The California Mutual Building and Loan Association was taken over by the Commissioner in 1933 after its Vice President and Manager, Mr. Charles Coruthurs, had a disagreement with the Building and Loan Commissioner over the policy which was to be followed in the conduct of the association. Officials of some of the other associations expressed the belief that closing the institution was unnecessary and that, if it had been allowed to continue operation, it could have been saved.

Mr. W. B. Rice, who was Secretary of the association, was made Manager of the San Jose office of the Building and Loan Commissioner and placed in charge of the liquidation.

After conversing with Mr. Rice, it is believed that the difficulties of the association were largely due to its far-flung operation. It has loans in practically every city in the state and was apparently not organized to properly service them.

Mr. Rice gives the impression of being a very straightforward man and of having splendid ideas as to local property values. He was very courteous and cooperative and did much to aid in the construction of a Security Area Map of San Jose and in the preparation of data for the Area Descriptions.

The apparent discrepancy between shrinkage in assets and amount of dividends paid is accounted for by exchanges made of real estate owned for approved claims against the association.