

# Western Pioneer Insurance Company

4101 BROADWAY • OAKLAND 11, CALIFORNIA • Pledmont 5-3255

October 29, 1954

Dear Stockholder:

It has recently come to the attention of the Officers and Board of Directors of your company that certain newspaper articles containing misleading information have been circulated to some of our agents and to a bank with which we do business. It is possible that some of our stockholders may also have been approached on the subject.

Since you are entitled to know the important administrative aspects of your company as well as its financial condition, this letter is being sent to you to acquaint you with the true facts concerning the mentioned newspaper articles.

As you know, the stockholders are the owners of this corporation and control its affairs and management through Directors duly elected by you, in most cases by proxy. These Directors fix company policies on your behalf and it is their duty to see to it that these policies are carried out by the Officers appointed by them. Thus, the Officers of the company are subject to the directives of the Board of Directors and the Board of Directors, in turn, are subject to the desires of the stockholders. Mr. Ralph L. Jensen, the former President, Director and General Manager, deviated from these principles - and in fact believed in "one-man rule" - and the Board of Directors felt compelled to terminate his services with the company on April 1, 1954, in the best interests of the company.

On February 26, 1954, Mr. Jensen resigned as President and Director. On March 31, 1954, he urged the Board of Directors to accept his resignation - claiming that he was too ill to carry on these duties. After a thorough investigation by the Board of Directors of Mr. Jensen's activities as General Manager of the company, it was decided that it was in the best interests of the company and stockholders to relieve him as General Manager and he accordingly was discharged for cause on April 1, 1954. The investigation showed valid causes for his dismissal.

On March 31, 1954, Mr. A. D. Ericksen, a capable and trusted friend of the company, was unanimously elected Director and President. Incumbent Directors, Officers and staff members were retained.

During the early, formative period of the company, Mr. Jensen, taking advantage of his position and authority, obtained for himself an unfair contract of employment for a seven-year period with an exclusive option on his part to extend it for an additional seven years. This contract provided, among other things, a salary of \$1,200 per month, a proportion of the underwriting profits of the company, disability benefits, and contingency benefits to his wife.

## 株主の皆様

ウエスターン・パイオニア保険會社の役員並に理事は、誤報の一部新聞記事がわれ／＼の代理人の一部や取引銀行に流布されおられます事實に對し關心を拂つております。株主諸兄のうちには既にこの事に關し知悉しておられるでせう。

株主は、會社の財政状態のみならず重要な經營管理問題に關しても知悉する権利がありますので、茲に書狀で曩に述べました記事問題に關連しました事實をお知らせする次第です。御承知のやうに、株主は會社の所有主でありまして、大部分代理投票であります。あなた方が選舉しました理事を通し、會社の經營や諸般の營業問題に參與しておられるのであります。従つて理事達はあなた方の代理として會社の營業方針を樹て、そして理事達に依つて選出された役員が、この營業方針を忠實に施行して下さるか否かを監視するのが任務であります。つまり會社の役員は理事會の指令に従わなければならぬことになっております。ひるがえつて理事會は株主の願望を達成する立場に置かれております。而るに元社長兼理事總支配人のラルフ・L・ジエンセン氏は、この原則に背きましたので（事實ワンマンルールを信じておりました。）理事會は一九五四年四月一日會社の利益のため、同氏をどうしても罷免しなければならぬとの意見でありました。

一九五四年二月廿六日、ジエンセン氏は社長と理事を辞任しました。そして同年三月廿一日同氏は病氣のため職責を遂行出来ないとの理由で、理事會に對し辞任の受理方を要請しました。理事會では會社の總支配人としてのジエンセン氏の活動を克明に調査しました結果、會社と株主の利益擁護の爲に同氏を總支配人の職から止めさせるのが最善の措置だとして一九五四年四月一日解雇しました。

一九五四年三月卅一日、有能な信頼出來ますA・Dエリクセン氏が万場一致で理事兼社長に選出されました、そのほか任期の理事役員職員は留任しました。

ジエンセン氏は會社創設初期、彼の地位と權利を利用して七年の任意延期の附帶事項のある不公平極まる七年間の雇傭契約を取得しました。その契約には月給一千二百弗、會社利潤の歩合配當、妻女の不慮の出來事に對する手當などを織込んであります。一九五四年七月二日彼は契約違反の廉で會社を相手取りアラメダ郡上級裁判所に訴訟を提起しました。これに對し會社は辯護士を通し、法律的手續上のことやジエンセン氏解雇の理由を詳細に説明した答申を行いました。目下の裁判所日程に依りますとこの事件の裁判は數カ月間は行われぬものと思われれます。



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On July 2, 1954, he filed suit against the company on the basis of this unfair contract in the Alameda County Superior Court. The company, through its attorney, filed an answer to this suit detailing the legal grounds and causes for Mr. Jensen's dismissal and, further, filed a cross-complaint demanding an accounting from Mr. Jensen for money which is owing the company. Due to the presently congested court calendar, it is not believed that this case will be heard by the court for several months in the future.

Notwithstanding this matter should be adjudicated by the court, a few of the newspapers have printed articles which could be misleading to readers who are not intimately familiar with the true facts and circumstances of the case. These are the articles referred to in the first part of this letter.

On September 1, 1954, one Barbara J. Hill, requested that the records of the company and a list of all names and addresses of stockholders be made available to her. Our investigation showed she purchased her stock by transfer from Ralph L. Jensen on August 16, 1954 and that she is the secretary of the attorneys who made the demand for her. The company has no objection to allowing an inspection of records by any bona fide stockholder for a reasonable purpose. The company has nothing to hide. It is a strongly regulated company - it must submit quarterly statements to the California Insurance Commissioner, and an independent auditing firm audits its books quarterly. However, it was felt that under the circumstances this request was unreasonable and not in the best interests of the company, and was accordingly disapproved. On September 27, 1954, she filed an action in court seeking to compel the company to comply with her request. This action will, of course, be resisted by the company. In this connection, her attorney stated that we "could expect a real proxy fight" or words to that effect. It is therefore possible that you may be contacted for the privilege of using your proxy.

The proxy which you signed at the time you became a stockholder is a continuing and valid proxy in favor of a proxy committee presently composed of three prominent Japanese Americans. They have been in close touch with all the circumstances of this case and will act in your best interests at all times. If anyone approaches you suggesting that you change your proxy, we urge you not to take such action until you have first contacted and discussed the situation with your agent or an authorized representative of this company.

As reflected in our previous financial statements to you, the company has made substantial progress each year. On July 31, 1954, the latest available figures show that the company's assets were \$1,457,075.14. Its progress and financial soundness are reflected in the fact that this is the first year the company has been required to pay Federal Income Taxes, and as of July 31, 1954, a reserve of \$58,069.26 has been set up by the company for payment of such taxes. Dividends were paid to stockholders in August of this year for the first time since the company was organized.

Your company has been built into a good, sound and useful institution, particularly for persons of Japanese ancestry in America. It has reached the point where others would like to control it. We have even received inquiries asking whether the company would be willing to sell out to bona fide investors. This is additional evidence that you, as stockholders, own something of great value and that you should carefully guard and protect your interests. The present Directors and Officers have always acted in the best interests of the stockholders, and by their deeds and record we feel that they merit your continued cooperation and confidence. You will be kept advised of future developments.

Sincerely yours,

Board of Directors  
Western Pioneer Insurance Company

この事件は法廷に於て決着さるべき性質のものであるに拘らず、一部新聞はこの事件の真相や事情にうとい讀者を誤導し易い記事を掲載しました。これは本書狀劈頭に述べました事項を指しているのです。

一九五四年九月一日、バーバラ・J・ヒルが會社の帖簿と株主の姓名及び住所記載のリストを會社に要請しました。われわれの調査に依りますと彼女は一九五四年八月十六日ラルフ・J・エンセン氏より株券を購入し、彼女の要請を取扱つた辯護士の秘書であることが判明しました。會社としましては合理的な目的の爲善意ある株主の帖簿検査には反對するものではありません。會計は厳格な規則に基き四半期毎に加州保険コミッションに報告書を提出しなければなりません、そのほか獨立の會計検査會社からも四半期毎に帳簿は検査されており、然し今回の要請は目下の事情にてら非合理的であり且つ會社の利益にならないという理由で拒否しました。その結果一九五四年九月廿七日彼女は法廷で法的手續きを取りました。勿論會社では抗爭する肚であります。これに關連しまして彼女の辯護士は代理委任係争を豫期している旨通告して來ました。従つてあなた方の代理委任問題に關しあなた方に働きかけるものと思われ、あなた方が株主になられた折署名しました代理投票委任状は三名の日系人に依つて結成されており、代理投票委任委員會にその権限を附與してあります。同委員會はこの事件に關し、その真相究明に當り常に株主の利益擁護に當ります。若し第三者があなた方に近づき代理委任變更を働きかけられました場合、會社の代理人が責任ある代表に折衝検討されるまでは應じないやう勸告します。會社の營業状態は良好であります。引例しますと一九五四年七月卅一日現在の會社の資産は百四十五万七千七百七十五弗十四仙となっております。しつかりした財政状態が確立されまして、本年は最初の年ではあります。が連邦所得税を支拂はなければならなくなりました。そして一九五四年七月卅一日には、その納税用に五万八千六百九十九弗廿六仙を積立てました。また會社創立以來初めて本年八月には株主に配當を支拂いました。

あなた方の會社は、成績良好にして強固なそして有目的機構として發展しております。特に日系人にとつておやです。茲に問題となり、それは第三者が會社を支配したとき意向があるか否かにかゝつておやです。現にわれわれは善意ある投資者に會社を譲渡する意向があり、否かに就いて問い合わせがありました。これはとりもなおさず、あなた方株主が非常な價值あるものを所有していることの裏付けにはかならないのです。従つてあなた方は注意深く利権を擁護しなければなりません。現理事や役員は常に株主の利権を擁護する爲に措置して來ました。この業績と記録にてらしましてあなた方の繼續的協力と信頼を要望するものです。

敬具

一九五四年十月二十九日

ウエスターン・バイオニヤール保險會社

理事會



# Western Pioneer Insurance Company

4101 BROADWAY - OAKLAND 11 - CALIFORNIA



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Shoji Takeda

Milpitas, Calif.