

Standard Loan Company

Some Financial Opinions Regarding
the amalgamation of the Standard
Loan Company and Canadian Savings
Loan and Building Association

CAN PAM

1906

MS.3



3 9004 028100 2

827-1082-101

CAT. NO.
AFM 912

PHOTOFILE ENVELOPES
MIN pH 8.5

Some Financial Opinions Regarding the Amalgamation of The Standard Loan Company and The Canadian Savings Loan and Building Association

November, 1906

MONEY AND RISKS

A STRONG FINANCIAL MERGER

Another evidence of the strong financial position secured by The Standard Loan Company is indicated by the proposition for amalgamation that will be placed before the shareholders of the Canadian Savings, Loan and Building Association at a special general meeting called for the 18th of January, 1907.

A provisional agreement between the two companies for amalgamation has already been executed, having first been revised and settled by Dr. Hunter, Registrar of Loan Corporations for the Province of Ontario. Under its terms the Standard Loan Company purchases all of the assets at their face value and assumes all of the liabilities of the Canadian Savings, Loan and Building Association. It will pay for the assets by issuing to each shareholder of the Canadian Savings, Loan and Building Association for his or her pro rata proportion of the net assets, after deducting the liabilities of the Company other than those to shareholders, permanent stock of the Standard Loan Company at par, debentures or deposit receipts, as follows:

Permanent shareholders will get permanent stock at par in the Standard Loan Company.

Fully paid and prepaid shareholders will get five year five per cent. debentures in the Standard Loan Company.

Holders of monthly payment instalment stock on the books of the Company for two years or more will get deposit receipts payable in three years, together with interest half-yearly in the meantime at the rate of four per cent. per annum.

All such instalment shareholders on the books of the Company for less than two years will get deposit receipts payable at the expiration of five years, with interest in the meantime half-yearly at the same rate.

The Canadian Savings, Loan and Building Association has been in existence for sixteen years, and the assets, comprising loans on mortgages and real estate amount to nine hundred thousand dollars. It has a paid-up permanent capital of \$275,000 and over half a million of withdrawable instalment stock.

The proposed amalgamation is one that should commend itself very highly to the shareholders, as it

will mean a saving of \$25,000 per annum in expenses, which will prove of great benefit, without referring to the additional security obtained by uniting with so strong a financial concern. The terminating shareholders will be advantaged by having their position changed from that of mere shareholders who have to take losses as well as profits, to preferred creditors in the amalgamated company, where they are protected against loss and have a definite rate of interest guaranteed.

The Standard Loan Company has assets amounting to \$1,500,000, and under its present able management, has secured a position as one of the strongest loan companies in Canada. On its directorate are such men as the Right Honourable Lord Strathcona and Mount Royal. Its president is Alexander Sutherland and the vice-president and general manager is Mr. W. S. Dinnick, to whom its success must be attributed.

Within the past five years the Standard Loan Company has taken over no fewer than five other loan companies, including the Aid Savings and Loan Company, of Toronto; The Ontario Industrial Loan and Investment Company, Limited, of Toronto; The Huron and Bruce Loan and Investment Company, of Goderich, Ontario, and the Canadian Homestead Loan and Savings Association, of Toronto.

The provisional agreement is a decidedly fair and just one, and is one that would be in the best interests of the shareholders of the Canadian Savings, Loan and Building Association to adopt, and it is expected that at the special meeting on January the 17th, 1907, such a course will be adopted by a unanimous vote.

Mr. W. J. Hambly, the president and manager of the Canadian Savings, Loan and Building Association, has for some time been suffering from ill-health and his physicians have advised him to give up active work. We are given to understand that this is one of the reasons why the directors of the company came to a definite conclusion to amalgamate with the Standard Loan Company. We are glad to learn that Mr. Hambly will occupy a seat on the board of directors of the Standard Loan Company, so that he will be able to look after the interests of his shareholders.

LOAN COMPANIES AMALGAMATE

Much favorable comment has been aroused in financial circles by the announcement of the proposed amalgamation of the Canadian Savings, Loan and Building Association with the Standard Loan Company under an agreement which has been approved by Dr. Hunter, Registrar of Loan Corporations, and which appears to be highly favorable to the shareholders of the smaller company. The merger has again attracted attention to the highly successful management of the Standard Loan Company, which has now become one of the strongest companies in Canada, and the agreement should commend itself very strongly to the shareholders of the Canadian Savings, Loan and Building Association, both on account of the saving of \$25,000 per annum in expenses, a not inconsiderable item, and of the change in the position of the terminating shareholders to that of preferred creditors of the amalgamated company. Mr. W. J. Hambly, president of the Canadian Savings, Loan and Building Association, will become a director of the Standard Loan Company under the agreement, which it is expected will be endorsed by a unanimous vote at the special general meeting of the shareholders called for January 17th.

The basis under which the amalgamation has been effected provides for the taking over by the Standard Loan Company of all the assets of the Canadian Savings, Loan and Building Association at their face value, and for the assumption of all the liabilities. Under the scheme of payment, the shareholders of the Canadian Savings, Loan and Building Association will receive permanent stock of the Standard Loan Company at par, debentures or deposit receipts in return for their pro rata proportion of the net assets, after deducting the liabilities other than those to shareholders. Permanent stock will be given to permanent

shareholders, while fully paid and prepaid shareholders will get five year five per cent. debentures in the Standard Loan Company. Deposit receipts, payable in three years, with interest half-yearly at four per cent. will be given to holders of monthly and weekly payment instalment stock on the books of the Company for two years or more, while holders of similar stock for a period of less than two years will get deposit receipts payable at the expiration of five years under the same terms.

The proposed amalgamation will be in the very best interests of the Canadian Savings, Loan and Building Association. It has been in business for sixteen years and has a paid-up permanent capital of \$275,000, with over \$500,000 of withdrawable, fully paid, and prepaid instalment stock, while its assets, comprising loans on mortgages and real estate, amount to \$900,000. This will add materially to the strength of the Standard Loan Company, which has assets amounting to \$1,500,000 and has thrived wonderfully well under its present management. Its success, as evidenced by the absorption of no less than five other loan companies during the past five years, is to be credited to its vice-president and general manager, Mr. W. S. Dinnick, who has so ably directed the policy of the company. Among its directors, however, is found the Right Honorable Lord Strathcona and Mount Royal, while its president is Mr. Alex Sutherland. Among the companies taken over by the Standard are the Aid Savings and Loan Company, of Toronto; the Ontario Industrial Loan and Investment Company, Limited, of Toronto; the Huron and Bruce Loan and Investment Company, of Goderich, Ontario, and the Canadian Homestead Loan and Building Association, of Toronto. The latest addition to this list will undoubtedly prove an advantageous move to its stockholders, and the shareholders will consult their own interests by ratifying the agreement.

LOAN COMPANY MERGER

The Amalgamation of the Canadian Savings, Loan and Building Association with the Standard Loan Company, which was effected by the execution of a provisional agreement between the two companies on the 4th instant, has created no little public interest. The agreement has been revised and approved by Dr. J. Howard Hunter, Provincial Registrar of Loan Corporations, before being submitted, and so far as we have heard it is agreed in financial circles that the basis of settlement is highly favorable to all holders of stock in the Canadian Savings, Loan and Building Association, and one that it would be in their interest to adopt. A special general meeting of shareholders has been called for January 17 to consider the agreement.

The terms under which the amalgamation has been effected provide that the Standard Loan Company shall purchase the assets of the Canadian Savings, Loan and Building Association at their face value and assume all the liabilities. Each shareholder of the latter company will receive in return for his or her pro rata proportion of the net assets, after deducting the liabilities other than the liabilities to shareholders, either permanent stock of the Standard Loan Company at par, debentures or deposit receipts. The permanent shareholders will be given permanent stock: the fully paid and prepaid shareholders will get five year five per cent. debentures, and the holders of monthly and weekly payment instalment stock will get deposit receipts bearing interest at four per cent. per annum, payable half-yearly. These receipts will be payable in three years to holders of stock on the books of the company for two years or more, and in five years to those on record for a lesser period than two years.

The proposed amalgamation has again directed attention to the successful career of the Standard Loan Company, which, under the direction of its vice-president and general manager, Mr. W. S. Dinnick, has

now assumed the position of one of the most progressive loan companies in Canada. Within the past five years it has taken over no less than four other loan companies, their names being the Aid Savings and Loan Company, of Toronto; the Ontario Industrial Loan and Investment Company, Limited, Toronto; the Huron and Bruce Loan and Investment Company, of Goderich, Ontario, and the Canadian Homestead Loan and Savings Association, of Toronto. The latest acquisition, the Canadian Savings, Loan and Building Association, has been in existence sixteen years, and has assets of \$900,000, comprising loans on mortgages and real estate. The paid-up permanent capital of this latter company amounts to \$275,000, and it has also over half a million of dollars of prepaid and fully paid and withdrawable stock.

The proposed amalgamation will effect a saving of \$25,000 per annum in all expenses, which will result in great benefit to the shareholders of the amalgamated company, and the position of holders of terminating stock will be greatly advantaged by being changed from that of mere shareholders to depositors, and debenture holders of the Standard Loan Company, and they will have a prior claim on the assets of the amalgamated companies.

Additional satisfaction is given by the announcement that Mr. W. J. Hambly, the president of the Canadian Savings, Loan and Building Association, will continue to take an active interest in its affairs by taking a position on the directorate of the amalgamated concern.

The Standard Loan Company has assets amounting to over \$1,500,000, and a guarantee of its strength is given by the presence on the board of directors of the Right Honorable Lord Strathcona and Mount Royal. Its president is Alexander Sutherland, and its record of progress is one that should assure every shareholder of the undoubted character of its securities. The amalgamated assets will amount to about \$2,500,000.

STANDARD LOAN AND CANADIAN SAVINGS LOAN AMALGAMATION

Financial circles have been highly interested this week by the announcement that another amalgamation had been achieved by the Standard Loan Company, the latest concern to be taken over being the Canadian Savings, Loan and Building Association. The provisional agreement between the companies was executed on the 4th instant, having received the approval and endorsement of the Provincial Registrar of Loan Companies.

A special general meeting of the shareholders has been called for January 17th next to consider the agreement, which will in all probability be unanimously ratified.

The agreement provides that the Standard Loan Company shall purchase all of the assets of the Canadian Savings, Loan and Building Association at their face value, and assume all of the liabilities. In payment it will issue its own permanent stock at par, debentures or deposit receipts to the shareholders of the Canadian Savings, Loan and Building Association, after deducting the liabilities, other than the liabilities to shareholders. The first class of security, permanent stock at par, will be issued to permanent shareholders, while five-year five per cent. debentures will be given to the fully paid and prepaid shareholders. Deposit receipts, bearing interest at four per cent. per annum, payable half-yearly, will be given to all holders of weekly or monthly payment instalment stock. To those on the books of the company for two years or more, the receipts will be payable in three years, while those on the books of the company for a lesser period will be given receipts payable in five years.

The proposed amalgamation should prove highly satisfactory to the shareholders of the Canadian Savings, Loan and Building Association, as it will effect a saving in expense of \$25,000 per annum, a consideration that should appeal to them. The position of the terminating shareholders will also be greatly improv-

ed, as they will become depositors of the amalgamated companies, instead of mere shareholders in the smaller concern. Added satisfaction is given by the fact that Mr. W. J. Hambly, president of the Canadian Savings, Loan and Building Association, will still take an active interest in its affairs, as a director of the Standard Loan Company.

The successful termination of the negotiations for amalgamation marks another period in the history of the Standard Loan Company. It is now one of the strongest loan companies in the Dominion, having assets amounting to one and a half millions of dollars. Its record is a tribute to the able management of its vice-president and general manager, Mr. W. S. Dinnick, to whom its success is almost entirely due. Within the past five years it has taken over no less than four other loan companies, including the Aid Savings and Loan Company, of Toronto; The Ontario Industrial Loan and Investment Company, Limited, of Toronto; The Huron and Bruce Loan and Investment Company, of Goderich, Ontario, and the Canadian Homestead Loan and Savings Association, of Toronto.

Among its directors is to be found the Right Honorable Lord Strathcona and Mount Royal, G.C.M.G., who is a large shareholder, and its president is Mr. Alexander Sutherland.

Its latest acquisition, The Canadian Savings, Loan and Building Association, has been in existence for sixteen years, and brings with it assets amounting to \$900,000, made up of loans on mortgages and real estate. Its paid-up permanent capital amounts to \$300,000, and there is also over half a million dollars of prepaid and fully paid stock.

The combined assets of the two amalgamated companies will aggregate two million five hundred thousand dollars.

The move appears to be a highly advantageous one for the shareholders of the Canadian Savings to adopt, and it is very probable that the agreement will be ratified by a practically unanimous vote.

CAT. NO.
AFM 912

PHOTOFILE ENVELOPES
MIN pH 8.5

Standard Loan Company

Some Financial Opinions Regarding
the amalgamation of the Standard
Loan Company and Canadian Savings
Loan and Building Association



3 9004 02814089 2