

*Board of Directors*

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HON. W. E. FOSTER, LL.D.  
C. B. HOWARD, ESQ., M.P.  
HON. B. M. HILL, M.P.  
W. W. SNIDER, ESQ.  
W. W. V. FOSTER, ESQ., M.L.A.  
R. W. T. BURLEIGH, ESQ.  
A. C. SMITH, ESQ.  
B. C. HOWARD, ESQ.  
A. G. TIERNEY, ESQ.

OFFICERS

HON. W. E. FOSTER, LL.D.  
President

C. B. HOWARD, ESQ., M.P.  
Vice-President

HON. B. M. HILL, M.P.  
Treasurer and Managing Director

A. G. TIERNEY, ESQ.  
Secretary

SOLICITORS

HYDE, AHERN, PERRON & SMITH

AUDITORS

PRICE, WATERHOUSE & COMPANY

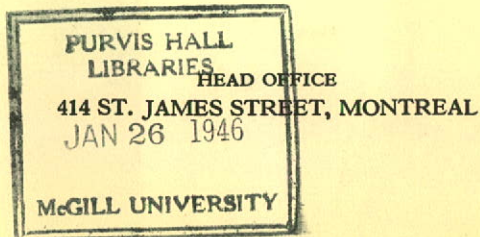
Consolidated  
Diversified Standard  
Securities  
Limited

FINANCIAL REPORT

FOR YEAR ENDING  
DECEMBER 31st,

1937

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Consolidated Diversified Standard Securities Limited

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Montreal, March 21st, 1938.

To the Shareholders:—

Your Directors present herewith the Consolidated Financial Report and Balance Sheet of your Company and its Subsidiary for the year ended December 31st, 1937.

The investments of the Company are classified as follows: Bonds—13.26%, Preferred Stocks—13.93%, Common Stocks—69.99%, Miscellaneous and Unlisted Investments—2.82%.

During the year Net Realized Capital Profits amounting to \$120,027.64 were transferred to a reserve for that purpose.

Dividend disbursements during the year on the outstanding Preference shares totalled 75 cents per share, as against 62½ cents per share during the preceding year.

Shareholders are cordially invited to attend the Annual Meeting, which will be held on April 25th, 1938, and if unable to attend are requested to send their duly executed Proxies to the Secretary of the Company.

Submitted on behalf of the Directors.

W. E. Foster  
President.

## Consolidated Diversified Standard Securities Limited

### Consolidated Statement of Profit and Loss and Surplus

For the year ending December 31st, 1937

Dividends and Interest earned on Investments.....	\$	88,435.79	
ADD: Net Profit on sale of Investments.....		120,027.64	\$ 208,463.43
DEDUCT: Expenses—			
Executive Salaries.....	\$17,225.00		
Office Salaries.....	4,049.00		
Directors' Fees.....	2,550.00		
Legal Fees and Expenses.....	110.50		
Taxes, other than Income.....	1,369.75		
Interest paid.....	11,077.51	36,381.76	
General Expenses, including Rent, Light, Postage, Stationery and other Office Expenses, etc.....		5,717.92	42,099.68
			\$166,363.75
DEDUCT:			
U.S. Taxes deducted at source.....	\$	4,553.23	
Provision for Dominion and Provincial Income and Profits Taxes for the current year.....		1,725.00	
Preferred Dividends No. 10 and No. 11 at 37½ cents per share, less \$2,925.32 paid on those shares held by wholly owned subsidiary.....		23,999.68	
Net Realized Capital Profits, as above, transferred.....		120,027.64	150,305.55
			\$16,058.20
ADD:			
Balance, December 31, 1936.....			37,066.99
Reserve for taxes provided in prior years in excess of requirements.....			4,086.51
Balance, December 31, 1937.....			<u>\$57,211.70</u>

## Consolidated Diversified Standard Securities Limited

### Auditors' Report to the Shareholders

We have made an examination of the books and accounts of Consolidated Diversified Standard Securities Limited, and its wholly owned subsidiary, Alco Securities Corporation Limited, for the year ending December 31, 1937, and have obtained all the information and explanations which we have required. In the periodical examinations made by us, securities have been found in order, and we report that, in our opinion, the attached Consolidated Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs, as at December 31, 1937, according to the best of the information and explanations given to us, and as shown by the books of the Companies.

PRICE, WATERHOUSE & CO.,  
Auditors.

Montreal, March 7, 1938.

# Consolidated Diversified Standard Securities Limited

AND ITS WHOLLY OWNED SUBSIDIARY COMPANY

*Consolidated Balance Sheet, December 31st, 1937*

## ASSETS

CASH IN BANKS.....	\$	3,661.58
DIVIDENDS DECLARED (Receivable in January).....		980.00
INTEREST ACCRUED ON BONDS.....		4,325.00
SUNDRY ACCOUNTS RECEIVABLE.....		273.59
<b>INVESTMENTS:</b>		
In Stocks and Bonds of listed Corporations at book value.....	\$1,686,091.44	
(Quoted market value of above Investments at December 31, 1937, \$1,144,086.00)		
In Stocks of Corporations whose current value is not readily ascertainable.....	36,905.45	
Net cost of 4,889 6/25 Non-cumulative First Preference Shares, and 33,804 34/40 Class "A" Common Shares of Consolidated Diversified Standard Securities Limited held by its wholly owned Subsidiary, Alco Securities Corporation Limited.....	114,372.95	1,837,369.84
FURNITURE AND FIXTURES, less Reserve for Depreciation of \$1,031.70.		1,096.34
PREPAID ITEMS.....		993.30

APPROVED ON BEHALF OF THE BOARD:

W. E. FOSTER, Director.

B. M. HILL, Director.

\$1,848,699.65

## LIABILITIES

BROKERS' LOANS—Secured.....		\$ 446,945.90
RESERVE FOR DOMINION AND PROVINCIAL INCOME TAXES.....		1,725.00
CAPITAL STOCK AND SURPLUS, represented by—		
Capital Stock:		
Authorized:		
55,000 Non-cumulative First Preference Shares of no par value. (Preferential as to \$2.50 per share dividend and redeemable at \$50.00 at call).		
160,000 Class "A" Common Shares of no par value.		
112,500 Class "B" Common Shares of no par value.		
Issued:		
Non-cumulative First Preference Shares.....	50,916 15/25	
LESS: Redeemed and cancelled out of Net Realized Capital Profits.....	15,016 15/25	
Balance First Preference Shares outstanding...	35,900	
Class "A" Common Shares.....	152,340 39/40	
Class "B" Common Shares.....	112,500	\$717,515.00
Capital Surplus, representing net realized Capital Profits, used in redemption of 15,016 15/25 First Preference Shares.....	\$215,000.00	
Net Realized Capital Profits		
Balance December 31, 1936.....	\$505,274.41	
ADD: Transferred from Profit and Loss Account December 31, 1937.....	120,027.64	625,302.05
Balance at credit of Profit and Loss Account as per statement attached.....		57,211.70 1,400,028.75

\$1,848,699.65

# Consolidated Diversified Standard Securities Limited

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## *Notice of Annual Meeting of Shareholders*

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NOTICE is hereby given that the Annual Meeting of Shareholders of CONSOLIDATED DIVERSIFIED STANDARD SECURITIES LIMITED, will be held at Room 129, Windsor Hotel, in the City of Montreal, on the 25th day of April, 1938, at the hour of twelve o'clock noon, Daylight Saving Time, for the purpose of:—

- (a) Receiving and considering the report of the Directors of the Company, the Balance Sheet, Statement of Income and Expenditure, and the Auditors' Report for the past fiscal year;
- (b) Considering and if thought fit approving and ratifying all contracts, acts and proceedings of the Board of Directors and of the officers of the Company since the last Annual Meeting of Shareholders as set forth or described in the books of the Company or in the annual report of the Company for the past fiscal year;
- (c) Appointing auditors;
- (d) Electing Directors for the ensuing year;
- (e) Transacting such other business as may properly be brought before the meeting.

If you are not able to be present kindly sign and return the enclosed Proxy by early mail.

DATED at Montreal this 21st day of March, 1938.

BY ORDER OF THE BOARD,

A. G. TIERNEY,  
Secretary.