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Students' Department

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Students' Department

EDITED BY H. A. FINNEY

The following solutions of examination questions must not be regarded as official. They have not been approved by the board of examiners of the American Institute of Accountants.

AMERICAN INSTITUTE OF ACCOUNTANTS
EXAMINATION IN COMMERCIAL LAW

NOVEMBER 16, 1921, 9 A.M. to 12.30 P.M.

Answered by JOHN C. TEEVAN *

NEGOTIABLE INSTRUMENTS

Answer three of the following four questions:

1. A made the following promissory note to B:

"January 31, 1909. I, A, hereby acknowledge my indebtedness to B for services rendered by him for which I promise to pay to B the sum of ten thousand dollars; and in the event of my death I direct the payment of this sum out of the funds of my estate. (Signed) A."

In 1911, before A's death, B made demand for payment, payment was refused and suit brought. Could B recover?

Answer. This instrument is a non-negotiable promissory note, lacking negotiability because it is not payable to order or to bearer. It contains a promise to pay money and acknowledges a consideration, namely, services rendered by B. It is therefore the written evidence of an ordinary simple contract. As no time is stated at which the maker promises to pay B the sum of $10,000, this sum is therefore payable on demand. B, having made demand and payment having been refused, can maintain his suit on this note and recover thereon. The words "and in the event of my death I direct the payment of this sum out of the funds of my estate" are mere surplusage and have no effect one way or the other on the contract contained in the preceding words of the note.

2. G, holding himself out as the representative of one Lieut. X, head of a navy tuberculosis camp, obtained from A a cheque for $100 to the order of Lieut. X as a contribution to the camp fund. G endorsed the cheque with the name "Lieut. X" and obtained the cash thereon from B. A later ascertained that there was no such person as Lieut. X and that there was no such camp fund as was alleged by G. A therefore directed his bank to refuse payment of the cheque when presented. This direction the bank carried out. B thereupon brought action on the cheque to recover from A. Could he succeed?

Answer. This cheque being payable to Lieut. X, and there being no such person, the cheque was payable to the order of a fictitious payee. Ordinarily a negotiable instrument payable to a fictitious person is payable to bearer and does not require indorsement to transfer title, title being transferable by mere delivery. In this case, however, A executed the cheque in the belief that the payee, Lieut. X, was an existing person.

*Instructor in business law, Northwestern University school of commerce.

Section 9, clause 3, of the negotiable instrument law, provides that an instrument is payable to bearer "when it is payable to the order of a fictitious person and such fact was known to the person making it so payable." In that A believed Lieut. X to be an existing person, it must be assumed that he intended the cheque to be transferred or cashed only by indorsement. There being no such person as the payee, Lieut. X, and the cheque not being bearer paper, there is no way in which it can be transferred at all. Furthermore the indorsement by G in the name of Lieut. X is a forgery. In either case, B could get no title and cannot recover from A.

3. What is the effect when a holder of a cheque procures its certification by the bank on which it is drawn?

Answer. The effect is to discharge the drawer and all indorsers from liability thereon. "Where the holder of a cheque procures it to be accepted or certified, the drawer and all indorsers are discharged from liability thereon."—Negotiable instrument law, section 188.

4. A opened an account with the X Trust Company in November, 1919, by a deposit of $75,000. On December 29, 1919, the bank paid out of the account $5,000 on a cheque on which A's signature had been forged. On January 2, 1920, A receipted for a statement of the account by the bank and for 18 vouchers or canceled cheques attached thereto, one of which was the forged cheque. As A customarily delegated to his secretary the work of examining statements and keeping the cheque-book, the forgery was not immediately discovered. In March, 1921, the forgery was discovered by A through the report by the bank of an over-draft of the account. The bank refused to make good on the forged cheque and A sued. Did the bank have any defense?

Answer. The general rule with reference to forged cheques is that the bank is charged with knowledge of the genuine signatures of its depositors, and payments made by the bank on forged cheques are made at its peril and cannot be charged against the depositor's account. The depositor, however, may in certain circumstances be estopped from holding the bank liable in such cases. Where, as is the general rule and as in the present case, the bank submits a monthly statement of his account to the depositor, it is the duty of the depositor to notify his bank within a reasonable time of any errors therein. The object of this is to give the bank the opportunity to rectify such errors and protect itself from loss. Here, the bank was not notified of the forgery until upwards of 60 days after the receipt by A of his December statement. The bank is therefore entitled to claim that its rights have been prejudiced and that it had been prevented from taking measures to apprehend the forger and endeavor to secure restitution. The fact that A delegated to his secretary the work of examining the bank statements and keeping his cheque-book is of no avail as a defense to A. A is chargeable at law for the manner in which his secretary performed his duties. The bank is not liable and A must bear the loss.

Contracts

Answer two of the following three questions:

5. Under the uniform sales law what remedies may the buyer invoke, at his election, for breach of warranty?

Answer. Under section 69 of the uniform sales act, the buyer may at his election:

"Accept or keep the goods and set up against the seller the breach of warranty by way of recoupment in diminution or extinction of the price;

"Accept or keep the goods and maintain an action against the seller for damages for breach of warranty;

"Refuse to accept the goods, if the property therein has not passed, and maintain an action against the seller for damages for the breach of warranty;

"Rescind the contract to sell or the sale and refuse to receive the goods, or if the goods have already been received, return them or offer to return them to the seller and recover the price or any part thereof which has been paid."

6. When is a contract said to be entire? When separable?

Answer. An entire or indivisible contract is one which by its terms and the intention of the parties must be fully and substantially performed by one party before such party can demand payment or other performance from the other party.

A separable or divisible contract is one where the part to be performed by one party consists of several distinct and separate items, and the price to be paid or other duty to be performed by the other party is apportioned to each item or will be so apportioned as a matter of law.

7. On August 11, 1921, C. N. Russell bargained with John McCarty for the purchase of 400 bushels of corn, being part of about 4,000 bushels then owned by McCarty and stored in a certain grain elevator. The price was agreed upon, paid by Russell to McCarty and receipt therefor given. In addition McCarty gave Russell an order directed to the elevator company directing it to deliver 400 bushels of corn to Russell. Russell gave the order to his agent with directions to deliver it to the captain of a certain steamship expected to arrive the next day to take the 400 bushels of corn on board. The next morning before the arrival of the steamship and the presentation of the order to the elevator company, the elevator and contents were destroyed by fire. Russell afterwards brought suit to recover the purchase price from McCarty. What would be your decision on such suit?

Answer. Under section 17 of the uniform sales act, there can be no transfer of title to unascertained goods, although under section 6 the title to an undivided share of ascertained goods may pass, the purchaser becoming an owner in common of the mass of ascertained goods with the seller. The sale in question, however, was not of an undivided share but a definite quantity of the mass, namely 400 bushels. The purchase price was paid; McCarty delivered to Russell an order on the elevator company directing it to deliver 400 bushels to Russell; and there can be

no doubt that it was the intention of the parties then and there to pass title. In the case of ordinary goods it is true that the intention of the parties cannot overcome the law. But the goods, in this case, corn, being fungible goods, each unit being indistinguishable from the rest, the title to the 400 bushels must be taken as having passed to Russell. Risk follows the title and the loss by fire must fall on Russell. He cannot, therefore, recover the purchase price from McCarty.

Partnership

Answer one of the following two questions:

8. In May, 1921, the firm of Baxter, Brady & Childs made a promissory note to A. W. Voorhis. Childs, a member of the firm, died in July, 1921, and in September, 1921, the note being due and unpaid, Voorhis brought action against Baxter, Brady and the executor of the deceased partner Childs. Did the executor have any defense to the action?

Answer. The death of a co-partner dissolves the partnership. The title to the partnership assets vests in the surviving partners whose duty it becomes to pay all partnership debts and wind up the partnership. Firm creditors are required to look to the surviving partners and to exhaust their remedies against them. If they have done this and have failed to secure all or part of their claims, they have then the right to proceed against the executor or administrator of the estate of the deceased partner. Even in this case, however, their claims cannot be paid out of the deceased partner's personal estate until his personal creditors have been paid in full. For these reasons, Voorhis cannot include the executor of Child's estate as a co-defendant with Baxter and Brady, the surviving partners. Before Child's executor can be sued, Voorhis must be in a position to show to the court that he has exhausted his remedies at law against the surviving partners. The executor has therefore a defense to this suit and should be dismissed therefrom as a party defendant.

9. In January, 1918, A, B and C entered into a partnership agreement for the purpose of bringing about the sale on a commission basis of a large manufacturing plant, each of the three to share equally in any commissions earned and no time limit being expressed in the agreement. A having the closest personal relations with the owners of the plant, entered into negotiations which continued with incidental assistance from B and C through 1918, 1919 and part of 1920. Due to differences of opinion among the owners of the plant the negotiations were not successful, and in March, 1920, the owners wrote to A that they had decided not to entertain a proposition for sale at that time. B and C, upon considering this letter, wrote A that, as they deemed the negotiations closed, the agreement of January, 1918, between the three must be considered terminated. A then wrote to B and C stating that before terminating the agreement he desired a further conference between the three. To this letter neither B nor C replied. In August, 1920, B and C started negotiations, brought about a sale of the plant and received as commissions the sum of $60,000. A thereupon sued B and C under the agreement of January, 1918, for a partnership accounting and for one-third of the commissions earned. Could A recover?

Answer. The agreement between A, B and C, although a joint venture and not an ordinary partnership, is still legally a partnership and subject to the law governing partnerships generally. No time limit being ex-

pressed, it is therefore a partnership at will, subject to termination at any time by any partner. The agreement, however, had for its purpose the carrying out of a specific venture, and hence in the absence of mutual agreement will not be considered as executed or terminated until the purpose is performed or has become impossible of performance. Furthermore, the internal relationship of partners is a fiduciary one and no one or more of the partners can exclude the other or others from any benefits or profits accruing to the partnership. From the facts given it cannot be assumed that A consented to a termination of the agreement of January, 1918. B and C, therefore, had no right under this agreement to proceed as they did in August, 1920, without A. Having done so, however, they acted for A's benefit as well as their own. A is entitled to an accounting and to one-third of the commission earned, namely, $20,000.

Corporations

Answer both the following questions:

10. You render services connected with the reorganization of a corporation. These services are fairly and reasonably worth $5,000, and you render a bill to the reorganized corporation for that amount. At the request of the directors, you accept instead of cash 100 shares of the stock of the corporation, the shares being of the par value of $100 each. (a) Is the issuance of the stock by the corporation proper? (b) Do you incur any liability by your acceptance?

Answer. (a) Assuming that this is a valid claim against the reorganized corporation, it was not improper for the corporation to pay this debt in capital stock, in the absence of any charter, statutory or constitutional provisions to the contrary, and provided that the rights of other stockholders were not prejudiced. As a matter of fact, most state corporation laws provide that stock may be issued for services as well as money or other property. If there has been no objection by any of the stockholders, the transaction is binding as between the parties, and, if the directors and the recipient of the stock acted in good faith, the issue of the stock is valid and the stock is considered as full paid in the hands of the holder.

(b) As above indicated, there might be incurred a liability to other stockholders. Also there is the question of liability to creditors of the corporation. Such creditors who dealt with the corporation, subsequent to this transaction, have the right to assume that this stock was paid for in full, and the general rule is that stockholders who have paid less than par for their stock are personally liable to corporate creditors on the insolvency of the corporation. Some states have adopted what is called the "good faith rule." That is, where the directors have in good faith placed a certain value on property or services tendered in payment of stock, creditors cannot afterwards complain even though it should have turned out that the property or services were over-valued. The "true value rule" is that the property or services must equal in value the par value of the stock issued. If not, creditors can sue for the difference between the cash value of the property or services and the par value of the stock.

Answering this question generally, and subject to answers (a) and (b), the issue of this stock by the corporation was proper, but a liability was incurred by the holder to corporate creditors for the difference between the value of his services and the par value of the stock issued therefor.

11. A resolution of the X Corporation provided that all cheques should be signed by the treasurer and countersigned by the president or a director. The treasurer by a series of ingenious excuses obtained the countersignature of certain of the directors of various cheques payable to "cash" or to "bearer." These cheques he misappropriated and turned to his own personal use. The corporation upon discovery of the misappropriation demanded that the directors involved make good the amounts lost. Could the directors be compelled to comply with the demand?

Answer. Directors are expected and required to exercise a reasonable degree of care and diligence in their dealings with or on behalf of the corporation. The exact degree will depend upon the facts of the particular case. In general they are at least required to exercise the same degree of care and vigilance with reference to their corporate duties as men of reasonable prudence would exercise with reference to their own business affairs. It would seem in this case that the directors failed to exercise the requisite degree of care and vigilance and that by their negligence made it possible for the cashier to misappropriate the corporate funds. The directors, therefore, can be held personally liable to the corporation for the funds so stolen.

Bankruptcy

Answer the following question:

12. (a) What is meant by the term "voluntary bankrupt"?
    (b) Who may become a voluntary bankrupt?

Answer. (a) This term applies to an insolvent natural person, irrespective of the amount of his debts, who has filed his petition in his own name asking the court to adjudge him a bankrupt, and who has so been adjudged a bankrupt.

(b) Any natural person, including infants in cases where necessaries have been actually supplied and consumed, and excluding insane persons, and any partnership and the partners therein, and any corporation, except a municipal, railroad, insurance of banking corporation, may become a voluntary bankrupt.

Federal Income Tax

Answer the following question:

13. What is meant by the term "personal service corporation" and how are the earnings of such corporations taxed?

Answer. The term "personal service corporation" as defined in section 200, paragraph 19, of the revenue act, means "a corporation whose income is to be ascribed primarily to the activities of the principal owners or stockholders, who are themselves regularly engaged in the active conduct of the affairs of the corporation and in which capital (whether invested or borrowed) is not a material income-producing factor; but does not include any foreign corporation, nor any corporation 50 per centum or more of whose gross income consists either (1) of gains, profits, or income

derived from trading as a principal, or (2) of gains, profits, commissions, or other income, derived from a government contract or contracts made between April 6, 1917, and November 11, 1918, both dates inclusive."

A personal service corporation is exempt from taxation as a corporation under section 231, paragraph 142, although it must submit a return in the same manner as a partnership.

Section 218, paragraph 92 (e), provides for the taxation of earnings as follows: The individual stockholders shall be taxed in the same manner as the members of partnerships and the provisions of the act with reference to partnerships and the partners therein apply as far as practicable to public service corporations and the stockholders therein; also that "amounts distributed by a personal service corporation during its taxable year shall be accounted for by the distributees, and any portion of the net income remaining undistributed at the close of its taxable year shall be accounted for by the stockholders of such corporation at the close of its taxable year in proportion to their respective shares."

CONSOLIDATED TAX PROBLEM

The solution to the consolidated tax problem appearing in the February issue of the *Students' Department* brought a number of letters to the editor of the department from readers who did not agree with the published solution. Instead of replying in detail to these letters it seems preferable for the editor to publish his own solution. The problem and the editor's solution follow.

Problem. Companies A, B and C were all organized during the year 1918, A and B being engaged in manufacturing while C acted as selling agent for B at a distant point. The capital stock of C is owned entirely by B, having been acquired at the organization of C and paid for in cash at par. The capital stock of A and B is owned entirely by John Roe, Richard Roe and Mary Roe in equal proportions (one-third in each company). No dividends were paid by either of the three companies during 1920. It may be assumed that the miscellaneous investments shown on the balance-sheet of the one company and the gross assets of all three corporations remained the same during the year 1920.

Below are shown the balance-sheets of the three companies as at December 31, 1919:

Balance-sheet—Company A—December 31, 1919

Assets		Liabilities	
Capital assets:		Capital stock	$150,000.00
Real estate, buildings and machinery (less reserve for depreciation)	$100,000.00	Current liabilities:	
Current assets:		Notes and accounts payable	50,000.00
Inventory of raw and finished materials	50,000.00	Surplus	30,000.00
Accounts receivable	15,000.00		
Cash	10,000.00		
Liberty bonds (fourth 4¼s)	50,000.00		
Deferred charges:			
Prepaid insurance and taxes	5,000.00		
	$230,000.00		$230,000.00

BALANCE-SHEET—COMPANY B—DECEMBER 31, 1919

ASSETS		LIABILITIES	
Capital assets:		Capital stock	$250,000.00
Real estate, buildings and machinery (less reserve for depreciation)	$200,000.00	Current liabilities:	
Current assets:		Notes payable	50,000.00
Inventory of raw and finished materials	75,000.00	Accounts payable	10,000.00
Accounts receivable	15,000.00	Surplus	65,000.00
Cash	5,000.00		
Investments:			
In company C (at cost)	25,000.00		
Miscellaneous stocks (domestic)	50,000.00		
Deferred charges:			
Prepaid insurance and taxes	5,000.00		
	$375,000.00		$375,000.00

BALANCE-SHEET—COMPANY C—DECEMBER 31, 1919

ASSETS		LIABILITIES	
Current assets:		Capital stock	$ 25,000.00
Inventory	$ 35,000.00	Current liabilities:	
Cash	9,500.00	Accounts payable (to company B)	10,000.00
Deferred charges:		Miscellaneous	5,000.00
Prepaid taxes	500.00	Surplus	5,000.00
	$ 45,000.00		$ 45,000.00

The net income for the year 1920 carried to surplus (per books) was as follows:

Company A	$ 20,000.00
" B	25,000.00
" C	5,000.00
	$ 50,000.00

The following items appear in the respective profit-and-loss accounts for the year 1920:

	Co. A	Co. B	Co. C
Income and profits taxes paid for 1919	$1,500.00	$2,000.00	
Interest accrued on Liberty Bonds	2,125.00		
Interest paid on indebtedness incurred to carry Liberty Bonds	3,000.00		
Capital additions charged to profit-and-loss	1,000.00	750.00	
Dividends received from miscellaneous investments		3,000.00	

Prepare balance-sheet as at December 31, 1919, for tax purposes, and also statements showing (1) the determination of the net taxable income of the group, (2) the calculation of invested capital and (3) calculation of income and profits taxes payable by the group for the year 1920.

Solution. This solution differs from the one published in February in two particulars, both of which affect the computation of invested capital.

First, a deduction is made for 1919 federal taxes paid in 1920.

Second, the deduction for inadmissibles is computed by taking the ratio of average inadmissibles to average total assets (inadmissibles plus admissibles) instead of the ratio of average inadmissibles to average net assets, or capital, minus inadmissible.

COMPANIES A, B AND C
CONSOLIDATED BALANCE-SHEET
December 31, 1919

		Co. B	Co. C	Inter-company eliminations	C. B. S
ASSETS					
Current assets:					
Cash	$ 10,000.00	$ 5,000.00	$ 9,500.00		$ 24,500.00
Accounts receivable	15,000.00	15,000.00		$ 10,000.00 (A)	20,000.00
Inventories	50,000.00	75,000.00	35,000.00		160,000.00
Investments:					
Liberty bonds (fourth 4¼s)	50,000.00				50,000.00
Miscellaneous stocks (domestic)		50,000.00			50,000.00
Stock of company C—cost		25,000.00		25,000.00 (B)	
Deferred assets:					
Prepaid expenses	5,000.00	5,000.00	500.00		10,500.00
Capital assets:					
Real estate, buildings and machinery (net)	100,000.00	200,000.00			300,000.00
	$230,000.00	$375,000.00	$ 45,000.00	$ 35,000.00	$615,000.00
LIABILITIES					
Current liabilities:					
Notes and accounts payable	$ 50,000.00	$ 60,000.00	$ 15,000.00	$ 10,000.00 (A)	$115,000.00
Capital:					
Capital stock	150,000.00	250,000.00	25,000.00	25,000.00 (B)	400,000.00
Surplus	30,000.00	65,000.00	5,000.00		100,000.00
	$230,000.00	$375,000.00	$ 45,000.00	$ 35,000.00	$615,000.00

COMPUTATION OF NET TAXABLE INCOME
Year ended December 31, 1920

	Co. A	Co. B	Co. C	Combined
Net profit per books	$20,000.00	$25,000.00	$ 5,000.00	$50,000.00
Add non-deductible expenses:				
Income & profits taxes (1919)	1,500.00	2,000.00		3,500.00
Capital additions charged to profit and loss	1,000.00	750.00		1,750.00
Total	$22,500.00	$27,750.00	$ 5,000.00	$55,250.00
Deduct: non-taxable income:				
Interest on Liberty bonds	$ 2,125.00			$ 2,125.00
Dividends received		$ 3,000.00		3,000.00
Total deductions	$ 2,125.00	$ 3,000.00		$ 5,125.00
Taxable net income	$20,375.00	$24,750.00	$ 5,000.00	$50,125.00

COMPUTATION OF INVESTED CAPITAL
For the year ended December 31, 1920

Capital stock paid up and outstanding December 31, 1919	$400,000.00
Surplus—December 31, 1919	100,000.00
Total	$500,000.00
Less changes in invested capital during the year:	
Income and profits taxes of 1919 paid in 1920:	
42.144809% of $3,500.00	1,475.07
	$498,524.93
Less deduction for inadmissible assets (as computed below)	40,530.48
Invested capital	$457,994.45

Computation of inadmissibles

	Dec. 31, 1919	Dec. 31, 1920	Total	Average
Inadmissibles	$ 50,000.00	$ 50,000.00	$100,000.00	$ 50,000.00
Admissibles	565,000.00	565,000.00*	1,130,000.00	565,000.00
Total	$615,000.00	$615,000.00	$1,230,000.00	$615,000.00

$50,000 (ave. inadm.) ÷ $615,000 (ave. adm. + inadm.) = 8.1300813%
8.1300813% of $498,524.93 = $40,530.48 (as above)

* The problem states: "It may be assumed that the miscellaneous investments shown on the balance-sheet of the one company and the gross assets of all three corporations remained the same during the year 1920." Therefore no adjustment is made for the capital additions charged to profit and loss, and for additions to assets arising from profits.

COMPUTATION OF TAX

Invested capital			$457,994.45
Excess-profits tax:			
Excess-profits credit:			
8% of invested capital		$ 36,639.56	
Specific credit		3,000.00	
Total		$ 39,639.56	
Net taxable income		$ 50,125.00	
Less excess-profits credit		39,639.56	
Excess-profits tax: 20% of		$ 10,485.44	$ 2,097.09
Income tax:			
Net taxable income		$ 50,125.00	
Less exemptions:			
Excess-profits tax	$2,097.09		
Specific exemption	2,000.00	4,097.09	
Income tax: 10% of		$ 46,027.91	4,602.79
			$6,699.88

This solution is based on a strict interpretation of the statement in the problem that the gross assets remained unchanged during 1920. If it were not for this specific statement in the problem, the editor might be inclined to agree with the following computation of invested capital submitted by Harry Ober, C.P.A., of Boston:

Capital stock and surplus at beginning of year	$500,000.00
Less deduction for federal taxes for 1919—41.26% of $3,500	1,444.10
	$498,555.90
Less deduction for inadmissible assets (7.8018%)	38,896.33
	$459,659.57

COMPUTATION OF INADMISSIBLE ASSETS

	Beginning	End	Total	Average
Inadmissible	$ 50,000	$ 50,000	$100,000	$ 50,000
Admissible	565,000	*616,750	1,181,750	590,875
Total assets	615,000	666,750	1,281,750	640,875

Ratio of 50,000 to 640,875 is .078018 or 7.8018%

*Admissible at end:

At beginning	$565,000
Profit	50,000
Additions charged to expense	1,750
	$616,750

In regard to Mr. Ober's solution, it seems preferable to adhere to the definite instructions of the problem, particularly when it is remembered that, while profits increase the net assets, they do not necessarily increase the gross assets, since the funds arising from profits may be used to reduce the liabilities.

Incidentally, 1920 was a leap year and the invested capital should be adjusted on account of taxes by using 42.144809% instead of 41.26%.

A letter was received from Horace D. Westerfield, of the university of Oregon, which contained a correct computation of the percentage of inadmissibles.

George Leon Vannais

George Leon Vannais, member of the American Institute of Accountants, certified public accountant of Connecticut, died at Hartford, March 15th.

Mr. Vannais was born at North Gage, New York, in 1868. A great part of his life was spent in public accounting and in accounting instruction. He was a partner in the firm of Vannais, Troub & Co., and president of the Vannais Accounting Institute. For several years he was a member of the Connecticut state board of accountancy. He had also been president of the Connecticut Society of Certified Public Accountants. Before the formation of the American Institute of Accountants, Mr. Vannais was a member of the board of trustees of the American Association of Public Accountants.

Wright, Mendenhall & Wright announce dissolution of partnership on March 1, 1922. The members of the firm will continue in practice under the name of Wm. Mendenhall & Co., American Bank building, Kansas City, Missouri, and Francis A. Wright & Co., American Bank building, Kansas City, Missouri.

Clarkson E. Lord and Frank K. Lord announce the formation of a partnership under the firm name of Lord & Lord, with offices at 342 Madison avenue, New York.

S. S. Horwitt and B. A. Horwitt announce the consolidation of their practices under the firm name of Horwitt & Horwitt, with offices at 1400 Broadway, New York.

Edwin Sackmann Linz announces the opening of an office at 540 Munsey building, Washington, D. C.

Edwin E. Adams announces the opening of offices at 1107 Smith building, Seattle, Washington.