

ACCUSED OF FRAUD

Quo Warranto Proceedings Against American M. I. Company.

REVOCATION OF CO.'S CHARTER

Demand, Because of Abuse of Corporate Powers, by the Attorney General.

Assistant Attorney-General C. W. Somerby, representing Attorney-General Douglas, appeared before Judge Brooks of the district court late yesterday afternoon...

Gross misuse of corporate power which threatens substantial injury to the public. Fraudulent exercise of the powers and functions of a corporation.

The suit against the company was instituted as a result of the investigation of a committee of the Commercial Club, which has been conducting the company's manner of doing business for some time.

It is understood that investment, banking, mining or similar concerns in Minneapolis have got to do their business straight or leave town.

The company was organized Nov. 22, 1899, and since that time has occupied the larger portion of the sixth floor of the Andrus building with finely appointed office rooms in which were employed a considerable force of clerks.

The company handled the stock of the Kettle Curlew Mining company, capitalized at \$25,000,000; of the Boundary Camp Mining and Milling company, capitalized at \$25,000,000; of the Queen Bee Mining and Milling company, capitalized at \$20,000,000.

The officers of the American Mining Investment company are W. S. Brill, president; L. A. Hancock, trustee; C. R. Tuttle, treasurer and general manager; R. W. Smith, whose title is not given.

That the Boundary Camp Mining and Milling company never owned any property whatsoever, except an option to purchase what is called a portion of the estate of Curlew, situated about sixteen miles distant from the Canadian Pacific railway in northern Washington, except, also certain options to purchase alleged mining claims of the district adjacent thereto.

That the Kettle Curlew Mining and Milling company, upon property on which the said Kettle Curlew Mining and Milling company had an option, known as the townsite property; that such property was purchased from the sale of stock of the said Boundary Mining and Milling company at a cost not in excess of the sum of \$3,500; that said mill has never been in operation to exceed two months; that its daily capacity does not exceed 3,000 tons; that mill lumber at Curlew does not exceed in value \$5 a thousand; that the cost of milling exceeds such sum; that the mill long since shut down and the machinery thereof is wholly worthless and of no value whatsoever, which facts were and are well known to the defendants.

That the said Tuttle, as secretary and general manager of the defendant company, by and with the knowledge and consent of the board of directors, and also by and with the knowledge and consent of the directors and managers of the other companies, fraudulently substituted the stock of said various companies owned or held by him and personally delivered the same to such purchasers and retained personally and withdrew from the treasury of said company approximately said aggregate sum of \$20,000, which act operated to such purchasers and to the defendant (the American Mining Investment company) of large commissions, to-wit: approximately the sum of \$10,000, due to it for services in selling such stock.

PATCHES.

Why Brown Ones Come on Faces.

When a woman can get rid of brown patches on her face by changing her diet it is worth while for other women who care for their complexions to know something of the method.

A lady in Michigan City, Ind., who does not want her name mentioned, says that coffee caused the brown patches on her face by first giving her stomach trouble, then putting her nerves out of order, and the result was shown in her complexion.

holders and would-be purchasers of such stock enormous profits; that such assertions and advertisements were made broadcast throughout the state, and are false, fraudulent, repeated and continuous and calculated to, and actually have, and are now operating to defraud the public.

That the defendant company has advertised fraudulently to joint purchasers and pretended to the public, that the said Boundary Camp Mining and Milling company and the said Kettle Curlew Mining and Milling company are joint purchasers and have in course of construction and erection a large smelter to cost the sum of \$600,000 to be erected adjacent to the said properties; that said advertisement and representations are false; that the extent of the operations of either or both of the said companies was to pay the sum of \$1,000 to a certain party in consideration of the same, and to commence the construction of a smelter, the value of which is unknown, only upon the payment by the said companies of the further sum of \$7,000 each, to-wit: \$3,500 each, to constitute the first payment; that such earnest money was never paid and the work and construction of such smelter never begun and the contract for the same, by which the defendant obligated himself to construct said smelter long since lapsed and became forfeited, which particulars were well known to the defendant at the time he made the same.

Enormous Paper Capital. That the said Union Consolidated Mining company, with a capitalization of one half billion dollars, is not now the owner of any properties whatsoever, except collieries, and that the defendant is not engaged in any enterprise or business whatever, but the officers of the defendant company and Charles R. Tuttle, purporting to represent the Union Consolidated Mining company and the defendant, are continuously advertising in the press of the city of Minneapolis in this state, and by means of hundreds of thousands of dollars sent away from the state, to divert the localities throughout the state and nation, during the months of May and June, 1901, and gave out and pretended that the said company is about to invest in the construction of a smelter in the northwest and about to purchase and erect in the city of Minneapolis, a gigantic mining and smelting plant, in which and covering one-half an ordinary square in the city of Minneapolis in said state, by means of which gigantic operations it is assumed and asserted large dividends will be paid upon the stock of the said company, and that the defendant has not as yet entered into negotiations for the purchase of a site for said mining plant.

Unfulfilled Promises. That further the defendant company in such advertisements and assurances has since March 1901, agreed to pay to all purchasers of such stock a dividend of 20 per cent upon investments on July 6, and to guarantee a further dividend of 10 per cent per annum for two years on the said investments, and that such assurances are fraudulent and cannot by any possibility be carried out or executed, except by misappropriation of the funds of the said company, to be obtained from the public generally, from such sales of stock; that such assurances are calculated to deceive and defraud the public and are a misuse and abuse of the franchise and rights to exist as a corporation.

Owned a "Promoters' Mill." That the Queen Bee Mining and Milling company is not and never has been the owner of any property of any character whatsoever, except a promoter's mill of small capacity and certain options upon alleged mining properties located near the town of Elm in the state of Wyoming, said mill costing said Queen Bee company the sum of \$1,500 and does not exist, and the promoter's mill, which was circulars and newspaper advertisements the said company and the defendant has, since March, 1901, given out and pretended to the public generally and the patrons of the defendant, to be a basis for the organization of such corporation, but to the creditors thereof, that its capital stock was paid up in full, while in truth and in fact no part thereof had been paid, except certain shares in the amount of \$1,000.

STATEMENT BY TUTTLE Says His Company Had Determined to Assign Anyway.

R. C. Tuttle, general manager of the American Mining Investment company, makes the following statement in regard to Attorney-General Douglas' charge: In relation to the alleged stock made by the defendant company, yet on or about the 15th day of May, 1901, the defendant undertook and agreed to pay on or before July 15, 1901, to all purchasers of the Kettle Curlew, Boundary Camp and Queen Bee shares of stock now outstanding or that would be sold and outstanding on June 15, 1901, cash dividend certain amounting to 20 mills per share, or equal to an alleged amount of 20 per cent on all investments in such shares; that on said date neither the defendant or said Queen Bee Mining and Milling company had on hand in its treasury any sum of money whatever, that it was then and is now without any income of any nature whatsoever, except from the sales of shares of said company.

How "Dividends" Were Paid. That said agreement to pay such dividend was and is impossible of execution, except by the payment to the public of a certain percentage of the amount collected therefrom by the defendant company, arising from the sale of stock of said Queen Bee company made on or after May 15, 1901.

That during the years 1900 and 1901, Charles R. Tuttle, with the approval and consent of the board of directors of the defendant and of said companies, caused to be issued to himself, without consideration, a large amount of stock of said companies; that from time to time one of the said companies, to-wit: the Kettle Curlew, Boundary Camp, Queen Bee and Union Consolidated stocks were purchased by persons of the defendant and large sums of such money, aggregating approximately \$20,000, forwarded by mail or otherwise delivered by said parties to the defendant, in consideration of the purchase and delivery of said stock to said parties.

Fraudulent Substitutions. That the said Tuttle, as secretary and general manager of the defendant company, by and with the knowledge and consent of the board of directors, and also by and with the knowledge and consent of the directors and managers of the other companies, fraudulently substituted the stock of said various companies owned or held by him and personally delivered the same to such purchasers and retained personally and withdrew from the treasury of said company approximately said aggregate sum of \$20,000, which act operated to such purchasers and to the defendant (the American Mining Investment company) of large commissions, to-wit: approximately the sum of \$10,000, due to it for services in selling such stock.

M. E. Wallace's Millinery Bargains FOR SATURDAY. ONE-HALF PRICE SALE.

200 Beautiful Trimmed Hats and Bonnets ONLY ONE-HALF PRICE. \$4.00 Hat for \$2.00, \$2.00 Hat for \$1.00, \$6.00 Hat for \$3.00, \$15.00 Hat for \$7.50, \$8.00 Hat for \$4.00, \$18.00 Hat for \$9.00, \$10.00 Hat for \$5.00, \$20.00 Hat for \$10.00

33 1/3 per cent off on choice of all other TRIMMED HATS, including all the NEW PATTERN and CONNELLY HATS. Special 100 stylish, ready-to-Wear Hats, worth up to \$2.75, now only \$1.39. Good Sailor Hats, 29c, 69c, 89c and up. Now is your time to save money.

M. E. Wallace, 515 and 517 Nicollet Avenue.

companies agreed to pay to the defendant 25 per cent commission upon the purchase price of all stock of such companies sold by it. And further alleges upon information and belief, that a portion of the stock issued to said Charles R. Tuttle and by him substituted in the name hereinafter before set forth and sold and delivered by him to various persons dealing with the defendant, was so sold and delivered prior to Jan. 1, 1901, and a portion thereof subsequent to such date.

More Than \$125,000 Collected. That the shares of stock of the various companies herebefore referred to and delivered by the defendant were worthless, which fact was at the time of such sales well known to the managing officers of the defendant; that the total revenue stamps placed and required to be placed upon the shares of stock of the Union Consolidated Mining company equals the sum of 30 per cent of the sale price of the sum of \$125,000 from sales of stock of the said Kettle Curlew company, Boundary Camp, Queen Bee and Union Consolidated companies, and is daily collecting from the public large sums from like sources upon the sales of such stock, the amount of which is unknown.

Records Clean. All I can say at present is that when a searching investigation is had, as it will be had, the records of the company will be found to be clean; and, more than that, the properties or holdings of the several companies will be found to be valuable, as there is abundant evidence to show, in the meantime, we ask shareholders to be patient and give us an opportunity to be heard on our own behalf. We regret that this movement has come at an inopportune time, when it is calculated to defeat the efforts we are making to put the properties upon a paying basis. Nevertheless, we expect to overcome this difficulty, and to eventually bring the business to a successful issue, in accordance with the circulars that are being now sent out.

RAIDED BY COWBOYS HERDERS WON'T LEAVE COUNTRY They Are Fired Upon by the Ranchers and Two Are Wounded.

Piedmont, Wyo., June 7.—Meagre accounts have been received of a shooting affray about twenty miles east of here, in which the ranchmen are said to have entered the camp of some sheep herders and ordered them out of the country. The herders resolved not to comply with the request and were fired upon by the ranchmen. One of the herders was wounded in the arm and leg and one in the foot.

SECTION 30 Steel Trust Ready to Pay \$8,000,000 for It.

New York, June 7.—Eight million dollars cash and possibly a much larger sum in profits, which now are only prospective, hang upon the United States supreme court's disposition of a title to a tract of land known as "Section 30," of the 100-million range in Minnesota. This suit, after long litigation, now has been brought to final issue before the tribunal.

Value of Properties. Now, with regard to the value of the properties of the company, Tuttle, in a debatable question, I take it that the attorney general has made an effort to set up a prima facie case, and that he has alleged a great many things which are subject to revision or correction. The value he sets upon the sawmills and the stamp mill, of course, we all know to be ridiculous, as compared with the facts and the actual cost of such plants.

FIRES IN MILWAUKEE Pabst Brewery Plant Damaged—A Tinner Killed.

Milwaukee, Wis., June 7.—Fire at the Pabst brewery plant destroyed a large grain elevator and damaged a malthouse adjoining, causing a loss of \$100,000, which is covered by a blanket policy of \$3,250,000. John Smith, a tinner, fell and was killed.

IOWA G. A. R. ADJOURNS Dubuque, Iowa, June 7.—The state Grand Army encampment closed last night with installation of officers. Eighteen delegates and eighteen alternates to the national encampment were chosen. These were appointed council of administration: D. W. McElroy, Keokuk; William Dean, Tipton; G. L. Godfrey, Des Moines; G. H. Welsh, Boone; W. H. Barker, Sioux City.

Madstone Tested on a Little Girl

Iowa Falls, Iowa, June 7.—The virtue of a madstone has been tested by William Brown, a well known farmer living north of this city, the test being made on wounds inflicted on the arm of his little girl by a dog that had every indication of being afflicted with rabies. The girl was taken to Ong, Neb., where the stone is owned and on being applied to the wounds it adhered six times, and the applications were pronounced successful.

Good Shoes Cheap! The talk of the city of Minneapolis is the remarkable Shoe Bargains we are giving in the closing out of the Frye and Warfield Shoe stocks that we bought at 42 1/2c and 45c on the dollar. SOUVENIR - We will without doubt be very crowded Saturday afternoon and evening. To get you to trade with us Saturday morning, we will give every one making a purchase before 12:30 noon a pair of nice Miniature Rubbers. They will surely please you. Positively none given out after 12:30 noon.

Ladies' Slippers 79c, 98c, 19c, 69c, 69c. Ladies' Shoes \$1.48, 98c, 69c, 98c. Ladies' Bike Shoes \$1.98, \$1.48. Children's Shoes 45c, 69c. Home Trade Shoe Store 219-223 Nicollet.

MINN. LABOR FEDERATION ANNUAL MEETING AT MANKATO. Mass Meeting of Citizens and Visitors to Be Held on Monday Evening. WISCONSIN GUARDSMEN Dates for Camp Douglas Fixed—Aug. 3 to 25 Inclusive.

GOOD FELLOWS Saturday Prices to Produce Quick Selling Results. Stylish Up-to-Date Goods at Less Prices Than You Can Find Elsewhere If You Travel the City Over. Cloak Department Everything in Shirt Waists in all the new and pretty styles in our Shirt Waist Department. Drapery Specials Lace Curtains in Scotch Nets 50 and 54 inches wide, 3 1/2 yds. long, pretty styles, values to \$1.98. Special, \$1.25.