potential good done for the field of Negro insurance through his

pioneering and policy of training his men. Such an adjudgment is not easily made. His initiative showed the wonderful possibilities in the field and several were quick to attempt to follow him.

EXTRACT

W. J. Trent, Jr. Thesis
Taken from Best's Life Insurance Reports, 1924, p. 764

CRITICISM FROM THE INSURANCE DEPARTMENT OF THE STATE OF
GEORGIA p. 44

The examiners state that the company is one of several organizations owned and controlled by the same group of men, a situation which carries with the disadvantages of the same group of men having to watch out for the interests of all these organizations instead of being able to devote their sole attention to the affairs of the Standard Life Insurance Company. ... The officers are criticised for their handling of trust funds, loans without the right security and preferential bank deposits - all of which the examiners desire to have corrected without delay.

DOCUMENT XV

INTERVIEW WITH MR. J. B. BLAYTON

April 30, 1948

(A Former Actuary of Standard Life Insurance Company)

- Q. "Mr. Blayton, the Sociology Department is interested in my doing a thesis on Mr. Heman Perry. Is there any material available, and if so, where is it?"
- A. "Yes, there is some material, but it is scattered." We walked into his office and he offered me a seat. He began by saying that there is a book by Mr. M. S. Stuart, An Economic Detour, which has an account of Mr. Perry in connection with the Standard Life Insurance Company. There appeared an article in the Phylon about a year ago about Mr. Perry. In the Library is a thesis by William J. Trent, Jr. "Negro Business" that might be of help. See Mrs. Hattie Harden, she has a booklet on "The Perry Enterprises." I have in the office here, "Annual Statements" of the Standard Life Insurance Company, dating from 1919.

"Mr. Perry was a man of adventure and of broad imagination. Not only did he have a broad imagination, but he had common sense with it. He had the equivalent of an eighth grade education, but he barred no one when it came to transacting business.

"I was personally affiliated with the institution. I served as the accountant from 1923 to 1924. I shall try to be as objective in my statements as possible. Of course you will get all sorts of explanations from different people because those who were very near to him will try to make a monument of him. It will be up to you to analyze their statements and draw your own conclusions."

- Q. "Can you refer me to any one who is living and knows something about his personal life?"
- A. "Yes. His sister, Miss Olive Perry, who is in the public school system in Atlanta. Mr. and Mrs. J. B. Greenwood who live on Piedmont Avenue. Mr. Milton, President of the Citizens Trust Bank. Mr. C. R. Yates, and Professor Harper, President of the NAACP. Other persons you might contact are:

Dr. Tillman
 Mr. Whittaker
 Mr. Harvey
 Mr. Warner, Superintendent of Building and Grounds
 of Morehouse College
 Mrs. Ruth Harris, who works in the Bursar's Office
 at Clark College."

SOME HUMAN CONTRIBUTIONS

The Supreme Liberty Life Insurance Company. The founder was Secretary of the Standard Life Insurance Company.

Mr. Aaron Day, present Educational Director of North Carolina Mutual Life Insurance Company was Assistant Agency Director for Standard Life.

Mr. A. V. German, President of Keystone Life Insurance Company of New Orleans, Louisiana, was manager of the Florida District.

Mr. John R. Pinkett, 22 V Street, Washington, D. C., one of the most outstanding real estate dealers in Washington, was Agency Director of the Standard Life Insurance Company.

NAMES OF COMPANIES HE WAS IMMEDIATELY CONNECTED WITH

1. Standard Life Insurance Company
2. The Citizens Trust Company
3. The Service Company
4. The Citizens' Company
5. The Service Printing Company
6. The Service Foundation
7. The Farm Bureau
8. The Service Laundry
9. The Service Engineering and Construction Company
10. The National Fuel Corporation
11. The Penny Savings Loan Company of Augusta, Georgia

SECOND INTERVIEW WITH MR. BLAYTON
 Friday, May 7, 1948, 11:30 A. M.

"Mr. Perry was definitely a trail-blazer in the field.

He was the pioneer of what you might call, "A social movement" in Atlanta Negro business. He aroused Negro businessmen and made them recruits for the movement by stimulating thought."

Q. What was his program to benefit Negroes in their standard of living?

- A. 1. Mr. Perry's program was to improve housing among Negroes.
2. To put Negro Insurance on a reputable basis by selling only ordinary insurance
3. He recruited able and well trained personnel into his organizations
4. He provided the incentive for the study of Negro business at the professional level.

Mr. Perry was a dynamic personality and knew the art of persuasion and salesmanship. He was a master salesman.

THIRD INTERVIEW WITH MR. J. B. BLAYTON
May 8, 1948

"My relationship with Mr. Perry was not an intimate personal one, but one of a business nature. Mr. Perry came to Atlanta for the purpose of organizing a Life Insurance Company. His idea was to establish a Legal Reserve Company to sell ordinary insurance only.

"Mr. Perry had his good points and his weaknesses. He was very arrogant at times and fixed in his opinion. The failure of the company was not due solely to investments. It was due mainly to bad counselling. My reason for saying that is, in 1923, Mr. John A. Copeland (white), who was actuary for the Standard Life Insurance Company, the Southern Insurance

Company (white), and Actuary Advisor for the State of Georgia and Tennessee, found the Standard Life Insurance Company and the Service Company to be impaired after an inspection of the Georgia Insurance Department. In order to account for the eligibility of assets, a loan was made from the Southeastern Trust Company. Mr. Copeland was also vice president of the Southeastern Trust Company.

"It was suggested by Mr. Copeland that the Standard Life Insurance Company would thrive better if it would merge with the Southern Insurance Company of Tennessee. After a conference with Mr. Perry and Mr. Harris, who was president of the Southern Insurance Company of Tennessee, it was agreed that the two companies would operate from a central control.

"Did not Mr. Perry discover this before it was too late?"

"Yes, but he had bad counselling. Mr. Copeland, who was supposed to have been his advisor maneuvered the company from under him."

DOCUMENT XVI

INTERVIEW WITH MR. CYRUS CAMPFIELD
May 9, 1948

(An Executive of The Atlanta Life Insurance Company)

"My association with Mr. Perry was not in connection with the Standard Life Insurance Company or any of the other organizations which grew out of the Standard Life. I was employed with the Atlanta Life Insurance Company.

"It is no doubt about it, Mr. Perry was one of the greatest organizers I have ever known. I say now, and have said in the past, that if Mr. Perry had devoted all of his attention to insurance, Standard Life would have been one of the greatest organizations in existence today."

Failure

"One reason for Mr. Perry's failure was, he expanded too rapidly. The money his institutions handled was not large enough to cover the expenses. The Service Company was one of the main sources of his failure. Too much money was wasted. Expensive equipments were purchased, large areas of land bought, and the building of elaborate houses was financed.

"Another reason why he failed is that he was influenced by certain white men to invest his assets in certain enterprises. He was encouraged to make the investments because they were supposed to have been "get rich over-night" schemes.

"Another reason for Mr. Perry's shortcomings, is that he would not accept advice from his associates. He would have

board meetings and would not reveal the true facts of the institutions' operations, particularly the investments.

"All in all, Mr. Perry can not be overlooked for his ability. He surrounded himself with some of the most able men in the country. He recruited well trained men into his institutions. This was an asset to Negro business.

"To give you an idea of how Mr. Perry operated, he took Mr. Bill King, his Agency Director, and a very capable fellow, to Tuskegee Institute and persuaded Dr. Moton to purchase some stock with the Service Company. Dr. Moton did not have the capital to invest. Mr. Perry told him that by being President of the Negro Business League, it would be an asset to the organization for a personality like him to become a stockholder in the company. Dr. Moton could pay for the shares at his convenience.

"By adding Dr. Moton's personality to the organization, it would influence other personalities to become a part of Standard Life Insurance Company and its enterprises."

DOCUMENT XVII

INTERVIEW WITH MR. JOHN A. COPELAND, SR.
Monday, May 31, 1948
2:10 p. m.

(Former Actuary and Consultant of Standard Life Company)

"It was connected with Standard Life as an advisor and actuary from the time it began until it was taken over by the Southern Life Insurance Company of Tennessee.

"It took Perry four years to organize Standard Life. He failed the first time because he was not able to raise 100,000 which is required by the State Insurance Department of Georgia. However, his second attempt was successful.

"Standard Life was a great company and was doing a mass of business considering the time it had been organized. Standard Life would have been one of the greatest insurance companies among the colored race today if Perry had devoted all of his time to insurance and not expanded too rapidly. Within a short period, Perry had organized eight or ten companies, of which, all grew out of Standard Life's money. He organized the Service Company and the Bank. The Service Company served as a holding company for Standard Life and the Bank held the deposits which were loaned to the subsidiary companies.

"The Construction Company brought the first debt on Standard Life, which it had to pay, when it constructed a building on Clark University's campus. The Construction

Company lost \$6,000 on the deal. The Real Estate Company went about \$10,000 "in the hole" building 100 houses.

"Perry purchased Mississippi Life Insurance Company by making a personal loan with broker Harris of \$300,000. When time came to meet the payment, Perry did not have the money, so he put up his stock of 1,251 shares as collateral. When he could not redeem his stock, Harris froze his shares and became a majority stockholder in the company.

"There was an attempt to save the company. Perry, Principal Moton and I went to New York to see Mr. Rosenwald about a loan. Principal Moton made an appointment with Mr. Rosenwald immediately after we arrived. We went over and talked with Mr. Rosenwald about the loan and he immediately agreed that he would personally finance half of the \$400,000 if the Rockefeller Foundation would put up the other half. He made out a note for the \$200,000 and gave it to me. We left Mr. Rosenwald and went over to see Mr. Kelsey who was President of the Rockefeller Foundation. The story was told to him and he said that the Rockefeller Foundation would put up the \$200,000 if Moton would accept the Presidency of the Company. Perry was not for that and refused to give ground. On the other hand, Moton was not willing to give up his position to take over Standard Life. Shortly after we returned to Atlanta, representatives from the Rockefeller Foundation came down to inspect the company. They still held that, unless Moton takes over as president, no loan. So I had to return the note to Mr. Rosenwald. The \$400,000 would have given the company

enough money to pay off its debts and have a nice sum to operate on.

"I don't know the connections of Moton with Standard Life, only that he was a good friend of Perry's and wanted to see the company grow."

FAILURE

"Failure was due largely to over expansion and the misuse of about 10,000 through the bank. I don't know why the bank did not go under.

The purchase of Mississippi Life was a set-back to Standard Life. After we purchased Mississippi Life, we found an impairment in it."

"Standard Life was never impaired. It was as sound as a rock. Perry was an excellent organizer but he was not a supervisor. He could not handle money. He ruled with iron hands. He was a dictator.

"Perry was an adventurer; he would make a debt to pay a debt."

DOCUMENT XVIII

INTERVIEW WITH MR. AND MRS. J. B. GREENWOOD
May 6, 1948

(Former Friends of Heman E. Perry)

This afternoon, I went to interview Mr. and Mrs. Greenwood. Mrs. Greenwood came to the door and after introducing myself, I asked her if she could spare about ten minutes, that I had something to talk with her about. She said that she was very busy. I told her that it was very important and insisted that I must talk with her. She agreed and invited me in.

"Mrs. Greenwood, I was told that Mr. Perry roomed with you a number of years while he was connected with the Standard Life Insurance Company, and I came by to talk with you about some of his achievements. As you know, he made a great contribution to Negro business. These things are not in the literature and I came to you for a real story of his life as you knew him."

"Mr. Perry was a great man. What do you want to know about him?"

"What type of personality would you say Mr. Perry possessed?"

Mr. Perry was a jolly type of man. He was good natured and was very kind hearted. He was very adventurous and when his mind was fixed on something, he let nothing come between. Mr. Greenwood and I talk about him

often. I told Mr. Greenwood that if he had listened to me, he probably would have been living today. Mr. Greenwood says that he lived 50 years ahead of his time. Sorry, but I am a seamstress and I have so much work to do, I don't have time to talk. Mr. Greenwood can give you a lots of information.

"When will it be convenient for you and Mr. Greenwood to talk with me?"

"Mr. Greenwood is in the back, I will call him."

Mr. Greenwood and I were introduced, and Mrs. Greenwood explained my mission. Before leaving, she said that she had some newspaper clippings and some more material about Mr. Perry, but she could not put her hands on it. "Would you please do me a favor and locate it over the weekend because this is more important than you realize." Mrs. Greenwood promised that she would, then Mr. Greenwood and I were left alone. Mr. Greenwood said:

Well, Mr. Perry was a brilliant man. He was adventurous and was very devoted to his work. I always said that he lived 50 years ahead of his time.

"What habits did he have?"

Well, he did not smoke or drink. The only habit he had is he was hard to deal with. When he pictures something in his mind, he did not let anything come between him.

"Did he belong to a fraternal organization?"

"No he did not."

"Did he participate in any political or civil activities?"

"No, he did not bother with anything like that."

"What were the attitudes of the people who belong to the fraternal and civic organizations toward him?"

"They did not like him."

"Did he have a close friend that he ran around with?"

"No, not to my knowledge. He always went alone."

"Was he ever married?"

"No, but he was engaged two or three times."

"To whom?"

"I cannot call their names right now."

"Why do you think he did not marry?"

Well, he was very devoted to his work and possibly could not divorce himself from his work to include a mate.

The conversation was slightly changed. Mr. Greenwood mentioned Mr. Thomas J. Ferguson who was a close associate of Mr. Perry in the Standard Life Insurance Company. To quote him:

After the Standard Life failed, Mr. Ferguson operated the Pioneer Loan Company on the corner of Piedmont Avenue and Auburn Avenue. The building is now occupied by Mitchell and Jenkins, "The Steak House." He operated the business until the depression came. Mr. Ferguson had formulated a plan to erect a monument in memory of Mr. Perry but he never did get to it. He was going to purchase a piece of land in the Hunter Road area. If he could not do that, he was going to erect it in his front yard. Mr. Ferguson's home is located on the corner of Mitchell and Ashby. He died about three years ago.

"Did Mr. Perry belong to a church?"

"No, but he worshipped at the Congregational Church. He organized a Bible Class and supported a Mission."

"What type of Mission?"

"A home for orphans and old folk."

DOCUMENT XIX

INTERVIEW WITH MRS. HATTIE HARDEN
May 30, 1948

(A Former Employee of Standard Life Insurance Company)

"Yes, I remember Mr. Perry for more than one reason. My first memory of him is almost as vivid now as it was when I first met him. Mr. Perry was so polite, gentleman-like, and so reserved. He was a man of adventure and broad imagination, and was able to make his ideals a reality.

"Mr. Perry was responsible for my interest and all I know about insurance. I started with the Standard Life Insurance Company in the summer of 1917, as a clerk. At that time, Mr. Walter White was Cashier of the company. He and some of the other employees of the company teased me so about my work that I became discouraged and the following September I went back to my job as a teacher in a rural section of Georgia. My school ran only six months. After returning to Atlanta, I went to the office and told Mr. Perry that I came back for my job and this time I came to stay. "If others can do it, I can too." He smiled and said, "That is the spirit, you can do it and I want you to make good." I started at five dollars per week and my salary rose to ninety-five dollars per month, and held that position until the company went into the hands of the receiver, in 1926.

Mr. Perry was a stern business man. We had to recite a

creed every morning, and had to live up to.

"Mr. Perry was a very energetic man. He was never married, and never lived with his relatives." She suddenly stopped talking and said, "Just a minute." Shortly she returned with a pamphlet entitled, "Standard Life Insurance Company - Citizens Trust Company." This pamphlet contains "The History of Standard Life Insurance Company," members of the board of directors, the managerial staff, names of the different organizations of the institution, and pictures of the proposed plan of buildings, and buildings they had financed.

She also has a book that she won from the company, "An Economic Detour, by Mr. M. S. Stuart. This book contains a "History of Insurance in the Lives of American Negroes." In it is an account of Mr. Perry and his association with the Standard Life Insurance Company.

Mrs. Harden said that the material was at my disposal, but I would have to use it at her house. She also stated that she would cooperate and offer any assistance she could in this study.

DOCUMENT XX

INTERVIEW WITH DR. GEORGE A. HOWELL
May 16, 1948

(Former Member of the Board of Directors of Standard
Life Insurance Company)

"Mr. Perry was an earnest man. It never was his idea to hurt anyone. He was a gentleman in every respect, and was void of any veneer and glamor.

"Mr. Perry was one of the greatest optimists in the world. He was a great dreamer and was not afraid to venture into anything. If Mr. Perry would have had the manpower to make his dreams a reality, possibly he would have been living today and Standard Life together with the other companies, would be some of the greatest institutions in the world. Mr. Perry possessed a marvelous imagination; he never was complacent. Before he could fully perfect one idea, he was working on another one.

"Mr. Perry was not a man to accept ideas because he was always bombarding you with some. He always stayed ahead of the masses. He could do more with a pencil and piece of paper than a magician. While talking with Mr. Perry in his office, he would constantly scribble on paper and suddenly he would spring out with an idea. He aimed high and accepted no substitute.

"Mr. Perry responded to any appeal if it was fruitful.

He donated flags to the public schools. I don't know anything about his mission work. Mr. Perry was so devoted to his own work that I doubt whether he had time for anything else. He worked untiringly.

"I doubt whether Mr. Perry ever carried ten dollars in his pocket. Money as a personal gain to him did not seem very important. The moment he received his check, he invested it in one of the enterprises. He profited nothing from the company.

"Mr. Perry had no connections with the Odd Fellows - only in terms of the Odd Fellows Building we took over. However, after purchasing the building, it was later discovered that there were more mortgages on the building than were listed in the contract. After Standard Life and its subsidiaries were taken over by the Southern Insurance Company of Tennessee, the Odd Fellows' building went for collateral.

"I would like to stress that Standard Life's capital stock was never impaired, neither did Standard Life ever go into the hands of receivership. Standard Life's stock was sound.

"This crisis came about when the Citizens Trust Company was trying to become a member of the Federal Reserve. Mississippi Life was for sale. If the institution could purchase Mississippi Life, the assets from the company would boast the capital reserve of Citizens Trust far over the amount required for entrance into the Federal Reserve.

"Mr. John A. Copeland, actuary for the Standard Life, was

sent to investigate the Mississippi Life. He came back and reported that Mississippi Life was in good condition. The Service Company was to buy Mississippi Life and sell it to the stockholders of Standard Life at a handsome profit. The Service Company, not having the required amount, made a loan with the Southeastern Trust Company which they were to pay back within a certain time with a moderate interest. To make the loan, the Service Company had to put up its 1251 shares as collateral. After the financial deal was transacted, it was discovered that Mississippi Life was impaired. Hence, the Service Company could not sell Mississippi Life's stock to the stockholders of Standard Life, nor could the Service Company meet the payments when due to the Southeastern Trust Company. When the state of Georgia Insurance Commissioners examined the bank for Standard Life and the Service Company holdings, the bank could not meet the call. When time came for the Service Company to make the payment, it could not.

"Mr. Copeland maneuvered the deal that the Service Company's shares be transferred to Standard Life's capital stock and the whole institution went to the Southern Insurance Company.

"As a stockholder of the institution, and seeing what injustices had been brought all concerned with Standard Life, I set out to file a suit against the Southeastern Trust Company to see if I could save Standard Life, because I had influenced a number of Negroes to buy insurance and I did not want my professional career jeopardized. The suit was recorded in Fulton Superior Court as, Charles H. Brown and George A. Howell

as stockholders of Standard Life Insurance Company vs. Southeastern Trust Company. Unfortunately, we lost. Charles H. Brown, then manager of Standard Life's District of Arkansas, brought a suit against Standard Life, but he was bought out.

"Possibly Standard Life could have been saved if I could have gotten the financial support of the stockholders to fight the case. What I did was on my own as far as money was concerned."

DOCUMENT XXI

INTERVIEW WITH MR. L. D. MILTON
May 13, 1948

(A Former Employee of Citizens Trust Company)

"One of the most significant things about Mr. Perry is that he recruited his heavy investors and personnel outside of the City of Atlanta. Personally, I cannot think of anyone who is living today.

"Possibly the company would have been standing today if Mr. Perry had not disobeyed three laws: (1) the law of expansion, (2) the business cycle, and(3) the law of capital structure.

"Mr. Perry did not have to expand as rapidly as he did. Out of the Standard Life Insurance Company came the rapid expansion of the various institutions; the expansion of the Standard Life into twelve states; and, the expansion of some of the subsidiary companies.

"The first question in a situation like this should be, "Is the expansion economic?" Mr. Perry's expansion was not economical, his was an expansion for size which, in most instances, terminates in failure.

"The law of business cycle is important in time. The time of success is related to the time you start. Hence, too rapid expansion deflates the assets of an institution when the market is high.

"The law of capital structure is that your capital reserve should not be exhausted by a rapid expanding program."

DOCUMENT XXII

INTERVIEW WITH MISS OLIVE PERRY
May 10, 1948

(A Sister of Heman E. Perry)

"Heman E. Perry was born in Houston, Texas, Harris County, March 5, 1873. He was the second child of nine children, five girls and four boys. Heman's early childhood days were not spent like the average child. He was not very playful. He found his greatest pleasure in reading. Every time you saw Heman he had either a paper, magazine, or a book in his hand or in his pocket.

"When we were small, Heman liked school and would go. However, he only received an eighth grade education because that was the extent of schooling of the public schools in those days.

"My father was born a slave in Georgia. He and his sister ran away and went to Texas. Father had no formal education, but he knew its value and saw that all of his children went to school.

"Father followed no specific occupation; he had several. He owned several drays. The drays were rented out to haul commodities for various stores and enterprises. One of his most fascinating and interesting occupations was buying and selling. My father would meet farmers at certain points, buy their cotton and sell it to the cotton exchangers.

"Anything father thought would be educational to Heman, he exposed him to it. Father would carry Heman with him when he bought and sold cotton, and would carry Heman to the courthouse whenever there were trials so he could learn something about the legal procedures.

"After Heman finished public school, he got a job in a cotton factory as a cotton sampler and a stenciler. He worked until he obtained sufficient money to go away and study insurance as an apprentice. After Heman left home, we did not hear from him for eight or ten years. He was working for an insurance company in New York. About two years later, Heman came home to my father's funeral.

"It was not until I came to Atlanta, in 1918, that I can tell you anything about Heman's later life.

"Heman was very ambitious and was a master salesman. He could sell anyone insurance if he could talk with them. He was so wrapped up in his work that he never had time for himself. He would often say, 'my greatest moments are when I have a dime in my pocket, and dread the days I am to receive my check.' Mr. J. A. Robinson, one of the former auditors of Standard Life, told me that Heman was prone to go down on Peachtree Street and try to buy the tallest building with a dime in his pocket.

"Heman was responsible for a number of educated Negroes coming to Atlanta. He would recruit well trained individuals for managerial work.

"The people of Atlanta do not give my brother credit for

what he did. He encouraged Negroes of Atlanta to build better and more attractive homes. The west side of the Negro district was one of his projects."

DOCUMENT XXIII

INTERVIEW WITH MRS. CLARA PITTS
May 17, 1948

(Community Worker, Atlanta)

"Mr. Perry did not have a home for orphans or old folk. He conducted a Sunday School on Johnson Row and on Decatur Street for little children who did not go to church.

"Mr. Perry's purpose for conducting a Sunday School in those slum areas was to curb delinquency. This movement grew out of the Congregational Church, and I assisted him for six months.

DOCUMENT XXIV

INTERVIEW WITH DR. THOMAS H. SLATER
May 18, 1948

(A Friend of H. E. Perry)

"Mr. Perry, as I knew him, was not much of a social man. He was liked by all of his business associates. He possessed an uncanny ability in workable schemes. He feared nothing. Possibly that was due to the competitive field he was in.

"The people of Atlanta accepted Mr. Perry whole-heartedly. He possessed an unusual ability. He was a deep thinker and that was something new for Negroes in Atlanta.

"His associations with Mr. Herndon were wholesome and very genuine. I never knew of any conflict between them.

"Mr. Perry had no actual money but he had a scheme that he could buy anything he wanted. He had a scheme and an honest purpose. He never tried to beat anybody out of anything.

"Mr. Perry gave the greater portion of his time to benevolent service. He was not affiliated with any fraternal organizations. I didn't know his church affiliations before coming to Atlanta, but he worshipped at the Congregational Church. He conducted a Sunday School at the Federal Prison, on Techwood Drive, on Cain Street, Johnson Row, Decatur Street, and the County Jail. Mrs. Clara Pitts used to assist him.

"Mr. Perry had a marvelous vision. Atlanta Negroes owe all of their influence to Mr. Perry for the development of homes. He gave Negroes of Atlanta the idea for better living, better homes, and more beautiful and stately homes. He did not mean to harm or defraud anybody.

"After the Service Laundries started operating, the organization began going down. Mr. Perry expanded too fast.

"I wish Mr. Perry had succeeded and was living today so he could have realized some of his dreams."

DOCUMENT XXV

619 Beattys Ford Road
Charlotte 6, N. C.
May 25, 1948

Mr. Comradge L. Henton
P. D. Box 122
Atlanta University
Atlanta, Georgia

Dear Sir:

Your communication of the 15th inst. duly received. It has not simply been a matter of procrastination that has caused the delay in replying to same, but I have taken this time in order to get clearly in mind what I wished to commit myself to in endeavoring to reply to your questions concerning this particular period of my past. I find I have put away, as it were, experiences of this particular "past". In my instance they were so tragic that to muse over them and drag them along with me through life would have been harmful to my physical and mental health. I have tried to forget it, and really find myself unable to recall most of the facts and circumstances which you desire.

I heartily agree with you, that "it is a shame that Mr. Perry has not been given credit for the contributions he made to society which are many in scope." He aroused our group and awakened them to the possibilities within their grasp. Especially is this shown in the impetus given business and home owning among the group in Atlanta. It is unfortunate that the realization of this knowledge cost so much by the failure of Service Company, Standard Life Insurance Company, through lack of practice of simple business ethics.

Mr. Perry was a great organizer - as a promoter he was a genius, a wizard, but weak as an executor, and allowed too wide a scope to his personal desires and wishful thinking which overshadowed his knowledge concerning the basic principles of economics. As a matter of fact, in a few words and simple, the failure of these business concerns was due to a disregard of the difference between net and gross - one of the great weaknesses of Negro business men. Failure to differentiate between net and gross.

I find that time has dimmed my memory - aided by my endeavor to forget. Most of your questions I could not answer even though I tried. One or two I might attempt to discuss, but, frankly I am not in the mood. Anyhow, they are highly controversial. After all one is so apt to misjudge or misconstrue motives of a fellow man. Mr. Perry and I were friends, and as far as I could judge he felt very confidential and close to me. I try to think of him only in this light as he cannot now discuss with me any other position I might assume. He was a man of remarkable vision and business acumen.

I think you may infer from the above enough to form some answer to you last question at least.

Yours very truly,

H. C. Dugas

(Mr. H. C. Dugas - A Former Employee of Citizens Trust
Company)

DOCUMENT XXVI

SOCIAL SECURITY BOARD
Field Office

5/24/48

Nauss Building
209 West 125th Street
New York, New York

Dear Mr. Henton:

I have been out of the city for the past 10 days hence the delay in answering your letter. I don't have much on Mr. Perry but the enclosed booklet on his works is in reality the spirit of Heman Perry. As you can see all of this was his idea which he put into action. The only thing that caused his failure was the fact that he was far ahead of his time. He couldn't get enough trained men to help him. I believe the idea will work today. As an organizer and executive, he had no equal. He probably had more influence on Negro business than any other Negro. I wish I had time to write you more information. If you need more detailed information I'd suggest that you write Miss M. Edith Williams, 654 Girard St., Apt. 14, N. W., Washington, D. C. who was his personal sec'y and probably closer to him than anybody I know. Best regards to Dr. Reid, and please return this booklet when you have finished with it.

Yours truly,

W. C. Kelley

P. S. Please take care of this booklet as it is the only one I have and we value it very much.

WCK

(Mr. W. D. Kelley - Former Employee of Standard Life Insurance Company)

DOCUMENT XXVII

654 Girard Street, N. W.,
Washington 1, D. C.,
June 11, 1948

Mr. Comradge L. Henton,
P. O. Box 122,
Atlanta University,
Atlanta, Georgia.

Dear Mr. Henton:

In 1918 I went to work with Standard Life Insurance Company as Secretary to Mr. Heman E. Perry, the President of the Company. I remained until January 1925 which was the last time I saw Mr. Perry. He died in 1928, so you will see that twenty years have passed since then and my recollection of events during my connection with him are, naturally somewhat hazy.

However, I will always remember him as a rather wonderful person in a great many ways; also I will always remember that my contact with him has proved to be most helpful to me over a long period of time.

He had a very charming personality in a quiet, cultured sort of way. He was unselfish, generous, philanthropic and a shrewd business man and organizer. He expended so much of his energy and means in trying to build a great company, not so much for himself as for his fellowman and his race, that he brought on his early death. He was practically a young man (about fifty-five, I think) when he passed and although he had suffered many misfortunes and set-backs, he was on the eve of again launching another venture which, I feel certain, would have been a success had he lived to go forward with it.

He was conscientious in his dealings with others and indifferent to his own gain. He was the "brains" of his various enterprises, but needed and lacked co-operation to carry them through.

From him I learned a lot about business and the proper business attitude. I can say truthfully, that I owe much of my present status to his teaching and example.

He was extraordinarily considerate of others; he did many good deeds, unknown except to the ones benefited thereby.

As his Secretary, I knew of many such deeds and a part of my job was to keep him from being exploited by unscrupulous persons. He was ready at all times to respond to pleas even if it meant denying himself; he was generous to his friends and to all good causes that came to his attention.

Mr. Perry was held in high esteem and respect by one and all of his co-workers and associates. I know that each and every one of his office personnel stood ready at all times to serve him to the best of their ability and cheerfully. He was gentlemanly and courteous and never raised his voice in anger however much he may have been provoked.

With respect to his relations to Mr. Spaulding of the North Carolina Mutual Insurance Company and the late Mr. Herndon of the Atlanta Life Insurance Company, I cannot give you any specific information. I remember only that they were business associates and, I believe, on friendly terms. It may be that some of the surviving members of the Board of Trustees could help you. Mr. William H. King who was very close to Mr. Perry, and who was with him before I went with the Company, now lives in New York - 106-06 32nd Street, Corona, Long Island, N. Y.

Hoping I have answered your request, I am

Yours truly,

M. Edyth Williams

(Miss M. Edyth Williams - Former Personal Secretary of Heman E. Perry)