Agent's Note continued—

of Fresno which are being liquidated by the former.

Something of the history of the United States Building and Loan and its liquidating program under the Pacific States Savings and Loan was secured from outside sources which are considered authentic. In the latter part of 1931 the United States Building and Loan Association of Fresno was threatened with the necessity of closing its doors and putting its assets in the hands of a receiver. Because of the possible effect on the general building and loan situation locally and throughout the state at that time the Pacific States Savings and Loan Company, together with the officers of the United States Building and Loan Association and the then State Building and Loan Commissioner, attempted to find some liquidating solution other than receivership. An agreement was finally made whereby the United States Building and Loan Association assigned its assets to the Pacific States Savings and Loan Company for liquidation. The certificate liability of the United States Building and Loan Association was taken over by the Pacific States Savings and Loan Company on a 50% guarantee and 50% contingency basis. In other words the Pacific States Savings and Loan Company issued to each certificate holder a certificate of the Pacific States Savings and Loan Company in the amount of 50% of their original deposit which certificate was backed by the combined assets of the Pacific States Savings and Loan Company and the United States Building and Loan Association of Fresno. Each certificate holder was also issued a second certificate which agreed to pay him an amount up to the second half of their original holding, this amount to be based on the yield which the Pacific States Savings and Loan Company were successful in deriving through liquidation of the United States Building and Loan Association assets. The Pacific States Savings and Loan Company was to receive a stated compensation for rendering this service. This agreement between the two companies was approved by the Building and Loan Commissioner and the Pacific States Savings and Loan Company took over the assets of the United States Building and Loan Association of Fresno for administration.