

# JOURNAL OF THE AMERICAN BANKERS' ASSOCIATION

Vol. 2

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## OFFICERS AMERICAN BANKERS' ASSOCIATION

1909—1910

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## AMERICAN BANKERS' ASSOCIATION

### DECLARATION

(WHICH PRECEDES CONSTITUTION AND BY-LAWS)

In order to promote the general welfare and usefulness of banks and banking institutions, and to secure uniformity of action, together with the practical benefits to be derived from personal acquaintance and from the discussion of subjects of importance to the banking and commercial interests of the country, and especially in order to secure the proper consideration of questions regarding the financial and commercial usages, customs and laws which affect the banking interests of the entire country, and for protection against loss by crime, we submit the following Constitution and By-Laws for The American Bankers' Association:

### ANNUAL DUES

Private Bankers, and Banking Firms.....	\$10.00
Banks and Trust Companies, with less than \$100,000 capital and surplus.....	10.00
Banks and Trust Companies, with \$100,000 capital and surplus, and less than \$250,000.....	20.00
Banks and Trust Companies, with 250,000 capital and surplus, and less than 500,000.....	25.00
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Dues for Savings Banks without Capital are based on Surplus or Reserve Fund, as per above schedule.	
Dues for Branch Banks without separate Capital specifically set aside therefor.....	10.00
Dues for Branch Banks with separate Capital are based on the above schedule.	



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VOL. 2

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### THE LOS ANGELES CONVENTION

**T**HAT a thorough understanding might be had regarding the requirements for a convention of the magnitude of the American Bankers' Association Annual Meetings, and that the local committees at Los Angeles might have the full benefit of former experiences in convention details, General Secretary Farnsworth spent four days in Los Angeles during May. He found the committees perfectly organized and fully alive to the needs of the coming convention. The general secretary met the chairmen of all of the committees at a dinner given by Mr. Stoddard Jess, vice-chairman of the local executive committee, and also at a luncheon given by Mr. J. D. Radford, chairman of one of the committees, which had been divided into several sub-committees, all of which were represented at this luncheon.

It is the full determination of the bankers of Los Angeles to make the coming convention the best in the history of the Association, and not to overlook any details which would go towards making the meeting a great success.

The Auditorium, called "The Theatre Beautiful," has been selected for the convention meetings and is an ideal building for this purpose. In addition to the auditorium proper, the building contains small halls and committee rooms, which are particularly well adapted for the section and committee meetings.

The headquarters hotel—the Alexandria—will be utilized for registration purposes. Without question Los Angeles is one of the best equipped cities of the country, for its size, in hotels. It has several large hotels which will class well with the Alexandria, which, of course, can accommodate only a very small proportion of the bankers who will attend. For those who would not care to be in the heat of activity all of the time, the local committee, as well as the general secretary, recommend particularly the Virginia Hotel at Long Beach and the Maryland at Pasadena. Both of these hotels are conveniently located on a four-track trolley line, which gives express service and the best traction service in the United States, the trip to these two points occupying about thirty-five minutes. Both hotels are first-class and well equipped. The hotel at Long Beach fronts the Pacific Ocean, is a fire-proof structure, and is magnificent in its appointments—one of the best on the Pacific slope. Both hotels can offer superior accommodations to those who would like to locate in a desirable place outside and at the same time convenient to the city.

While the program for the Los Angeles convention has not yet been definitely arranged, without doubt the business sessions will be planned as at Chicago. The entertainment features will probably embody a grand reception and ball at the Shrine Auditorium, a magnificent building particularly adapted to a function of this kind; theatre parties; automobile trips; special entertainment for the ladies; and a trip for all to the famous Catalina Islands, where a barbecue will be given the visitors.

A new system of registration will be promulgated and the Association will issue daily a complete printed registration list, in convenient form, containing only names of delegates and guests.

Railroad rates have already been arranged, with very liberal and fair concessions for round trip tickets.

Those desiring hotel accommodations should address Mr. H. S. McKee, Secretary of the Hotel Committee, care National Bank of California, Los Angeles.

**REDUCED RAILROAD RATES TO THE CONVENTION WHICH WILL BE HELD  
AT LOS ANGELES, CALIFORNIA, OCT. 3-7, 1910**

From the territories of the New England Passenger Association and the Trunk Line Association, which Associations cover New England, New York and the East, a rate of ONE and ONE-HALF first-class limited fare to Chicago or St. Louis added to fares tendered therefrom for the round trip; proportionate differential to apply, has been granted. Tickets to be sold from September 23d to September 29th, inclusive, with final return limit of October 31, 1910.

The Associated Railways of Virginia and the Carolinas, covering points in Georgia, North Carolina, South Carolina, Virginia and Washington, D. C., have granted SPECIAL EXCURSION FARES. Tickets on sale September 23d to 29th, inclusive, with final return limit of October 31, 1910.

Applications should be made to respective local ticket agents as to the special excursion fares offered in this territory, \*as well as stop-over going trip and returning trip privileges.

The Central Passenger Association, which covers the Central States, have authorized ONE and ONE-HALF fare for round trip from points in their territory to the western gateways of their Association, viz., Chicago, Peoria and St. Louis, added to the tender of the Trans-Continental Lines therefrom. Tickets on sale September 24 to 30, 1910, inclusive, with final return limit of October 31, 1910.

The Trans-Continental Passenger Association, covering the territory of the West and Pacific Coast States, and including Chicago, St. Louis, Memphis and New Orleans, have authorized SPECIAL CONVENTION TICKETS, which will be on sale September 24 to 30, 1910, both inclusive, with final return limit of October 31, 1910. The fare from Chicago is \$62.50 for the round trip, and from either St. Louis, Memphis or New Orleans, \$57.50. Reduced rates from other cities in this territory can be secured by making application to respective local ticket agents.

In connection with the rates offered as referred to, the going trip must begin on date of sale of ticket, and stop-overs will be allowed within limit of ticket (\*with the one exception as stated above) as follows: on going trip, at and west of Missouri River gateways (Omaha to Kansas City inclusive), St. Paul, Duluth, Memphis, New Orleans and Port Arthur, and on return trip, at and west of Chicago, Peoria, Bloomington, St. Louis, Memphis, New Orleans and Port Arthur.

Tickets will be good for return only when validated at destination or at an intermediate point en route returning where a T. C. P. A. joint agency is located except that California tickets may be validated at Prescott, Phoenix or Grand Canyon, when not used to destination.

The Central Passenger Association advises, in addition, tickets to California points reading both ways via Albuquerque, and Atchison, Topeka & Santa Fe Railroad, will be validated at Phoenix, Prescott or Grand Canyon, Ariz., and tickets reading both ways via El Paso or Deming and Southern Pacific Company will be validated at Phoenix, Arizona.

A joint agency will be established at Oakland Pier, California, for validation of tickets reading to San Francisco only.

Tickets will be validated not to exceed three days in advance of departure of passengers. Return trip must begin on date and trains stamped on validation certificate by Joint Agent, who will punch final return limit on certificate.

**A FEE OF FIFTY CENTS (50c.) FOR THE VALIDATION OF EACH TICKET  
WILL BE COLLECTED BY JOINT AGENT.**

Terminal lines give notice that no special train or special cars will be parked at Los Angeles, or any point within twenty-five miles thereof, or at San Francisco, including Alameda, Berkeley, Richmond or other points on the east side of San Francisco Bay.

For sections of the country not covered above, it is assumed that the various railroad companies therein will grant reduced rates, and, therefore, application should be made direct to your local railroad agent regarding same.



## TRUST COMPANY SECTION

### TRUST COMPANY FORMS NOW READY FOR DELIVERY

The officers of the Trust Company Section of this Association, believing that there was a wide demand for a new and up-to-date book of "Trust Company Forms," appointed a little over a year ago a Committee to take up the matter of such a publication. This Committee is as follows:

J. N. BABCOCK, *Chairman*, Trust Officer, The Trust Company of America, New York.  
 CHARLES L. MOSHER, *Vice-President*, Guardian Savings & Trust Co., Cleveland, Ohio.  
 GEORGE H. STUART 3D, *Assistant Treasurer*, The Girard Trust Co., Philadelphia, Pa.,  
 with the Secretary of the Section as Secretary.

Circular letters were sent to all members of the Section asking that sample forms, pages of books, cards, etc., be sent to the Secretary. A large number of such "forms" were received from representative companies throughout the country. The Committee has spent a great deal of time in arranging, classifying and indexing these "forms," eliminating duplicates and such as seemed undesirable for the purpose in view. The result is a collection of "forms" in use in the representative Trust Companies of the country. Care has been taken to include "forms" in use in the smaller institutions as well as those submitted by the large city companies.

The selections cover all departments of the Trust Company, and it is believed offer practical "forms" for carrying out all of the various banking and trust functions which may fall to the lot of an active company.

The book is arranged as follows:

- Banking.** Deposits, Withdrawals, Records, Collections, Pass Books, Bookkeeping, Condition Statements, Investment Records, Miscellaneous.
- Loans.** Collateral Loans, Time and Demand, Commercial Paper, Credit Statements, Miscellaneous.
- Trusts.** Individual Trusts, Estates, Corporate Trusts, Bond Issues, Escrows, Reorganizations, Stock and Bond Registrations and Transfers, Payment of Coupons, Mortgage Records, Real Estate Records, Insurance Records, Card Index Systems, Tickler Systems, Miscellaneous.
- Savings.** Deposits, Withdrawals, Signature and Index Cards, Miscellaneous.
- Safe Deposit Department.** Identification Cards, Book and Miscellaneous Forms.
- Foreign Exchange.** Various Forms.

The work is now ready for delivery; the selected forms have been reproduced by photographic process (one-half the original dimensions), bound in full morocco, leather lining, gilt edges, in handsome and durable shape—11x14 inches in size—and is for sale to members of the Association for \$15 each, and to non-members at \$20. Some 550 different forms have been reproduced, making a book of 145 pages, fully indexed. Subscriptions may be sent to Mr. P. S. Babcock, Secretary Trust Company Section, 11 Pine Street, New York, who will forward book prepaid at once.

## SAVINGS BANK SECTION

### SAVINGS BANK SECTION BOOK OF PRINTED FORMS

Nearly 700 copies of the book of Printed Forms issued by the Savings Bank Section have so far been sold to the members, and orders are still being received for it.

The book is handsomely bound in flexible seal, issued in a convenient loose-leaf style, and comprises over 600 of the most useful and typical forms used by the most progressive savings banks of the country; these forms were selected from a collection of over 20,000 blank forms on file at the Secretary's office, and bound up in about fifteen huge volumes.

The forms are reproduced at one-half their original dimensions, viz., one-quarter of the area. The third edition is for sale to non-member banks at \$18 per copy, and to members of the American Bankers' Association at \$12 per copy. Orders will be received and promptly attended to by William Hanhart, Secretary Savings Bank Section, 11 Pine St., New York City.

### PRESENT MEMBERSHIP 1,740

The meeting of the Executive Committee took place at Atlantic City, N. J., on May 2, and was attended by nearly all the members and a number of invited guests. The matter of segregation of savings deposits was very thoroughly discussed, and, although the Association has taken no decided stand in the matter as yet, we believe that this important subject will receive considerable attention at the annual convention in Los Angeles.

The following statistics have been compiled by the Secretary of the Section and may

perhaps prove of interest; the figures include all savings deposits in savings banks, savings departments of private banks, commercial banks, trust companies and chartered banks, postal savings banks and municipal savings banks, and are of the most recent dates obtainable.

	Total Savings Deposits.	Average deposit per account.	Average deposit per capita of population.	One person is a depositor out of — population.
United States .....	\$5,678,735,379	\$381.28	\$64.05	6
Germany .....	3,305,606,000	177.16	53.64	3½
Austria .....	1,114,558,951	190.32	40.53	5
England .....	1,033,470,204	80.70	23.08	3½
France .....	961,355,347	74.03	24.48	3
Italy .....	804,658,863	.....	23.72	....
Russia .....	623,820,663	93.20	4.15	22
Canada .....	543,920,717	.....	75.70	....
Hungary .....	395,072,672	232.53	19.11	12
Switzerland .....	279,848,800	158.21	78.63	2
Sweden .....	106,368,900	94.17	34.81	2½
Denmark .....	192,274,881	154.97	73.95	2
Belgium .....	171,044,463	65.16	23.63	3
Norway .....	115,274,498	132.71	49.67	3
Japan .....	99,289,016	6.86	2.01	3½
Holland .....	93,214,669	56.19	16.43	3½
Spain .....	40,237,022	91.84	2.04	45

The figures for England do not include about \$100,000,000 in Consols held for the Postal Savings depositors, nor about \$10,000,000 in Consols held for the Trustees Savings Bank depositors.

### CLEARING HOUSE SECTION

The system of letters and numbers to be utilized on checks and drafts for the purpose of minimizing the work in transit departments of banks, which was introduced by the Clearing House Section of the American Bankers' Association some time ago, has been adopted by a number of the banks in the twenty-five larger Clearing House cities.

This movement was brought out about the same time as a system devised by one of the New Orleans banks, and has caused widespread interest, with the result that in many of the larger cities of the country systems have been evolved for handling customers' checks and for generally reducing the work in transit departments. The Texas Bankers' Association has also worked out a plan and issued to every bank in the State an endorsement stamp bearing symbols. All of this has resulted in the introduction of many plans, which will surely cause complication and confusion. The time has arrived when concerted action should be taken, and no doubt the Executive Committee of the Clearing House Section will call a meeting, at some central point, of transit managers of banks of the metropolitan cities, for the discussion of this broad subject, and with the determination to bring out a universal plan which would be adapted to the general needs of transit departments and with uniformity which will avoid serious complications in the future.

### CLEARING HOUSE BANK EXAMINATIONS.

ADDRESS BY MR. W. H. LEE,  
PRESIDENT MERCHANTS' LACLEDE NATIONAL BANK, ST. LOUIS, MO.,  
BEFORE THE MISSOURI BANKERS' ASSOCIATION, ST. LOUIS, MO., MAY 18, 1910.

Very great is the scope of the St. Louis Clearing House Association to-day, as compared to that which it covered when, forty years ago, I first had part in its operations. Then it practically provided a place for the exchange of checks only, with rules and regulations to be sure for the issuance of Clearing House Certificates in time of panic, but no one looked to the Clearing House as a pilot in financial matters, or thought of its adopting a system of precaution by which the financial situation of the community is safeguarded. Then, as now, but very much more then than now, opposition was encountered whenever any suggestion was made that incautious or improvident—and, therefore, dangerous—methods in banking were the concern not only of the bank which practiced them, but also of every other bank in the community.

The opposition found its origin—and I must think, finds it now where it exists—from one of two causes, neither of which is deserving of weight.

It is alleged that any supervision exercised over a bank, except by its own officers, is an interference with its business; that a bank's business is its own, and its own alone, and the business of no other bank, and this view is by those holding it, loudly proclaimed until trouble comes, when others, who have been denied the right to object or advise, must either stand idly by and allow the bank to fail, with the attending loss to the community, and be

subjected to the more or less pronounced criticism which every bank at such a time suffers, or find themselves called upon to furnish funds when it may be most burdensome to do so, that they may take care of an institution which is unable to take care of itself, and which has refused to heed the warnings of more wisely managed banks.

There is, too, one other reason. In the race for business there are those who recognize—though perhaps they are loath to admit it, even to themselves—that on equal terms they cannot compete with their neighbors, and that to get business they must pay more, or—as it is delicately put—“offer inducements” greater than those which can be had from their more conservative competitors, and greater than sound banking permits.

There is something particularly exasperating to the careful, conservative and conscientious banker who, realizing his obligations to his trusteeship, declines all apparent chance of making money which might involve in loss those whom he represents, when he witnesses the easy self-contentment with which his less scrupulous or less intelligent neighbor rushes by him to engage in undertakings clearly dangerous.

Equally trying is it to submit without protest to the arrogant assertion—fortunately not so frequently made as formerly—“I will attend to my own business,” to which statement it is well understood is to be added—“until I get into trouble, when I will call upon you.” Those who have been any length of time in banking know the extreme facility with which, as soon as trouble comes, from either of the two above causes, a banker who finds his institution embarrassed runs to cover.

Protest against wild banking, against undue risks, against dangerous practices, and the concern which every bank must of necessity have in the conduct of every other bank, is at such times heartily acquiesced in, but the subject which most interests the convert to these propositions is—How much aid will the other banks provide, and how soon will the aid be given?

If experience has taught anything, it has taught that solvent institutions are at times much embarrassed by the failure of a bank located in their midst, and realizing this, those who believe in intelligent co-operation in preventing as far as possible financial trouble, are interested in discovering its cause. A former comptroller of the currency, then in office, told me that, except in time of panic, his department did not show the failure of a national bank which was not due to either dishonesty of its officials or to undue loans to its directors, or to the corporations in which the directors were interested.

But one conclusion can be drawn from this. If the banks of a community owe to the community their best efforts to protect the financial institutions within it, if a just regard for their stockholders demands that they shall take proper steps to protect their interests, are they not compelled—by their sense of right—to act and prevent as far as possible the means and practices which they know lead to disaster?

Our national government and our State have given evidence of the importance which they attribute to bank examinations, and in each are careful to provide the most efficient and trustworthy men for the examination of both national and State institutions. The success of both has been remarkable in the almost absolute freedom from corrupt employees. I do not know of a single case in which either a national bank examiner or a Missouri State Bank Examiner has been accused of corruptly concealing any fact discovered during an examination or of having made a false report. The comptroller from Washington for the national banks, and the bank commissioner of the State, from Jefferson City, for State institutions, call attention to every fault committed or danger threatened, as evidenced by reports of their examiners, and notify the bank at fault that the matter complained of must be corrected.

The Clearing House bank examination is intended to fully accomplish, what from the very conditions, cannot be obtained except through it. The national bank examiner examines only national banks, and the State bank examiner examines only State institutions. Neither the department at Washington nor the department at Jefferson City can have any accurate information as to the entire situation in a community where there are both national and State institutions.

Reasoning in the most intelligent manner, and acting with a determination to perform its full duty, neither department can know the local situation as do those living in it and engaged in banking. The St. Louis Clearing House examiner examines every bank and trust company, member of or connected with the Clearing House, the Clearing House desiring no control over and having no interest in any institution unwilling or, in the judgment of the Clearing House, unfitted, to be connected with it.

The committee of management has the same relation to the Clearing House examiner as has the Comptroller of the Currency to the national bank examiner, and as has the bank commissioner of Missouri to the State bank examiner. It seems therefore clear that the committee of management, composed of St. Louis bankers, must be better informed of St. Louis' financial conditions than can be the officials, however capable and earnest, living elsewhere.

The government and the State could not and should not yield control over the banks, and no one would seriously suggest that the authority to close a bank or deprive it of its charter should lodge elsewhere than with the national or State authorities, and the watch-

fulness and intelligent direction given by both is, and has been, of the greatest importance and value.

It is certain, however, that both the government and the State are greatly aided by the Clearing House and by the Clearing House bank examinations. It would also seem to be beyond question that the banks of a community have a right to decide who shall be their partners, and that when an institution becomes a member of a Clearing House Association it is bound by its rules and should be subject to its guidance. Any member can withdraw from the Clearing House Association whenever it so decides, and still have a right to do its business under the control of the national government or the State government, as the case may be. That under these conditions it probably could not succeed, is true, but that is due to the fact that the community would have but little confidence in an institution not confided in by the other banks in the city in which it is located.

No perfect system looking to the prevention of corrupt or inefficient banking has yet been evolved. The deplorable results arising from incompetent and corrupt banking have long been recognized. It has been apparent that some further effort should be made, that something must be done. For many years before active steps were taken to correct the evils existing, they were recognized and deplored, frequently discussed, but put aside until some "more convenient time," just when the "convenient time" would come not being indicated.

It came first to Chicago. In December, 1905, Mr. John Walsh, who would have been the last of men to conceive for one moment that he needed any advice or control from any one, startled Chicago. His national bank and his trust company fell with a crash which disturb the great city in which he operated, and to prevent further disaster the associated banks of Chicago advanced—and have not yet had returned to them—some seven million dollars.

Steps were then taken if not to prevent, at least to do what might be done, to ward off such a blow coming to a community without notice. Early in 1906 a national bank examiner was employed, and the Clearing House examinations were first inaugurated.

To Chicago, therefore, are due the acknowledgments of the bankers of this country for this great advance in intelligent finance.

We talked about it here, we admired Chicago, but we delayed action. It was not long before it was realized that we, too, must act. On Sunday morning, September 23, 1907, with the approaching panic in full view, bankers of this city were called together and remained in session (with adjournments for meals only) until one o'clock Monday morning. When we parted we had agreed to advance to one of our number present one million five hundred thousand dollars in cash, and to guarantee his institution against loss—one million dollars in addition, if it would pay the deposits and liquidate the Missouri-Lincoln Trust Company. There was not a man in the room who did not know that the methods of the trust company named had been bad, and there was not a man in the room who had been able to do anything to prevent the ruin which he knew must come.

Due to the able manner in which the affairs of the Missouri-Lincoln Trust Company have been managed by the institution undertaking to wind up its affairs, not only have all the depositors been paid, but the \$1,500,000 advanced in cash was soon returned and the \$1,000,000 guaranteed has not and will not be called for, and enough has been saved from the wreck to warrant the expectation of a considerable dividend to the stockholders.

When we adjourned that early Monday morning there was no longer any disposition to hesitate as to what action we should take. At a meeting of the Clearing House, held October 11, 1907, it was decided to inaugurate a Clearing House Bank Examination Department, and the committee of management was instructed to make arrangements accordingly. After a careful effort to secure the best obtainable man for examiner, and after consultation with the Comptroller of the Currency, who lent us every assistance and encouragement, the selection was made of a national bank examiner, which selection, it may be said, has never been regretted, and the system was inaugurated here.

It may be of interest to have stated somewhat in detail just what are the duties of the Clearing House Bank Examiner, of what his force consists, and the manner in which he performs his duties. The department includes the examiner and three assistants. Before entering upon his duties, the examiner signs a written contract that in case of his resignation or dismissal he will not connect himself with any bank or trust company within three hundred miles of St. Louis, for a period of three years, and each of his assistants enters into a similar obligation for the same period. The object of this stipulation is apparent. We have in St. Louis seventeen members of the Clearing House and thirty-seven associate members, the associate members being banks or trust companies clearing through members. This gives a total of fifty-four banks and trust companies under the control of the Clearing House and subject to its rules and examinations.

No bank or trust company, either as a member or as an associate member, is admitted to the Clearing House until application from it is received, applying for such admission, and the examiner has assured himself that its affairs are in such condition as to make it proper that the application shall be received. His report is submitted to the committee. If in the opinion of the committee the applicant should be admitted, the Clearing House is so notified

and recommendation is made that the applicant be admitted. And the Clearing House has never yet refused to admit any bank or trust company whose application has been recommended by the committee.

If, on the contrary, the examination develops conditions which, in the opinion of the committee of management, are unsatisfactory, the applicant is advised to withdraw its application, and if such steps should not be taken the matter would then be referred to the Clearing House, with a recommendation from the committee of management that the admission be denied. As yet, the committee has not found it necessary to refer to the Clearing House any advice not to admit an applicant.

Now as to the mode of procedure as to examinations. Without notice, the examiner, of his own volition, and with his assistants, enters any bank or trust company and commences his examination. All information he asks for must be given him, and all books and papers placed before him, as in the case of a national or State bank examination. When the examination is completed he makes duplicate reports, stating all the essential facts obtained in his investigation—whether the institution has the required amount of cash on hand, the amount of its past due paper, the amount of its bad debts, if any, the amount due by the directors as payers, endorsers or as guarantors, and the amount due by corporations in which they are interested, the value of the bonds carried and whether they are carried at a sum in excess of the market value, whether the amount shown as capital, surplus and undivided profits is represented not by bad but by good assets; in other words, whether the published statements are true, and finally, a complete statement of the bank's condition is set out, with any suggestion which in his judgment sound banking requires him to make. One of these reports is delivered by the examiner to the president of the institution examined, and each director of that institution is notified by mail of such delivery, accompanied by a written request that the director notify the examiner in writing of the receipt of the notice. If at the end of two weeks the examiner has not received from the director the acknowledgment desired, he sends a second notice, or a third, if necessary—it being the purpose of the committee to establish the fact that every director of every institution, member of or connected with the St. Louis Clearing House, is informed of the condition of his institution as ascertained by the Clearing House bank examiner. In every case, with one exception—that of a director absent in Europe—acknowledgment has been received from every director in every such institution, that the notice calling his attention to the condition of his institution has been received by him.

The director who permits his bank or trust company to practice bad banking after he has been notified of and has acknowledged receipt of the examiner's report, cannot plead want of information.

If the examination discloses nothing indicating bad management or unsafe condition, the examiner places the duplicate in his files and writes to the chairman of the committee of management as follows:

"Mr. ...., Chairman,  
Committee of Management,  
Saint Louis Clearing House.

Dear Sir:

I beg to advise I have examined the ..... Bank (or Trust Company) as at the close of business, ....., 1910, and handed a copy of my report to Mr. ...., President, to-day. There does not appear to be anything in connection with this bank (or trust company) which in my judgment requires the attention of your committee.

Respectfully,

.....  
Examiner."

Under such conditions his report is seen by no one other than the officers and directors of the examined bank or trust company, it being the policy of the committee, which in no instance has been deviated from, to examine no report unless advised by the examiner that in his opinion this should be done.

If, on the other hand, the examiner finds conditions different from the case above stated, he sends a letter as follows, addressed to the chairman of the committee of management:

"Mr. ...., Chairman,  
Committee of Management,  
Saint Louis Clearing House.

Dear Sir:

I beg to advise that I have examined the ..... Bank (or Trust Company) as at the close of business ....., 1910. There are matters in connection with this bank (or trust company) which in my judgment your committee should know. Please let me know when you call a meeting so that I may submit my report.

Respectfully,

.....  
Examiner."



A meeting of the committee of management, which committee consists of five members and the president of the Association, who is a member ex-officio, is called, and the examiner makes his report, the manager of the Clearing House acting as secretary of the committee and keeping full minutes of its proceedings. The examiner's report is read and considered in detail. He is then directed to notify the president of the institution that the committee requests that certain steps be taken which, in its opinion, are advisable and necessary. If this request is not complied with, the chairman of the committee requests the president and the cashier of the bank in question to appear before the committee, when they are notified of the matters complained of and informed that unless they are corrected their institution will be suspended from the Clearing House until a meeting of the Clearing House has been called and the whole matter in all its details placed before it.

The president and cashier are informed at once that no member of the Clearing House nor any one other than those in the room knows, or ever will know, of the committee's action or the fact that their institution has been under any criticism, provided the required action be taken. In no case yet has the committee been compelled to suspend a bank or trust company, and in no case has any institution made any complaint that it had become known that its affairs were under discussion.

The position of examiner can hardly be called a pleasant one; that of the committee certainly not one without embarrassments. To feel that your competitor may believe that you are unjust to him, that you are using against his interest a position to which he has aided in placing you, is most trying. On the other hand, to fail to do your duty in protecting those whom you have undertaken to represent, is not to be thought of, even if this principle were not fortified by the reflection that a man has no right to remain your partner unless he lives up to the terms of the co-partnership, and every member of the St. Louis Clearing House understands fully the terms of its membership.

The committee of management cannot express too strongly its sense of obligation to the Comptroller of the Currency and to the Bank Commissioner of the State of Missouri for the cordial and efficient co-operation which they have always extended and the interest which they have manifested in the efforts of the St. Louis Clearing House looking towards conservative banking. The committee has also been eminently fortunate in the manner in which it has been sustained by the bankers of St. Louis. With rare exceptions, its recommendations have been cheerfully received and acted upon without friction. In a very few instances the findings of the committee were not at once accepted. In one case it was necessary to have before the committee not only the president and cashier but several of the directors of an institution. Much time was spent in trying to reach a satisfactory understanding that methods complained of should be changed, and that paper not regarded as good should be replaced or charged off. The committee thought they knew most of the paper and that the methods pursued could lead to but one result.

It was finally necessary that the gentlemen of the institution be notified just what steps would be taken by the committee if its decision was not accepted. The president, after consulting with his associates, said he would yield, but he spoke with great heat of the steps taken by the committee. He, however, immediately proceeded to "get his house in order," and within six weeks came to my office, said that he had done so, to express his acknowledgments for the committee's action, that it had been of inestimable service to his bank, that conditions which he had thought could not be met had been entirely overcome, and that he felt that he had not only been able to place his institution on a more solid foundation than it had ever occupied, but that he had learned not only what to do but what to avoid, and that he felt under great obligations to his brother bankers, who, without cost to his institution, had given their time and best efforts to its affairs. That official is to-day as earnest an advocate of Clearing House bank examinations (or was when I last spoke to him) as any one in St. Louis. The case cited is not the only one within the experience of the committee.

It is not claimed that there will not be failures where Clearing House bank examinations are made, but it is believed and is thought capable of demonstration that many failures are prevented, that long-continued, irregular banking methods will be, if not averted, greatly curtailed, and that the net result is all for good. I do not believe, and I hope, that the end has not yet been reached in the usefulness of Clearing House supervision. Much is yet to be accomplished. It seems to me that the time is not far distant when many things not yet undertaken will be considered of paramount importance. Every bank buying commercial paper, under present conditions, depends first upon the integrity of the note-broker as to the genuineness of the signature, then as to the correctness of the statement of the firm or corporation issuing the notes—in fact, takes practically, without verification, every statement made, and without checking the most important item in the statement, viz.: the amount of bills payable issued.

I trust the time will come when the banks will insist that all statements submitted to them shall be prepared by chartered accountants, selected by the Clearing House, in the district from which the statements emanate. Where the statement is not intended for general circulation, but for the bank only to which it is given, the matter should remain one between the bank and its depositor, and the statement not filed at the Clearing House. Where the

statement is that of a firm or corporation selling its paper through brokers, a copy of the statement to be filed with the Clearing House by the chartered accountants making it, and subject to the inspection of all members or associated members of the Clearing House.

As a further safeguard against deception, the registration of all notes of firms or corporations selling their paper through brokers should be insisted upon. A firm or corporation confining its operations to the banks where it keeps its accounts might well object to having either its statements or the total of its bills payable made public. But the firm or corporation selling its paper through commercial brokers in every large city in the country clearly is not averse to having its affairs known, for statements are presented with every note so offered, and if the statements are true it is difficult to conceive of the objection to having that fact established.

The National Bank Examiner and the State Bank Examiner as far as possible verify every item on the books of the bank which he examines. *Why* should not the bank have the same right to verify the accuracy of every statement made by the borrower of its money? Many banks sustained heavy losses when recently a large corporation—and until that time of unblemished reputation, with a credit as good as any in this country, and whose paper was as eagerly sought in Boston as in Chicago or St. Louis—announced its inability to meet its debts. Those who had seen the statements upon which they had lent money found it difficult to comprehend how it was possible that the corporation could be insolvent. It is admitted now that the statement was thoroughly fraudulent.

I know of no objection which can be urged to this supervision which would not equally apply to all national or State bank examinations, nor can I conceive of any supervision or regulation by the banks of a community and applied to all which would not be to the advantage of every bank included in the examination. One-man power in banks is not only not revered as it was thirty years ago, but by *most* thoughtful men is dreaded. It is realized that concerted action is safer than any one individual judgment, independent of the advisability of providing against individual dishonesty, and it has seemed to me that what is true as regards one person will be held equally true as regards one bank.

All of us are becoming more and more accustomed to recognize the right of both nation and State to zealously guard the institutions in which the people place their money, and it does seem clear that what aid we can lend to the nation or to the State in the furtherance of this most desirable end should not be withheld but should be freely given. When we consider the vast importance to every class of our fellow-citizens of safe banking, and the great advance in that direction which is being achieved by Clearing House bank examinations, in which our city has helped to lead the way, let us resolve that we will *not* relax our efforts until that system is crowned with complete success!

### AMERICAN INSTITUTE OF BANKING SECTION

The Officers of the American Bankers' Association have approved the details of consolidating the *Journal of the American Bankers' Association* and the *Bulletin of the American Institute of Banking*, and the first number of the amalgamated periodical will be issued about the 10th of July. The theory of the proposed consolidation is that the two periodicals shall be conducted substantially as heretofore, but under the same instead of separate covers, all Institute matter being segregated under department headings. It is the unwritten law of the Institute to not identify itself as an organization with any particular financial policy, good or bad, and the *Bulletin* will not be an organ of opinion in the future to any greater or less extent than it has been in the past. Hereafter, as heretofore, it will be the policy of the *Bulletin* to publish debates, addresses before Chapters and signed articles on any and all questions deemed to be interesting and instructive, the theory being that Institute members are opened-minded students and not advocates of questions in controversy.

The Institute Convention at Chattanooga, a complete report of which will be published next month, occupied full time—June 8th, 9th and 10th. The number of distinguished speakers demonstrated the high standard which the Institute has attained and the work done by individual Chapter members showed the beneficial results of the practical training which the Institute affords. The educational program adopted for next year is adapted to the circumstances of individual students in country banks, as well as members of city Chapters, and the consolidation of the *Bulletin* with the *Journal* will afford opportunity to present the facilities of the Institute to progressive bankers throughout the country in a direct and comprehensive way.



**T**HE offices of the Association, being so centrally located in the financial district—corner of Nassau and Pine Streets—make a very convenient place for members and their friends to meet when in New York. One of the large offices has been fitted up as a library and reading room, in which are kept on file the financial papers of the country and other current literature. Every facility has been provided for correspondence, and the Association's stenographers are at the service of the members, who can have their mail and telegrams sent in care of the office. The Association telephone is also at their service when they wish to communicate with the banks or their friends. The members are cordially invited to avail themselves of these privileges, and it is very much hoped they will do so.

The following visitors registered during the month of May:

CHARLES SCHRIEBER, Vice-President Old National Bank, Oshkosh, Wis.  
 GEORGE A. LEWIS, President Naugatuck National Bank, Naugatuck, Conn.  
 JOHN J. SHERMAN, Cashier Citizens' National Bank, Appleton, Wis.  
 F. O. WATTS, President First National Bank, Nashville, Tenn.  
 B. F. O'NEIL, President State Bank of Commerce, Wallace, Idaho.  
 JOSEPH W. HEFFERNAN, Cashier The Hibernia Bank, Savannah, Ga.  
 WILLIAM C. HARRIS, President Callaway Bank, Fulton, Mo.  
 MRS. L. A. BATCHELLER, President First National Bank, Fingal, N. D.  
 C. E. BATCHELLER, Cashier First National Bank, Fingal, N. D.  
 HENRY S. HENSCHEN, Cashier State Bank of Chicago, Chicago, Ill.  
 P. C. KAUFFMAN, 2nd Vice-President Fidelity Trust Co., Tacoma, Wash.  
 BARTON KAUFFMAN, Tacoma, Wash.  
 CLAY H. HOLLISTER, Vice-President and Cashier Old National Bank, Grand Rapids, Mich.  
 F. W. WILDER, Secretary Vermont Loan & Trust Co., Grand Forks, N. D.  
 CHAS. D. FENHAGEN, Secretary-Treasurer The Baltimore Trust Co., Baltimore, Md.  
 MYRON S. HALL, Assistant Secretary Fidelity Trust Co., Buffalo, N. Y.  
 C. B. MILLS, Vice-President People's Trust & Savings Bank, Clinton, Iowa.  
 ANDREW J. FRAME, President Waukesha National Bank, Waukesha, Wis.  
 GEORGE L. RAMSEY, President Union Bank and Trust Co., Helena, Mont.  
 CLEMENT CHASE, Editor Western Banker, Omaha, Neb.  
 MILTON L. WICKS, Special Bank Accountant, Department of Justice, Washington, D. C.  
 MRS. W. W. WAINE, New York, N. Y.  
 A. P. SHERWOOD, Commissioner of Police, Ottawa, Canada.  
 EDW. L. HOWE, Vice-President Princeton Bank, Princeton, N. J.  
 CLINTON L. WILLIAMS, Manager Credit Dept., Merchants' National Bank, Richmond, Va.  
 CHARLES M. DOW, President National Chautauqua Co. Bank, Jamestown, N. Y.  
 ARTHUR W. SWAN, Jamestown, N. Y.  
 C. S. CARR, Cashier Greenville Banking & Trust Co., Greenville, N. C.  
 JOHN M. GESNER, Cashier Nyack National Bank, Nyack, N. Y.  
 WILLIAM C. WEBER, Detroit, Mich.  
 MORRIS GOLDWATER, Secretary Arizona Bankers' Association, Prescott, Ariz.  
 WILLIAM J. BOIES, Banking Editor, New York Evening Post, New York, N. Y.  
 GEORGE F. DEAN, Broker, Minneapolis, Minn.  
 JOS. G. BROWN, President Citizens' National Bank, Raleigh, N. C.  
 I. SNOWDEN HAINES, Cashier Mechanics' National Bank, Burlington, N. J.  
 D. M. HOPPING, President Yonkers National Bank, Yonkers, N. Y.  
 JOHN F. SEELEY, President Commercial Savings Bank, Caro, Mich.  
 JOHN M. MILLER, JR., Vice-President and Cashier First National Bank, Richmond, Va.  
 C. A. PUGSLEY, President Westchester County National Bank, Peekskill, N. Y.  
 V. W. JOHNSTON, Vice-President Illinois Title & Trust Co., Champaign, Ill.  
 C. E. OAKLEY, President Oakley State Bank, Buffalo, Minn.  
 EDWIN CHAMBERLAIN, Vice-President San Antonio Loan & Trust Co., San Antonio, Tex.

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FRED. E. FARNSWORTH, PUBLISHER  
General Secretary American Bankers' Association

THOMAS B. PATON, EDITOR  
General Counsel American Bankers' Association

W. W. WAINE, ASSOCIATE EDITOR

### THE JOURNAL AND INDEX

**T**HIS issue completes the second volume of the JOURNAL and accompanying it is an index of the year's contents, with title page, which can be inserted in their appropriate place in the bound volume by all those members who preserve the JOURNAL in bound form.

The JOURNAL is now so well established and its scope so clearly understood that it needs no explanation of the various purposes which it serves. Beginning with the July number, the authorized consolidation of the JOURNAL with the *Bulletin of the American Institute of Banking* will be put into effect and this will enable the readers of each publication to become more fully acquainted with those matters which are of special interest to the other.

### BILLS OF LADING

[From *New York Times*, June 8, 1910.]

The House of Representatives passed on Monday the bill amending the law regarding bills of lading. The action was exceptionally timely because on the same day the cable informed us that the Liverpool bankers who had accepted drafts against bills of lading issued on cotton in Alabama had refused payment, in order to test the responsibility for such worthless documents as the new law is designed to prohibit. The action is especially interesting, for foreign commerce is based in large part upon bills of lading, and it is proposed to make such commercial documents the basis of currency issued either under the present emergency currency law or under the amended banking law whenever it shall be passed.

It will be remembered that in the Knight, Yancey & Co. case bills of lading were issued although the cotton never was received by the carrier. This was made possible by loose ways of doing business in order to facilitate it. Bills of lading were issued in blank for cotton to be received, and cotton actually received was allowed to be delivered for purposes of classification and reshipment on the same bills, or new bills, sometimes duplicates. In the Durant and Elmore case the grain was received and delivered, but the formality of calling in the bills of lading was overlooked. The consequence was that the holders of the bills of lading called for grain of which the carrier had lost possession. It is obvious that business cannot be done with confidence on any such basis. It is unthinkable that such assets should be made the basis for an issue of currency. In both respects the reform is fundamentally necessary.

The bill passed on Monday provides that the carrier shall be responsible for the agent's signature, regardless of whether or not the goods received for were delivered.

The issue of the bill is made conclusive, and the question cannot be raised. In like manner the carrier is made responsible for taking up the bill when the goods are delivered, or for responding to any demand based upon the document left outstanding by his carelessness. Forged documents, it is provided, are not annulled, but remain good for their original tenor. Doubtless these requirements seem stringent by comparison with previous free and easy methods, but it cannot be said that they are any more stringent than is necessary if confidence is to be preserved in these basic commercial documents.

The disturbance to business by the shock to confidence through the two conspicuous cases above mentioned has been such that an attempt has been made to remedy it by commercial methods. At the instance of the Southeastern Cotton Buyers' Association it was arranged that delegates should be sent to Europe to secure the acceptance of bills of lading certified by banks at the point of origin. The certification would not be a guarantee, nor an actionable indorsement, such as is the basis of the rediscount system of Europe. It is merely a way of lessening the distrust felt in American commercial documents through recent incidents. The importance of regularizing the condition under which bills of lading are issued and redeemed appears from the fact that a bale of cotton passes through five banking operations, on an average, between its leaving the fields here and reaching the manufacturer abroad. As the exports are in the hundreds of millions of dollars, cotton bills alone are reduplicated to an enormous total, and the same is true of grain bills.

# LEGAL DEPARTMENT

THOMAS B. PATON · GENERAL COUNSEL

## CONSTRUCTIVE NOTICE FROM FORM OF CHECK

We are pleased to report that the New York Court of Appeals, on May 17, by a unanimous bench, reversed the decision of the Appellate Division, First Department, of the New York Supreme Court in *Havana Central Railroad Company vs. Knickerbocker Trust Company*, which latter Court had declared a rule of law which, if affirmed, would have been of serious concern and menace to the banking fraternity.

The facts, in briefest outline, were these: The treasurer of the Havana Central Railroad Company, authorized to sign checks as treasurer on the corporation's account in the Central Trust Company, drew three checks signed "Havana Central Railroad Company, C. W. Van Voorhis, Treasurer," made payable to the order of "W. M. Greenwood or C. W. Van Voorhis." These checks he indorsed in blank "C. W. Van Voorhis" and deposited to the credit of his personal account in the Knickerbocker Trust Company, subsequently withdrawing the proceeds from that account. The checks were misappropriations, and the Havana Central Railroad Company brought an action against the Knickerbocker Trust Company for the amount. It is the established rule in New York State that one who takes the negotiable paper of a corporation in payment of the individual obligation of the officer who executes it, is chargeable with notice from the form of the paper and is put upon inquiry as to whether its issuance is authorized. The Appellate Division extended this rule to the bank of deposit in this case, which was not a creditor, but merely received such paper on deposit to the credit of the treasurer's individual account, holding that there was no difference in principle between the two cases, and that under such a state of facts the Knickerbocker Trust Company would be liable.

Banks, especially in the large cities, carry hundreds of individual accounts of treasurers of corporations and of other fiduciaries and daily receive on deposit corporation checks drawn by treasurers or managers, to their individual order, in payment of salaries, dividends and for other legitimate purposes; and if the decision of the Appellate Division had been sustained it would have meant that in each and every such case, not alone in New York, but in other States where the decision might have been followed as a precedent, the bank of deposit would have been put on inquiry as to the authority of the officer before it could safely receive the deposit, which would have resulted in largely increased labor, burden and expense to the banks and caused great inconvenience not only to such institutions, but to the corporations themselves in the conduct of legitimate business transactions.

The American Bankers' Association filed a petition to intervene and be heard on the argument before the Court of Appeals and its application was granted, to the extent of being allowed to file a brief. Such a brief was prepared and filed by its General Counsel in which legal arguments and authorities were presented in support of the contention that the decision of the Appellate Division was erroneous. In the *JOURNAL* for March, 1910, will be found a full statement of the action taken by the Association and the main points of the brief so filed.

The decision of the Court of Appeals, reversing the Appellate Division and holding the bank of deposit not liable under the circumstances stated, is welcomed as a favorable outcome of our main contention; at the same time it does not go

to the extent that we would like in holding such bank of deposit free from all duty of inquiry. We quote the salient features of the opinion:

"The case really turns upon a determination as to what were the rights of the defendant and its duties toward the plaintiff upon the presentation of the checks for deposit in the individual account of the treasurer.

"The defendant could properly regard the checks as the property of C. W. Van Voorhis. The possession of a bank check payable to the order of the holder is presumptive evidence of ownership. (2 Daniel on Negotiable Instruments (4th Ed.) §1652.) In behalf of the respondent it is argued that the fact that the checks were drawn by the treasurer in behalf of the corporation payable to himself individually cast suspicion upon them, and imposed upon the banking institution to which they were offered for deposit a duty to make some inquiry as to their validity before it dealt with them as the property of the payee. If it be conceded that the offer of such a check for deposit to the individual account of an officer calls for some inquiry on the part of the bank to which it is offered as to the extent of his authority in the premises, I am of opinion that the Knickerbocker Trust Company in the present case did all that the law demands. When it caused the three checks to be presented to the Central Trust Company for payment it thereby virtually made a twofold inquiry of that institution: (1) Whether the checks bore the genuine signature of an officer authorized to sign checks in behalf of the Havana Central Railroad Company; and (2) whether C. W. Van Voorhis, the Treasurer of the Havana Central Railroad Company, had authority to draw checks upon the account of the corporation payable to his individual account. The drawee of a bill of exchange is bound to know the signature of the drawer, and his capacity to draw the bill. (1 Daniel on Negotiable Instruments (4th Ed.) §§534, 535.) The acceptance of the bill is an acknowledgment of the genuineness of the signature and the authority of the drawer. So the payment of these checks by the Central Trust Company upon their presentation at the instance of the Knickerbocker Trust Company was an acknowledgment by the deposit bank of the Havana Central Railroad Company that C. W. Van Voorhis, its Treasurer, possessed authority from the railroad corporation to draw precisely such checks in precisely the form in which they were drawn. The Havana Central Railroad Company by opening its deposit account with the Central Trust Company constituted the latter corporation its agent as to all third parties who might receive checks drawn upon that account to determine and declare whether such checks were genuine and were drawn within the scope of the treasurer's agency as established by the contract between the Central Trust Company and the railroad corporation. When the Central Trust Company by paying these checks declared to the Knickerbocker Trust Company that they were genuine obligations of the railroad corporation which the treasurer had authority to draw, the Knickerbocker Trust Company was not obligated by law to make any further inquiry, but was authorized to deal with the proceeds of the checks as the individual property of the payee and after it has turned over such proceeds to him it cannot be compelled to restore them to the Havana Central Railroad Company merely because the Central Trust Company ought to have withheld payment of the checks.

"The distinguishing feature between this case and the cases relied upon to support the judgment which has been rendered herein is that in the cases cited the form of the transaction was notice to the party receiving the check or other instrument that it was sought to be used to pay an individual debt out of trust funds. Here the checks were not designed to discharge any obligation owing to the defendant. The defendant merely collected the amounts thereof and placed the same to the credit of the payee. It is conceded that they were properly signed as checks upon the plaintiff's bank account with the Central Trust Company—that is to say, they were signed, 'Havana Central Railroad Company, C. W. Van Voorhis, Treasurer.' As has already been pointed out, the complaint does not allege that Mr. Van Voorhis had no authority to draw checks upon this account to his own order. The allegation is merely that he had no right or authority to draw upon the account of the plaintiff or to use its funds *except for the purposes of the plaintiff's business*, and, in substance, that these checks were not drawn for such purposes, as the defendant might have ascertained upon proper inquiry. But what inquiry and of whom? The obvious course, as it seems to me, was to present the checks for payment to the institution upon which they were drawn. If it paid them, such payment constituted the most emphatic assertion upon the part of the plaintiff's own deposit bank that under the arrangement existing between it and the plaintiff the plaintiff's treasurer was authorized to draw just such checks payable to his own order. The defendant having relied upon that assertion and subsequently paid away the money thus collected, the plaintiff corporation is estopped from denying that its treasurer in fact possessed authority to draw the checks.

"But it is said that inquiry of the plaintiff's deposit bank was not enough, because it was not the plaintiff's agent to make representations to third parties as to the



validity of checks drawn upon the plaintiff's account. I think otherwise. It seems to me that when a corporation opens an account with a banking institution it confers upon that institution the power to determine whether any check drawn upon the account conforms to the contract between the depositor and the depository. When it makes a mistake in the determination of such a question the depository may be liable to the depositor; but the depositor cannot recover back the money paid on such checks to a third person who has received it in good faith relying on the representation of the deposit bank that the check was all right and has subsequently parted with the money. \* \* \*

"The view, stated in the fewest possible words, is that the Central Trust Company was the agent of the Havana Central Railroad Company to determine whether the checks in controversy were properly payable or not; and when it decided that they were, and paid them to the Knickerbocker Trust Company, which received the proceeds in good faith, no right remains in the railroad corporation to recover such proceeds after the Knickerbocker Trust Company has paid them away."

It will be observed that the Court does not wholly abandon the theory that there is a certain duty of inquiry on the part of a bank receiving a check on deposit, drawn by the treasurer of a corporation to his own order; nor, on the other hand, does it assert such duty with positiveness. It says: "If it be conceded that the offer of such a check for deposit to the individual account of an officer calls for some inquiry on the part of the bank to which it is offered as to the extent of his authority in the premises, I am of opinion that the Knickerbocker Trust Company in the present case did all that the law demands;" and it goes on to say that the presentation of the checks to the drawee for payment constituted a twofold inquiry of that institution as to the genuineness of the signature and as to the authority of the signing officer; that the payment of these checks by the drawee was an answer and acknowledgment that the checks were authorized; that the drawee was the corporation's agent to make such answer and acknowledgment; that no further inquiry by the bank of deposit was necessary and that bank was thereupon justified in paying over the proceeds to the payee; and, furthermore, that the drawee being the drawer's agent with power to determine whether any check was, or was not, authorized by the terms of the contract between drawer and drawee, the latter might be liable to the drawer for any mistake in this regard, although the bank acquiring such check and subsequently paying over the proceeds could not be held, as its payment was a representation by an authorized agent that the instrument was all right.

This theory, it is seen, was sufficient to absolve the Knickerbocker Trust Company from liability in the case stated; but the opinion leaves somewhat uncertain the safety of a bank which has received such a check on deposit to the credit of the treasurer's personal account, where the bank allows the treasurer to check against the deposit before presenting the instrument for payment and then meets with a refusal of payment by the drawee on the ground that the check was unauthorized. The contention made in our brief was that the bank of deposit was a holder in due course under the Negotiable Instruments Law and that in view of the plain provisions of this enactment, there was no duty of inquiry. The Court of Appeals does not go to this extent, but intimates there is a duty of inquiry which, however, is fully performed by presentment of the check to the drawee. Under this condition of law, it would be safer for banks which receive fiduciary checks on deposit not to pay against them until after they are collected, then the bank is perfectly safe.

Again, the Court intimates a possible responsibility upon the bank which carries a corporation account in payment of such a check; that is to say, if a corporation opens an account and files with the bank a resolution of its board of directors authorizing it to honor checks when signed by its treasurer, the question would become pertinent whether payment of a check which had been drawn by the treasurer to his own order, not for the purposes of the corporation, but constituting a misappropriation, would come within the scope of the general

authority and absolve the bank from liability for paying without inquiry. The responsibility of the bank to its corporation depositor (quoting from the opinion) would depend upon whether the check was "drawn within the scope of the treasurer's agency as established by the contract between" bank and corporation or (stated elsewhere in the opinion in other words) whether the check "drawn upon the account conforms to the contract between the depositor and the depository." And "when it (the bank) makes a mistake in determining such a question, the depository may be liable to the depositor."

It has usually been assumed that a general authority to a bank to honor checks of a corporation, when signed by its treasurer or other officer, would authorize the payment, without inquiry, of such officer's checks payable to his own order, or the payment of cash to him over the counter upon his official check payable to bearer or to his personal order; but the language of the Court of Appeals, having in view the case of a check drawn by a corporation treasurer to his own order upon the corporation account, stating that there might be a responsibility of the drawee bank where it makes a mistake in determining whether the check conforms to the contract under which the bank is authorized to pay, or whether the check is within the scope of the treasurer's agency as determined by that contract, is at least suggestive of a doubt as to whether it is safe for the bank to pay such a check without inquiry. In view of this language and to insure absolute safety, it might not be amiss for banks which carry the accounts of corporations to require that the resolution of the board of directors of the corporation depositor filed with the bank, should specifically provide that the authority to pay checks, when signed by a certain officer or officers, should include checks payable to the officer individually.

### BILLS OF LADING

Our members will be gratified to learn that the Bill of Lading measure advocated by this Association—known as the Stevens Bill—passed the House of Representatives on the afternoon of Monday, June 6th. Full text of the bill was published in the JOURNAL for May at pages 480 and 481. The bill covers four main features, namely:

1. Provides liability of the carrier upon bills signed by his agent, although the goods have not been received;
2. Provides liability of the carrier upon order bills of lading where the goods have been delivered and the bill left outstanding;
3. Provides that altered bills shall be good for their original tenor;
4. Requires the printing of "order of" on Order bills; the omission of the words "Not Negotiable" from such bills and the stamping upon straight bills of the words "Not Negotiable."

The measure will now be taken up by the Senate, and we look for favorable action by that body.

The circular issued last month to our members in which they were requested to write their respective Senators and Representatives, explaining the situation and urging their support of this most necessary measure, was responded to very promptly and effectively, and the passage of the bill in the House by a large majority was due, in no small degree, to the excellent service performed by the members of this Association in bringing the merits of the measure to the attention of their representatives in Congress.

It is now important that the members of the Senate be urged to act without delay. Letters to Senators have already been written by a large part of our



membership, as urged in last month's circular, but it is very desirable at this juncture that the good work be kept up by such further communications as the situation may call for. Copy of the circular issued to all members last month explaining just what is desired will be found published in the JOURNAL for May at page 479.

We append a copy of the Report of the House Committee on Interstate and Foreign Commerce, accompanying the Bill of Lading measure H. R. 25335 (House Calendar No. 247), which has now been passed. There was a minority report, non-concurring in the favorable recommendation, signed by but two of the eighteen members of the House Committee, namely, Representatives W. C. Adamson and C. L. Bartlett, both of Georgia.

### BILLS OF LADING

JUNE 1, 1910.—Referred to the House Calendar and ordered to be printed.

MR. STEVENS, from the Committee on Interstate and Foreign Commerce, submitted the following

#### REPORT.

[To accompany H. R. 25335.]

The Committee on Interstate and Foreign Commerce, to whom was referred the bill (H. R. 25335) relating to bills of lading, having considered the same, report thereon with a recommendation that it pass.

The provisions of the bill are substantially as follows:

Section 1 defines an order bill of lading and prescribes its contents.

Section 2 defines a straight bill of lading and prescribes its contents.

Section 3 provides that carrier shall be liable to any person injured or damaged on account of failure to comply with the above provisions as to either an order or straight bill of lading.

Section 4 contains the substance of the measure and provides that whenever a carrier, first, shall issue a bill of lading before the whole of the property described therein has been actually received, or, second, shall issue a second or duplicate bill of lading without properly marking it "duplicate," it shall be estopped as against the person holding or the owner of such bill of lading, to deny the receipt of the property or assert that a former bill of lading remains uncanceled for the same property; and shall be liable to the consignee or owner of the bill of lading for damages caused by its failure to observe the provisions of the section.

The proviso to this section relieves the carrier from liability wherever a bill of lading is issued and the goods are loaded and described by the shipper.

Section 5 provides that in case a carrier delivers property described in an order bill of lading without requiring its surrender or cancellation, in whole or in part, such carrier shall be liable for damages caused by reliance upon such outstanding bill.

Section 6 relieves the carrier from liability wherever property covered by bill of lading is removed from the carrier by process of law or proper disposition of perishable, hazardous, or unclaimed goods.

Section 7 makes void any alteration of the bill of lading without authority from the carrier, but provides that such bill of lading shall be enforceable according to its original tenor.

This measure thus covers four main features, namely: (1) It provides for a liability of the carrier upon bills signed by its agent, although the goods have not been received in whole or in part; (2) it provides for a liability for the negligence of the carrier upon order bills of lading where the goods have been delivered and the bill left outstanding; (3) it provides that altered bills without authority shall be good for their original tenor; and (4) it requires the printing of "order of" on order bills, the omission of the words "not negotiable" from such bills, and the stamping upon straight bills of the words "Not negotiable," and provides a liability in damages to anyone suffering from a violation of these provisions.

One of the great dangers and causes of loss in connection with bills of lading has been their issue by authorized agents, either fraudulently or as an accommodation to the shipper, before or without the goods having been received. When the holder for value of the bill has looked to the carrier for the goods he has been met with a statement that the goods have never been received and a denial of liability on the part of the carrier

under the rule of the common law that the agent had no authority to issue bills where goods are not actually received, and that the carrier was not liable for the unauthorized acts of his agent.

The common-law rule has been followed by the Supreme Court of the United States and by the courts of Massachusetts, Ohio, Louisiana, Minnesota, North Carolina, Maryland, Alabama, Arkansas, Mississippi and Washington. But in Maryland, Alabama, Arkansas, Louisiana and Mississippi statutes have been enacted to establish the same rule as in the pending bill.

The courts of New York, Pennsylvania, Kansas, Tennessee, Illinois, Nebraska and possibly Missouri hold that whenever a station agent of a railroad issues bills of lading for goods never received and the bills come into the hands of an innocent purchaser for value the carrier is estopped from denying the receipt of the goods. In Massachusetts, Ohio and Minnesota and probably other States, statutes exist making it a crime for an agent to knowingly issue a fictitious bill.

The commissioners on uniform state laws have submitted a uniform bill-of-lading law which contains provisions similar to this measure, which, with slight amendments, have been enacted in the States of Michigan, Minnesota, Washington and Wyoming.

The State statutes and rules of law are conflicting, inadequate and uncertain, which result in injustice and injury to the producing and shipping interests of the country. The total annual transactions under the bills of lading in the United States amount to fully \$3,000,000,000, and of this probably 90 per cent. would be interstate shipments.

In section 20 of the act to regulate railroads, approved June 30, 1906, known as the "Hepburn Act," Congress did legislate upon the liability under interstate bills of lading as between shippers and carriers. This measure extends such legislative recognition of liability of the carrier, for its own wrongful acts, to innocent holders for value of its bills of lading.

That the public welfare would be subserved by this legislation is well stated in the opinions of the courts of Kansas and Minnesota.

In *Bank v. Railroad* (20 Kans., 519) Chief Justice Horton gives a convincing statement of the reasons why the commercial holder of a fictitious bill should be protected. He says:

"Our State is a great producer of grain, large amounts of which seek markets outside of its boundaries. The means of its transportation are mainly limited to railroads, and commercial transactions by grain dealers extend to millions each year. The great mass of these products, when started to eastern markets, is purchased and paid for through bills of lading. The custom of grain dealers is to buy of the producer his wheat, corn, barley, etc., then deliver the same to a railroad company for shipment to market. The railroad company issues to the shipper its bill of lading. The shipper takes his bill of lading to a bank, draws a draft upon his commission merchant or consignee against the shipment, and attaches his bill of lading to the draft. Upon the faith of the bill of lading, and without further inquiry, the bank cashes the draft and the money is thus obtained to pay for the grain purchased, or repurchase other shipments. In this way the dealer realizes at once the greater value of his consignment and need not wait for the returns of the sale of his grain to obtain money to make other purchases. In this way the dealer with a small capital may buy and ship extensively; and while having a capital of a few hundred dollars only, may buy for cash and ship grain valued at many thousands.

"This mode of transacting business is greatly advantageous both to the shipper and the producer. It gives the shipper who is prudent and posted as to the markets almost unlimited opportunities for the purchase and shipment of grain and furnishes a cash market for the producer at his own door. It enables the capitalist and banker to obtain fair rates of interest for the money he has to loan and insures him, in the ways of bills of lading, excellent security. It also furnishes additional business to railroad companies, as it facilitates and increases shipments of produce to the markets. A mode of business so beneficial to many classes ought to receive the favoring recognition of the law to aid its continuance."

In *Ratzer v. Burlington* the Supreme Court of Minnesota said:

"A vast portion of the produce of this country is moved from the agricultural districts to the commercial centers and the seaboard by aid of advances made on the security of such bills of lading. A well-established custom has grown up in commercial circles by which such bills of lading are treated as the symbols of title to the property in transit; are taken as security for money advanced and indorsed and delivered as a transfer of the property. This is well understood by the railroad companies and everyone else. To allow the railroad companies to ignore this custom would be to destroy the custom itself. This would cause great hardship, revolutionize business methods, and drive all buyers and shippers of small means out of the business, as they could no longer give ready and available security on commodities in

transit, and thereby turn their limited capital sufficiently quickly and often to enable them to do business.

"This, in turn, would destroy competition and leave the business in the hands of a few concerns with unlimited capital. Neither have the railroad companies any right to ignore this custom. On the contrary, it must be held that these companies have been doing business with reference to this custom as much as the shippers themselves, and the consignees, banks, commission merchants, and others who are continually advancing money on the faith of the security of these bills of lading. The effect of this custom, independent of statute, is to make bills of lading to some extent and for some purposes negotiable, and to give superior rights to innocent transferees in the usual course of business."

Many cases have been brought to the attention of your committee where bills of lading have been improvidently issued by the carriers either for property partially received or not received at all, or suffered to be taken from the control of the carrier without any attempt by the carrier to properly care for the same or notify the holders of the bills of lading, or without the surrendering of the original bill of lading or properly marking the duplicate bills of lading. Very serious losses have occurred, to such extent as to imperil the value of bills of lading for use as collateral security in the movement of crops and commodities.

This condition threatens to be so serious as to interfere with the procuring and use of sufficient funds to move crops during the present year; and some such extension of legislation as this may be necessary to compel greater vigilance on the part of the carriers to give confidence to merchants and investors and provide the means for preventing congestion of freight at the producing points in the West and South. It has been shown to your committee that in some sections and on some railroads a practice has been permitted for some local agents at points of severe competition to issue accommodation bills of lading where the goods had not been wholly received or brought under the full control of the carriers. This custom is extremely reprehensible, conduces to favoritism and fraud, and results in serious injury to the general public. These provisions of the bill need not be onerous to the carrier, but would help greatly in providing sufficient facilities to carry on the vast business of the country.

The pending bill does not affect foreign or ocean traffic, does not attempt to make bills of lading negotiable instruments, and contains no provisions for criminal penalties, which are and should be cared for by the various States.

## THE CORPORATION TAX CASE

The Supreme Court of the United States, on May 31, restored to the docket for reargument the sixteen cases brought to test the legality of the Corporation Tax Law. This means that the cases will not come up for argument until the October Term of the Court and that no decision will be rendered until, probably, the end of the year. In the meantime, of course, the first year's taxes, under this law, will have to be paid. The action of the Court indicates a division of view among the members of the Court upon the question of constitutionality, and that the matter is too important to be decided except by a majority of the entire membership of nine, which the Court will have at the Fall Term.

## OPINIONS

### Summary of Questions Received and Opinions Rendered to Members of the Association

#### NEGOTIABILITY OF COLLATERAL NOTE

Provision authorizing holder to demand additional security from time to time and in default thereof, immediately maturing note, destroyed negotiability under majority of earlier decisions. Since enactment of Negotiable Instruments Law, question of negotiability still doubtful, except in Wisconsin, where special provision of Negotiable Instruments Law makes such a note negotiable. Liability of indorsers on notes of this character.

FROM PENNSYLVANIA.—Will you kindly give us your opinion as to the negotiability of the usual long form of collateral note (copy enclosed), providing, in addition to the authority of the holder to sell securities at maturity of note for the purpose of liquidating same, that on demand of the holders additional security shall be deposited from time to time as they may require and, in default thereof, note shall instantly become due as

though it had actually matured. Would a person writing his name upon the back of such a note, be he the payee or a person not otherwise a party to the instrument, be liable to the holder as an indorser or in any other capacity?

The inquiry is as to the negotiability of a form of collateral note in view of the following provision contained therein:

"and do agree, on demand to deposit with the holders such additional security as they may, from time to time, require, and in default thereof, this note shall instantly become due and payable as though it had actually matured; and upon default of payment at maturity, whether such maturity occurs by expiration of time, or default in depositing additional security as above agreed, do hereby authorize and empower the holders hereof \* \* \* to sell, transfer and deliver the whole or any part of such security \* \* \*"

I have not found that the Supreme Court of Pennsylvania, either before or since the enactment of the Negotiable Instruments Law, in your State, has rendered any decision as to the effect of such a clause upon the negotiability of a note containing it.

Antedating the enactment or operation of that law in the different States, a number of decisions have been rendered to the effect that such a clause would destroy the negotiability of the note. For example, in *Lincoln National Bank v. Perry*, 66 Fed. 887, a provision that if, prior to maturity, there should be any depreciation in the collateral, the payee or holder may call for such further security as he deems satisfactory and if not furnished within two days, may at once sell the collateral, was held to destroy the negotiability of the note as it made the amount payable at maturity uncertain. So in *Bank v. McGeoch*, 73 Wis. 332, a provision authorizing sale of collateral before maturity in event of depreciation, application of the proceeds on the debt and that the balance should forthwith become due, was held to make the note uncertain as to amount and time of payment and hence non-negotiable. So, also, provisions that if the payees at any time considered themselves insecure, they or indorsees might declare the note due and sell the property on five days' notice (*Smith v. Maryland*, 59 Ia. 645); that in case of removal of the property before maturity the note shall become due (*Bank v. Carson*, 60 Mich. 432), and that in case of default in any payment, the holder may declare the whole amount due (*Kimball v. Mellon*, 80 Wis. 133) were held to destroy negotiability.

To the contrary, in *Bank v. Brewing Company*, decided in 1900 by the Court of Appeals of the District of Columbia (16 App. Cases D. C. 186; 17 App. Cases 100), the view seems to be taken that a provision maturing the principal upon failure to furnish additional collateral security in case of depreciation and authorizing sale of collateral, would not affect negotiability; but in that particular case the note had certain special features which were held to destroy its negotiability.

It would therefore appear that, apart from the Negotiable Instruments Law, some courts would hold the clause under inquiry would destroy, and others that it would not affect, the negotiability of the note containing it.

As bearing upon the attitude of different courts with respect to clauses of the character in question, it will be instructive to quote Mr. Justice Shepard of the Court of Appeals (D. C.) in the case above referred to: "The tendency of modern business and custom of merchants has been, from time to time, to interpolate additional collateral promises and conditions into the simple negotiable note that was created by this same custom in a past age. And under such influences, the simple, short instruments of early custom have grown into elaborate documents full of collateral undertakings of every nature that the development of modern business and systems of credits could suggest. It is equally true, also, that many of these additions so clearly demonstrated their merits as beneficial aids to credit and commerce, that they met with immediate and general approval by enlightened courts. In respect of a number of these later innovations, the American courts have been much divided in opinion and it is impossible to reconcile their decisions. Some have been restrained by the spirit of conservatism and fear of injury to the inexperienced and unwary and manifest a decided inclination to return to the simple forms of negotiable bill and note that so closely resembled the bank bill and other forms of currency, and to supplement which, as agencies of commerce, they were invented. Others, again, have shown a progressive disposition in

the recognition of this continued growth, on all fours with the spirit of commercial progress that has developed and promoted it."

It remains to be considered whether the newly enacted Negotiable Instruments Law, now in force in Pennsylvania and in thirty-seven other States and jurisdictions, provides anything which would enable it to be said with more positiveness that a collateral note containing a clause such as above set out is a negotiable instrument.

With reference to certainty of sum the Negotiable Instruments Law provides:

"The sum payable is a sum certain within the meaning of this act although it is to be paid \* \* \* (3) by stated installments, with a provision that upon default in payment of any installment or of interest, the whole shall become due."

With reference to certainty of time of payment, the Act provides:

"An instrument is payable at a determinable future time, within the meaning of this Act, which is expressed to be payable

"(1) at a fixed period after date or sight; or

"(2) on or before a fixed or determinable future time specified therein; or

"(3) on or at a fixed period after the occurrence of a specified event which is certain to happen, though the time of happening be uncertain.

"An instrument payable upon a contingency is not negotiable, and the happening of the event does not cure the defect."

The Negotiable Instruments Law further provides that "the negotiable character of an instrument otherwise negotiable is not affected by a provision which (1) authorizes the sale of collateral securities in case the instrument be not paid at maturity \* \* \*"

Considering these provisions, it is seen that a note is negotiable although it contains a clause authorizing sale of collaterals upon non-payment at maturity and a further provision that upon default in payment of any installment of principal or interest, the whole shall become due; but there is no specific provision covering negotiability where the note contains a clause that upon non-compliance with a demand for additional collateral, the note shall instantly become due.

In the State of Wisconsin, the Negotiable Instruments Law has been amended and made more specific on this particular point. The Legislature in enacting the uniform law amended the provision relating to certainty of time of payment, by making it read as above quoted, down to the end of Subdivision 3 and then changing the balance of the section as follows (adding the portion italicized):

"(4) *At a fixed period after date or sight, though payable before then on a contingency.* An instrument payable on a contingency is not negotiable, and the happening of the event does not cure the defect, *except as herein provided.*"

Since the enactment of the above the Supreme Court of Wisconsin in *Thorpe v. Mindeman* (decided November 15, 1904) has held that *Bank v. McGeoch and Kimball v. Mellon* above referred to were thereby overruled.

In the *Thorpe* case the agreement was that in case of failure to pay interest or keep taxes and insurance paid, the whole amount of the principal should, at the option of the holder, become due.

The court referring to the provision of the law that the sum was certain although the note was to be paid "by stated installments, with a provision that upon default in payment of any installment or of interest the whole shall become due" and to the further provision that an instrument is payable at a determinable future time when made payable "at a fixed period after date or sight, though payable before then on a contingency," said:

"These two provisions seem to cover this whole case and leave really nothing to discuss. This note is payable at a fixed period after date but may be made payable before that time upon the happening of certain contingencies which are within the control of the maker. The latter clause quoted would seem to have been added to meet just such cases as the present. Such agreements as we have here are of very frequent occurrence, and it was evidently the purpose to provide for them."

Under this Wisconsin decision, it is seen that a note containing a clause such as the one under inquiry, authorizing the holder to demand additional security and in default that the whole note shall become instantly due, would be negotiable.

The Wisconsin Act differs in the respect above shown from the uniform Act in the



other States, and as the general uniform Act, as stated, contains no specific provision that the time of payment is certain although the note contains a stipulation that upon default of additional collateral the whole shall at once become due, the question whether a note containing the clause under inquiry is negotiable under the provision of the Negotiable Instruments Law is still left in a condition of uncertainty. I am not aware that the precise question has been decided under the Negotiable Instruments Law of any other State. In favor of negotiability, it may be argued that there is no greater uncertainty where maturity is hastened by default in supplying additional collaterals, than where the due date is accelerated by default in non-payment of an agreed part of principal, which case is specifically covered by the act; furthermore, that the general purpose underlying the act is to allow negotiable instruments to contain provisions of this nature. At the same time the act, except in Wisconsin, merely specifies one kind of provision for obtaining an earlier maturity than that originally fixed, namely, default in payment of any installment of principal or of interest; it does not specifically allow provisions in negotiable notes that the whole shall become due upon default in supplying additional collateral when demanded nor does it contain any general provision covering such cases, as in the Wisconsin act.

It is therefore still a somewhat doubtful and uncertain question whether a note containing the clause submitted would be held negotiable under the provisions of the uniform act; some courts might hold one way and some the other, and it would not be safe in my opinion for a bank in Pennsylvania to treat such a note as a negotiable instrument until the point is more clearly settled.

If the note was negotiable the liability of one, either the payee or a third person who places his name on the back, would be that of indorser under the Negotiable Instruments Law; if not negotiable, one indorsing such a note in blank would not be so liable and it would be the safer plan for the bank, where it desires an indorser in addition to the collateral, to act on the assumption that the note is not negotiable and have the indorser guarantee payment.

Another question arises in connection with a clause that upon default of any specified kind the whole note shall immediately become due, which is important where the note is deemed negotiable, namely: Does the note immediately mature upon default, or must the holder exercise an option to mature it? The point is important (1) as respects the rights of subsequent purchasers before the actual date of maturity fixed in the note to take free from equities and (2) as to charging indorsers. There is a difference between the Wisconsin and the Federal courts on this point. In *Hodge v. Wallace*, 129 Wis. 84, a note provided that delinquency in payment of any interest "shall cause the whole note to immediately become due and collectible." It was held upon such default the note becomes due absolutely, not merely at the option of the holder, and one thereafter taking the note from the payee takes it subject to equities between the original parties. The court distinguished the case from those where the stipulation accelerating maturity is made optional with the payee—that he may declare the whole note due. To the contrary is *Gillette v. Hodge*, 170 Fed. 313, which holds that a provision in a promissory note that it shall become due and payable at once on default in payment of interest is not self-executory, but merely gives the holder an option to declare the note due and unless such option is exercised a default in the payment of the interest does not affect the negotiability of the note; that a bona fide indorsee for value before maturity takes it free from equities where the option is not exercised. With reference to charging indorsers, the case of *Galbraith v. Shepard*, decided by the Supreme Court of Washington, September, 1906, is pertinent. In that case a negotiable note gave the holder the option to declare the whole due upon default in payment of interest. The holder exercised the option before the due date, then brought an action against maker and accommodation indorser. The court held that when the option was exercised it became necessary, to hold the indorser, to immediately make demand and give timely notice of dishonor, and as this was not done the indorser was discharged.

These cases indicate that if a note containing a clause such as above submitted—that the whole note shall become due upon default in supplying additional collateral when demanded—is to be held negotiable and is to have an indorser or is to be transferred before

the due date fixed by its terms, new questions will arise which will require definite settlement, involving the necessity of immediate notice to the indorser to preserve his liability and concerning the right of a transferee who takes after default but prior to the date of maturity fixed in the instrument to enforce free from equities between original parties. I merely refer to these cases as having a bearing on the general subject in the event the form of note submitted by you is to be held by the courts to be a negotiable instrument. But, as already said, in view of the existing condition of the law in Pennsylvania as well as in most of the other States it is best, until the contrary is more clearly settled, to proceed on the assumption that such a note is not negotiable, and where an indorser is taken to have him expressly guarantee payment.

#### TIME OF DAY OF PROTEST

Check may be protested as soon as dishonored—not necessary to wait until closing time.

FROM LOUISIANA.—Will you kindly advise when protest of a check may be made? After a check is dishonored by the bank, does the notary have to wait until after usual banking hours before protest can be made? If a check be dishonored, say five minutes after opening hour, can it be protested at once, or must it be held until after closing time?

A check may be protested as soon as dishonored and it is not necessary to defer the protesting until the close of banking hours.

#### BANK'S BOND OF INDEMNITY

Where the cashier of a bank, without the authority, knowledge or consent of the board of directors, executes a bond to indemnify a corporation against loss in issuing a duplicate certificate of stock, the cashier falsely representing that the original had been held by the bank as collateral and had been lost, but, in fact, such original never having been in the possession of the bank, opinion expressed that the cashier had no inherent power to execute such a bond and his act being without actual authority and not within the scope of his implied powers, does not bind bank.

FROM WEST VIRGINIA.—On March 3, 1907, this bank loaned X \$5,000 on demand, taking as collateral security a certificate for 50 shares of a local industrial company. In the following September X tendered payment on the note and received the information that the collateral was missing.

About one month after payment was tendered, X asked the president of the bank what the directors were going to do about the lost certificate. As the directors had never been notified of the loss, he naturally could not answer, but immediately called on the cashier to ascertain the facts. A satisfactory answer was not made, so the president informed the cashier that it was up to him to produce the stock and that he would be held responsible. At the next meeting of the directors they were informed by the cashier that the loan had been paid, which was true, having been credited in the cash book several days previous. Evidently the cashier paid the note, but we have no positive proof, as the books were badly kept.

On December 3, 1907, the cashier, acting for the bank without the knowledge or consent of the directors, with X procured an indemnity bond through the local representative of an eastern bonding company on the strength of which the industrial company issued a duplicate certificate.

In December 1907, a committee of the directors, in examining the books of the bank, discovered a charge of \$100 for furnishing the said bond. The cashier acknowledged the entry, also that he acted without their knowledge or consent.

The president of the bank immediately informed the local representative of the bonding company that the bond was secured without the knowledge or consent of the board of directors; that the cashier had no authority to sign the same, and that the bank disavowed it entirely.

Now it develops that the certificate of stock as described in the indemnifying bond had been deposited by X in June, 1906, as collateral security for a loan secured from another person, and that the bank never had it in their possession at any time. The industrial company now makes a claim against us under the terms of the bond. As the original certificate has been transferred and the duplicate is in the hands of innocent holders, we would like to know who is going to be held responsible. Will state that on March 1, 1904, the board of directors passed a resolution authorizing the president to sign all deeds and other writings, also that the former cashier's bond is still in our possession.



The main question, as I understand, is whether your bank can be held liable to the industrial company because of the unauthorized act of its former cashier in giving, or in uniting with others in giving, a bond of indemnity to the industrial company to save them harmless in issuing a duplicate certificate of stock to X.

I am of opinion that your bank would not be liable under the facts stated. I do not believe it would be held that the cashier had any inherent power, by virtue of his office, to bind the bank by executing such a bond; and there being no actual authority given, but his act having been without the knowledge or consent of the board of directors, I do not think any liability would attach to the bank.

A case involving the same principle is *Knickerbocker v. Wilcox*, decided by the Supreme Court of Michigan, November, 1890. In that case the cashier executed a writing in the name of the bank requesting a party to go on a bond of indemnity for a customer of the bank and promising to indemnify the party in case of loss. It was held that the bank had no power to enter into such a contract of suretyship and that the bank was not bound, but only the cashier individually.

In *Watson v. Bennett*, 12 Barb. 196, it was held, where an execution on a judgment in the bank's favor had been delivered to a sheriff, that the cashier had no power to bind the bank upon an indemnity bond to the sheriff in making the levy.

There are numerous cases in which it is held that it is beyond the power of a bank, or of its cashier, to guarantee the obligations of third persons in which the bank is not interested, and this would seem to be your case.

The contract executed by the cashier was one guaranteeing to save the industrial company harmless because of a certificate issued to a third party, one X. The transaction was one in which the bank had no interest. True, it may have been falsely alleged by the cashier that the bank had possession of the original certificate and had lost it, but such was not the fact.

I think, therefore, that the bank could not be held liable to the industrial company, and whether or not there would be any liability on the part of the surety company to the industrial company would depend upon the terms of the bond and the transactions and the circumstances connected with its issue.

#### CERTIFICATION OF CHECK

Certification optional, not obligatory; and where bank returns check against sufficient funds, without certification, for proper indorsement, bank not liable if check thereafter becomes "not good," because of subsequent depletion of maker's account.

FROM IOWA.—One of our depositors sent a check of considerable size to a party in Colorado. The check came to us through an Omaha bank, but we noticed that the check was not properly indorsed by payee, so we returned it. Now in a case of that kind, if the check is regular in all other respects, is the bank required to certify the check before returning it for proper indorsement? When the check arrived the first time the maker had sufficient funds here to pay it. Had he in the meantime (while the check was in transit for proper indorsement) stopped payment or withdrawn his balance, would we have been liable for not certifying the check when it was sent to us in the first instance?

Your bank would have incurred no liability for not certifying the check when first presented. A bank is under no legal obligation to certify a check; certification is optional with the bank. Many banks do certify, in cases similar to that stated by you, "good when properly indorsed," but, as said, the bank is under no legal obligation so to do.

#### CHECK INDORSED BY PERSON OF SAME NAME AS PAYEE

Where check mailed to payee and delivered to another person of same name who indorses and negotiates it, indorsement is a forgery and purchaser of check takes no rights, unless a case of negligence is made out sufficient to estop maker from alleging indorser was not real payee.

FROM WEST VIRGINIA.—On March 7th James Green, who owed J. C. Brown, of H——, W. Va., \$190, drew a check for that amount payable to order of Charley Brown and mailed same in a letter addressed to "Charley Brown, H——, W. Va."

J. C. Brown was commonly called "Charley" by his friends. The postmaster promptly delivered the letter to another man named Charley Brown. The check was cashed by us for the Charley Brown holding it, whom we knew, and he wasted the money. Can we be held responsible? The plea of the maker is that the words "For Fone Boxes" were written on the check and Brown represented that he had obtained it for cattle.

It has been held in a number of cases that the indorsement of a check by one of the same name as the payee, but not the real payee, is a forgery, and no title is derived through such an indorsement. Under the law as laid down in these cases, the bank cashing the check for the wrong payee would be responsible. Its only hope of escaping responsibility would be upon the theory that the maker of the check was guilty of such negligence or carelessness in permitting the check to get in the hands of the wrong person of the same name as would estop him from alleging that the person who held the check was not the real payee. There are one or two cases which hold that if the maker has been thus negligent he will be responsible.

In the present case the maker owed money to "J. C. Brown," of H—, West Virginia, who was commonly called "Charley" by his friends. He made the check payable to "Charley Brown," and the letter containing it was delivered by the postmaster to another man named Charley Brown, also of H—, who obtained the cash on it from your bank. It is doubtful whether the courts would hold that the maker, in so doing, was guilty of such negligence as would estop him to deny that the Charley Brown who got the check was not the person he intended as the payee; still, it might be worth while to test the question in your West Virginia courts, as the rule that indorsement by a person of the same name as, but not the intended, payee, is a forgery is a very harsh one both on the commercial purchaser and the bank of payment, as neither can know what particular person of the same name is in the drawer's mind.

The fact that the words "For Fone Boxes" were written on the check and that the man that held it said it had been given him for "cattle," would not help the bank that cashed it; rather the reverse, as it might possibly be said to put the bank on inquiry as to whether the person holding the check was the right party to receive payment. However, I do not think this point very material.

You will find the authorities on the main proposition that indorsement by one of the same name, but not the real payee, is a forgery, as well as those bearing on the question of the maker's responsibility by reason of negligence, all cited in the JOURNAL for January, 1910, at pages 301, 302, in which another question, of the same general nature, was considered.

DOCUMENTS FOR DISTRIBUTION

The Association has on hand quite a quantity of printed matter appertaining to the work of the Bills of Lading Committee, which will be sent to such members as may desire same if they will notify this office. The list is as follows:

- New Uniform Bills of Lading.
- Constitutionality of Proposed Act (H. R. 14934) relating to Bills of Lading.
- Pennsylvania Speech—L. E. Pierson.
- Little Rock, Arkansas, Speech—Thomas B. Paton.
- Jamestown, Virginia, Speech—Thomas B. Paton.
- Oklahoma Speech—Evans Woollen.
- Report of Committee to 1908 Convention at Denver, with Appendices.
- Report of Committee to 1909 Convention at Chicago, with Appendices.

Proceedings of Joint Bill of Lading Conference between bankers, carriers, shippers, etc., held at Chicago, September, 1909.

A quantity of the following currency documents is on hand in the Secretary's office. If any of our members want copies with which to do educational work we will be pleased to send them on advice to that effect:

- Report of The Currency Commission of the American Bankers' Association.
- Report of Currency Commission of American Bankers' Association, made at a meeting held at Chicago, Saturday, January 18, 1908.
- Statement of Currency Commission of American Bankers' Association, presented to House Committee on Banking and Currency, at Washington, D. C., Wednesday, April 15, 1908.

Credit Currency. By Elmer H. Youngman, Editor *Bankers' Magazine*.

Address of Hon. Charles N. Fowler, Chairman Committee on Banking and Currency, on the Financial Situation, before The Illinois Manufacturers' Association, at Chicago, December 10, 1907.

Guaranty of National Bank Deposits. By James B. Forgan, President First National Bank, Chicago, Ill., before the Annual Meeting of Group Two of the Bankers' Association of the State of Illinois, held at Peoria, June 11, 1908.

Report of Committee on Banking and Currency on the "Issue and Redemption of National Bank Guaranteed Credit Notes," Fifty-ninth Congress, Second Session, 1906-7.

Report of Special Committee, Trust Company Section, September 13, 1904, on the Classification of Legal Decisions relating to Safe Deposit Companies. Rules and Forms.

Address by Jordan J. Rollins before the Trust Company Section, September 14, 1905, on "The Protection of Trust Companies Acting as Transfer Agents and Registrars."

Address by Daniel S. Remson before the Trust Company Section, September 15, 1909. "Post-Mortem Administration of Wealth."

CREDIT BLANKS

There was published in the May issue of the JOURNAL a description of credit blanks and a questionnaire for use in the credit department of banks, which forms were prepared by Mr. James G. Cannon, of New York City, and reproduced in the JOURNAL mentioned. The prices were also quoted at which they can be obtained in quantities of 250 up to 1,000.

Anyone desiring these forms can send their order to the General Secretary of the Association, who will forward same to the printer, and the blanks will be shipped direct to the purchaser, together with bill.

# PROTECTIVE DEPARTMENT

L. W. GAMMON . . . . . MANAGER

Members are requested, in case of attempted or successful perpetration of fraud, forgery, burglary, or hold-up, to wire the American Bankers' Association, 11 Pine Street, New York, N. Y., at once; and follow the wire up immediately by letter, giving the details as fully as possible.

*It having become apparent through recent developments in the protective work of the Association that bank forgers are securing sample checks from engraving, printing and stationery houses, utilizing these samples for reproduction of checks and drafts, houses which furnish checks and drafts should not distribute samples promiscuously and banks should discourage this custom by notifying the firms from whom they secure their supply.*

The following resolution was unanimously adopted at the convention of the Texas Bankers' Association last month:

*"Resolved, That the Texas Bankers' Association, in convention assembled, commend the action of the Protective Department of the American Bankers' Association in its efforts to apprehend and convict one Charles M. Meeker, representing a London commercial banking company of London, England, for the issuance of bogus foreign exchange on said London bank, Mr. Meeker, with one W. S. Richey, having operated and defrauded the bank of Texline, Texas. Mr. Richey is now in jail at Dalhart, Texas, and Mr. Meeker in the Tombs, New York. In the interests of the banks of Texas, as well as the banks of adjoining States, we urge that every effort be made to bring said Meeker to Texas for trial and conviction, that he may receive his just deserts."*

On May 4, 1910, a bank (M.) in Portland, Ore., reported the forgery of three checks. Our detective agents investigated the case and obtained evidence implicating one J. Nord, 32 years of age, six feet tall, weighing 175 pounds, light complexioned, light hair, smooth-shaven. Nord was found to have left Portland, but our detective agents traced him to Rainier, Ore., where, on information furnished by them, and at their request, Nord was arrested on May 9th, the Portland representative of our detective agents being present when the arrest was made. Nord was returned to Portland for trial, and on May 10th plead guilty, receiving a sentence of six months in the county jail.

On May 27, 1910, at the request of our detective agents, and on information furnished by them, the local police of Newark, N. J., arrested Louis Meyer, a representative from the New York office of our detective agents being present when Meyer was placed under arrest. Meyer is now lodged in jail in Newark, where he awaits trial on the charge of issuing a number of fraudulent checks in Newark and nearby towns. This party is an old offender, who, despite the fact that he was on parole in connection with his previous operations, persisted in circulating his worthless paper.

On May 7, 1910, on information furnished by, and at the request of, our detective agents, Harry Weiss was placed under arrest in Brooklyn, N. Y. A representative from the New York office of our detective agents, who was present when Weiss was arrested, produced evidence connecting this party with a forgery committed on a bank (M.) in Brooklyn, N. Y., in which he had acted as the accomplice of one John Kelly, whose arrest was caused by our detective agents on April 28th, as reported in the May JOURNAL. Both Kelly and Weiss are now being held for trial in Brooklyn, N. Y.



A. E. WEBB

In the May JOURNAL we reported the arrest of A. E. Webb, alias Bert Kaiser, which was caused by our detective agents, and mentioned his subsequent escape while in the custody of a Cleveland (O.) constable. On May 20, 1910, this party was re-arrested in Toledo by the local police of that city, where he was caught in the act of committing a burglary. As Webb is wanted in New York for a forgery committed on a bank (M.) in that city a detainer has been lodged against him and we will endeavor to have him extradited to New York on the forgery charge at the earliest possible moment.

On May 9, 1910, the Protective Department was notified by a bank (M.) in Tiro, O., that the endorsement of one of its depositors had been forged to a draft and that the forger had succeeded in obtaining the money on same. The guilty party appeared to be one C. E. Hill, who held the position of express agent at Delphos, O., until May 1st, on which date he suddenly disappeared. The case was turned over to our detective agents for their investigation. It was ascertained that Hill had evidently secured the draft by stealing into a mail car and robbing one of the mail pouches of several letters, one of which contained the draft in question. Hill was traced to Washington, D. C., where, on information furnished by, and at the request of, our detective agents, Hill—who had assumed the name of H. E. Charles—was placed under arrest on May 18, 1910, the local representative of our detective agents being present when Hill was taken into custody. It was arranged to have Hill first stand trial for his crime against the government. He was accordingly turned over to the Federal authorities for robbing the mails, and is now lodged in jail in Toledo, O., awaiting trial there, having been taken to that city after his arrest. In the meantime a detainer has been lodged against him on the forgery charge, so that he will later have to answer for that offense.

In the latter part of March, 1910, a bank (M.) in Dysart, Ia., reported the forgery of a depositor's name to a check. The depositor in question had had occasion to go out of town for a few weeks and it was during his absence that the bank received a check, payable to one Geo. Miller, purporting to bear the depositor's signature. The check came to the bank through the mails and was accompanied by a request that the bank remit to the sender in New York exchange. Not doubting for a moment the genuineness of the signature appearing on the check, the cashier of the bank readily complied with the above request and forwarded a draft, drawn on New York, to the address furnished him. It was several weeks before the depositor returned home, and when the check was brought to his notice he declared it to be a forgery. Our detective agents were at once assigned to investigate the matter. No trace could be found of the person to whom the bank had mailed the draft, but he was finally located by our detective agents in St. Louis, Mo., in which city they furnished information to the local police, which enabled them to arrest James B. Richards as the forger. On May 15th Richards was brought to court to stand trial, but though every effort was made to have him convicted certain technical features of the law made it necessary to release him.

On May 12, 1910, the cashier of a bank (M.) of Pittsburg, Pa., notified the Pittsburg office of our detective agents that a forged check had just come to his notice. From the endorsements it appeared that a bank (M.) in New York that had handled the check had been

defrauded, and the information was accordingly telegraphed to the New York office of our detective agents, who immediately started an investigation. It developed that the New York bank at which the check was cashed was not aware that it was a forgery, and when the matter was brought to the attention of the bank the cashier stated that his institution would be the loser in the transaction. In addition it was learned that the forger had just succeeded in cashing a second fraudulent check at the bank. No time was lost by our detective agents in their efforts to apprehend the guilty party before he could leave town, and they were soon able to furnish information to the police which resulted in the arrest in less than twenty-four hours of John H. Henderson as the guilty person, the local representative of our detective agents being present when the arrest was made. All but a small portion of the proceeds of the second check cashed by Henderson was found in his possession at the time of Henderson's arrest. The checks cashed by Henderson bore the forged signatures of the Consolidated Adjustment Company and the United Brass & Copper Company. Henderson is now lodged in the Tombs in New York City awaiting the action of the Grand Jury. The Protective Department is indebted to the cashier of the Pittsburg, Pa., bank (M.) for the interest which prompted him to notify our detective agents as soon as the forgery was discovered, notwithstanding that his institution had suffered no loss.

On May 28, 1910, John Burns was placed under arrest in Boston, Mass., on information furnished by and at the request of our detective agents. Burns, who is a resident of Boston, had forged checks on two banks (Ms.)—one in Roxbury and the other in Boston, Mass. He has been taken to Roxbury to stand trial, and after the authorities there are through with him he will be brought to Boston to answer the charge lodged against him in that city. Burns is 24 years of age, 5 feet 7 inches tall, weighs 130 pounds, is dark-complexioned, has dark hair, and is smooth-shaven.

On May 11, 1910, Floyd Koon, alias C. D. James, alias R. Weaver, was arrested in Chicago, Ill., on information furnished by and at the request of the Chicago office of our detective agents, whose local representative was on hand at the time of the arrest. Koon had attempted to defraud six banks (Ms.) in Chicago through the "fake" telegram swindle, and, to ensure the success of his scheme, had even gone so far as to secure employment in a telegraph office in that city. A short while after being installed in his position Koon turned over to one of the messenger boys six telegrams with instructions to deliver them to certain Chicago banks (Ms.) designated by him. Each message read "Please pay to Floyd Koon two hundred and fifty dollars; waive identification; we remit to-day from Abe Koon," and purported to bear the signature of a bank (M.) in Alexandria, Va. Our detective agents managed to learn of Koon's scheme and caused his arrest on the date mentioned when he called at one of the banks which had received the above-mentioned telegram. Koon is 25 years of age, 5 feet 10 inches tall, weighs 150 pounds, smooth-shaven, and has blond hair. Koon is now awaiting trial in Chicago.



T. J. MOWERY

Posing as a prosperous Southern planter and garbed in ecclesiastical attire, T. J. Mowery, alias I. T. Murray, was arrested by the local police in Denver, Col., on May 10th, just as he was about to board a Denver and Rio Grande train after swindling three Denver

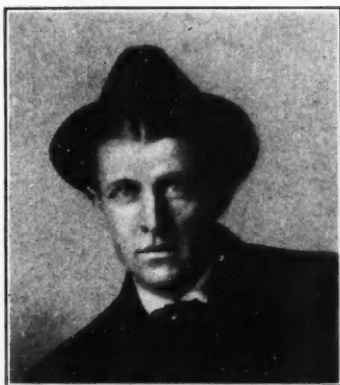


banks out of an aggregate of something like \$15,000. When searched at police headquarters \$14,993.20 was found sewn in two belts around Mowery's body. Mowery had come to Denver a stranger, but soon managed to get certain residents to introduce him to the cashiers of the different banks, at each of which, under the pretext of engaging in the real estate business, he opened an account with a small amount of cash. Within a day or two he had deposited with each bank a cashier's draft purporting to be drawn on a bank (M.) in New York. He then checked out against these, obtaining at the three banks a total of about \$15,000. He tried the same scheme at the Interstate Savings Bank, in Denver, Col., but Cashier Frank N. Briggs decided to telegraph to New York before advancing Mowery any money. When the reply came it contained the information that the draft was bogus. Mr. Briggs at once reported the matter to the Denver police, who captured Mowery before he had an opportunity to leave Denver, the arrest being made by Detectives Leyden and Sturgis, of the Denver Police Department. For the past several years Mowery has been a resident of Oklahoma City, Okla., where his family resides.

We have been advised that one A. L. Allen is circulating bogus checks, payable to his order, and drawn on a bank (M.) in Battle Creek, Mich. These checks bear what purports to be the signature of the Standard Manufacturing Company, by A. C. Martin, Secretary. That firm has no account at the bank in question. Allen appeared last month in Aurora, Ill., and South Bend, Ind.

Members are warned to be on the lookout for a party employing the name of M. H. Martin, who last month defrauded a bank (M.) in Kansas City, Mo., out of a small sum by means of bogus checks drawn on a bank (M.) in New York City. The checks were each for large amounts, but Martin was permitted to make only a small withdrawal against same until it could be determined whether the checks were good. In that way the bank had lost very little when it finally learned that the checks were bogus. This worthless paper bore the signature of Evans, Munzer and Meyer, New York City. Investigation developed the fact that there is no such firm in New York. Martin is described as 38 to 40 years of age, six feet tall, weighs 200 pounds, has a medium complexion, dark-brown hair, hazel-gray eyes, a round full face, presents a good appearance and is a fluent talker. He is also a good dresser.

Members are warned to be on the lookout for one Edward Ellis, alias E. C. Murphy, whose occupation is that of bookkeeper and who last month defrauded merchants in Providence, R. I., by forging the signature of his employer to checks drawn on a bank (M.) in that city. While he has not operated against banks, he is said to be very handy with the pen, which accounts for this warning notice. Ellis is 42 years of age, 5 feet 10 inches tall, weighs about 155 pounds, has gray curly hair, gray mustache, heavy eyebrows, wears glasses and his left shoulder droops; he walks lame because of an artificial left limb.



J. A. BURRIS

We publish herewith the photograph of J. A. (alias "Jack") Burriss, a former resident of Grinnell, Ia., who last month committed a forgery on a bank (M.) in that city. Burriss is described as 35 years of age, 6 feet tall, weighs 175 pounds, is light complexioned, smooth-shaven, and has a Roman nose; he has a scar on his left knee as a result of an accident. Members of this Association are requested to notify the Protective Department should any information be obtained by them as to Burriss' whereabouts.



We have been advised that a party employing the name of C. H. Satterfield has been passing bogus checks on merchants. He was last heard of in Buena Vista, Col., where he cashed a worthless check drawn on a bank (M.) in Salt Lake City, Utah. Satterfield, who is a fluent talker, is described as 35 to 36 years of age, is about 5 feet 6 inches tall, weighs 135 to 140 pounds, is dark-complexioned, has dark hair and dark eyes, is smooth-shaven, and of slight build. His upper front teeth are missing. In his coat lapel Satterfield wears a Shriner's pin. He represents himself as an employee of the U. S. Reclamation Service and claims to be a member of Lodge No. 1, B. P. O. E., New York. He is a heavy drinker. A warrant is held for his arrest by W. S. Brewster, sheriff of Chaffee County, Col.

In the April JOURNAL we published a notice concerning one C. D. Parker, who has been circulating worthless checks in the West, purporting to bear the signature of the Montgomery-Blair Lumber Company. We have since been advised that this party is still continuing his operations, excepting that he now uses checks bearing the signature "W. R. Walton Lumber Company," the date, the amount and the name of the payee being usually filled in on the typewriter, while the firm name is inserted with a rubber stamp.

We wish to caution members to be on the lookout for one E. R. Henry, who last month defrauded merchants in Grand Rapids, Mich., by means of bogus checks drawn on a bank (M.) in that city. The checks bore the signature "Bradley Manufacturing Company, per E. R. Bradley," and are for \$25 each. In the lower left hand corner the words "Personal Account" appear in writing. We reproduce below specimens of this party's handwriting:

*E. R. Henry*  
*Twenty Five 25<sup>00</sup>*  
*E. R. Henry J. S. King*

We desire to warn members against the operations of a party named Ward Ruhl, formerly a resident of Denver, who defrauded a bank (M.) in Denver, Col., out of a small amount on two forged checks last month. Ruhl is described as 26 years of age, five feet five and one-half inches tall, has gray eyes, brown hair, is smooth-shaven, and his face is pock-marked.

In the early part of last month a party employing the name of Jas. S. Watson passed a bogus check in Danbury and another in South Norwalk, Conn. business houses suffering the loss in both cases. Watson's checks purported to be signed by F. S. Beach & Co., and were drawn on a bank (M.) in Danbury. We reproduce below a specimen of this party's handwriting:

*James S. Watson*  


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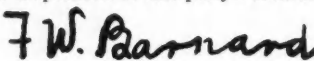
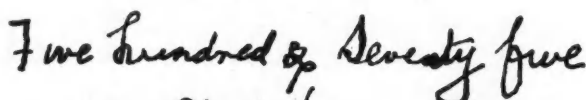
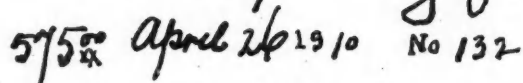
*Thirty Dollars*

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*James S. Watson 35<sup>00</sup>*

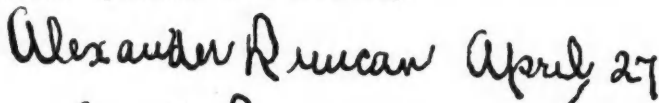
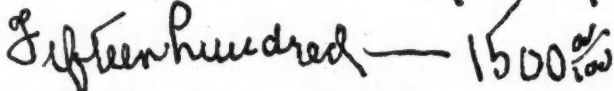
We desire to warn members against the operations of a swindler employing the name of F. W. Barnard, who defrauded a bank (M.) in St. Louis last month. He rented a small office in that city and made the acquaintance of one of the tenants, who later introduced Barnard to the cashier of the bank where he kept his account. Barnard then opened an account with a small amount of cash and a check for a large sum payable to his own order and drawn on a Chicago bank (M.). He explained to the cashier that he had sold out his cigar store in Chicago, that this check represented the payment to him for the sale and that he was about to engage in the wholesale cigar business in St. Louis. In the afternoon he

returned to the bank and had the paying teller cash his check for almost all of the deposit entered in his pass book. When he obtained the cash he stated that he intended to apply it as a down payment on his new establishment. Within a few days the Chicago check deposited by Barnard was returned to the St. Louis bank marked "No Account." A search was instituted for Barnard, but he was found to have left town. This swindler is described as an American Hebrew, 28 years of age, 5 feet 7 inches tall, weighs 140 pounds, is of slender build, has sandy hair, and a prominent Adam's apple. He had the appearance of being a clerk. We reproduce below a specimen of this party's handwriting:

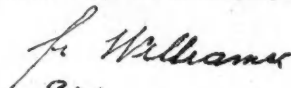
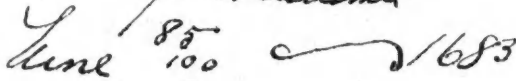

We have been advised by a bank (M.) in Reno, Nev., that a party, who was last heard of in Salt Lake City, has been issuing checks drawn on them bearing the signatures Herbert J. Leetham and John P. Brunkvort. Neither of these persons has an account at the bank in question and all such checks are worthless.

A person employing the name of Alexander Duncan made several unsuccessful attempts during last month to defraud a number of automobile concerns in New York City by tendering bogus certified checks drawn on a bank (M.) in New York in part payment of automobiles. In each instance the checks were discovered to be bogus before the machine was delivered. Duncan is said to be 23 years of age, 5 feet 7 inches tall, weighs about 130 pounds, has dark-brown hair and is well dressed; the thumb on his right hand has been amputated. Duncan approaches his prospective victim with a story to the effect that his father has just died and left him \$100,000, and to prove his statement he produces about fifty or sixty of these worthless certified checks, each for \$1,500, payable to his own order. We reproduce below a specimen of Duncan's handwriting:

A bogus check operator has recently appeared in Western Ohio. His checks are usually for \$10 each, and those that have been called to our attention are signed A. D. Brown and are made payable to H. Hart, being drawn on a bank (M.) in Sistersville, W. Va. Members are warned to watch out for these checks.

A New York bank (M.) reports that a party who has no account with them has been drawing checks to which he signs the name of F. Williams. The person issuing these checks is described as a German, 45 years old, 6 feet 2 inches tall, weighs 200 pounds, is of heavy build, has dark-brown hair, brown heavy mustache and gray eyes. He has a hole in the back of one of his ears. Williams fraudulently represents himself as being connected with a detective agency. We reproduce below a specimen of this party's handwriting:

A number of grocers and butchers on the west side in New York City have, during the past month, been defrauded by a bogus check operator described as 24 years of age, 5 feet 7½ inches tall, stocky build, dark-complexioned, dark hair and brown eyes, who has as an accomplice a girl about 19 years old, 5 feet 4½ inches tall, weighing 115 pounds, blond hair, light-complexioned, rosy cheeks. The scheme employed by this pair is as follows: The man calls at a residence, where he represents himself as a magazine subscription solicitor, and in the course of his conversation with the mistress of the household he manages to learn the name of the family grocer or butcher. On leaving the house he evidently meets the girl mentioned above and communicates to her the information he has obtained, for the butcher or grocer soon receives a telephone message asking him whether he will kindly cash a check for Mrs. So-and-So (the party whose house the man has just left), if the maid is sent around with it. The response is usually in the affirmative and the girl in the case soon appears at the store with a certified check drawn on a bank (M.) in New York, ranging anywhere from ten to fifty dollars, for which she obtains the cash and makes her departure. In each instance the check has proved worthless and the certification has been declared a forgery. To promote the success of the scheme the girl enters the store hatless, so as to leave the impression that she is a maid who is only out on an errand. Specimens of the handwriting on these checks are reproduced below:

*Dr J S Phelps -*  
*Thirty-eight — 38<sup>00</sup> —*  
*Saml. E. Morris Drm. Ryan*

This Department is desirous of apprehending one Charles Lewis Stauff, who recently forged a check on a bank (M.) in Cockeysville, Md. Stauff is described as 36 years of age, 5 feet 9 inches tall, weighs 180 to 190 pounds, has the appearance of being a German, has a round full face, wears glasses, is near-sighted, smooth-shaven, has a loose walk, and is of heavy build. He is usually "Louie." Up to a short time ago Stauff was employed in Cockeysville as a sub-contractor on concrete work. Members are requested to notify this Department of any information they may obtain concerning his whereabouts.



JOHN A. GEORGE

The above is a photograph of John A. George, who is wanted for defrauding a bank (M.) in Grafton, W. Va., by means of a bogus check. He is described as 40 years of age, about 6 feet tall, weighs 160 pounds, slender build, sallow complexion, dark eyes, dark hair, prominent nose. George is a speculator in oil lands. He has previously served time for a

forgery committed in Moundville, W. Va. Any information concerning this party's whereabouts should be forwarded to the Protective Department immediately. We reproduce below a specimen of George's handwriting:

*B. B. Garcy*  
*Seventy-five — 75<sup>00</sup>/<sub>100</sub>*  
*J. A. George*

We are advised that a party employing the names of S. A. Winston, J. T. Wilson and J. F. White is circulating bogus checks drawn on a bank (M.) in Roanoke, Ala., his mode of operation being to tender a check in excess of the amount of purchases that he may make and receiving the difference in currency. He appeared last month in Chicago and in Philadelphia.

The cashier of a bank (M.) in Hillsboro, Tex., has called the attention of this Department to a party who defrauded him out of a small sum last month after introducing himself by presenting a finely engraved card reading:

G. E. SPENCER HOLLAND  
 MEMBER NASSAU EXCHANGE  
 NEW YORK  
 EDIFICIO BANCARIO, MEXICO, D. F.

Holland stated that he was returning to New York via Mexico, but that he had run short of funds and desired a loan until he could receive a remittance from New York for which he claimed to have telegraphed that day. He produced some letters from prominent men, among them being one purporting to be signed by Levi P. Morton. After obtaining the money from the cashier he left town, and when inquiry was made concerning him it was learned that he had sent no telegrams and had failed to pay his hotel bill. While the amount of money obtained by this swindler was exceedingly small, yet his success in this case might prompt him to attempt his swindles on a larger scale, hence this warning notice to members. Holland is described as "a rather gentlemanly looking man," about 38 years of age, medium height, stocky build, brown hair (just a little thin on top of the head), English accent to his speech, slightly upturned nose with dent between the nostrils, ruddy complexion. We reproduce below a specimen of this party's handwriting:

*G. E. Spencer Holland*

A young man employing the name of J. E. Clayton, Jr., has recently appeared in Mississippi and Louisiana, where he has tried to defraud banks (Ms.) in two or three cities. He opens an account by depositing a check, bearing his signature, drawn on a bank (M.) in New York. The following day he writes from a nearby town asking that the bank close his account and send him their check. His requests have been refused, so that no member has suffered any loss through Clayton's operations. Members are, however, warned to be on the lookout for him.

A party named F. Bryson has been issuing bogus checks in New York drawn on a bank (M.) in that city. His scheme is to have someone introduce him to the paying teller of a bank for the purpose of cashing these checks. He has not succeeded in defrauding any

member. Bryson is described as 33 years of age, 5 feet 9 inches tall, stout build, light complexion, smooth-shaven, and has a shabby appearance, which leaves the impression that he is "on his uppers." We reproduce below a specimen of his handwriting:

*J. Bryson*  
*Eleven Wallman*  
*J. Bryson*

A person who is using the name of Gordon Sutherland is issuing bogus checks drawn on a bank (M.) in New York City. His checks are usually for \$10 or \$20. Several merchants in Utica, N. Y., have been defrauded by this party.

We desire to warn members against the operations of a swindler who last month successfully worked the "fake" telegram scheme on a bank (M.) in Guthrie, Okla., on which occasion he employed the name of R. M. Wilson. This party appeared in Wichita, Kans., on May 3d, when he managed to file with the telegraph office of that city the following telegram, which purported to bear the signature of a bank (M.) in Wichita, and was addressed to a bank (M.) in Guthrie, Okla.:

*Pay R. M. Olson two hundred  
 twenty five dollars with  
 identification draft following*

About one hour later he left at the same telegraph office a telegram reading as follows:

*R. M. Wilson*  
*Ione Hotel Guthrie Ok.*  
*Made arrangement with*  
*Bank call there*  
*Egan*

Both telegrams were filed after banking hours. "Wilson" then boarded the evening train for Guthrie, Okla., where he arrived the following morning. Proceeding to the Ione Hotel in that city, he obtained the telegram which he found awaiting him there. He then called on the cashier of the bank to which the first of the above telegrams was sent and showed the cashier the telegram which, he said, he had just received. The cashier immediately paid "Wilson" the money requested. Two days later, when the bank in Guthrie



failed to receive the draft mentioned in the telegram, a message was sent to the Wichita bank asking the reason for the delay, and in due time the Wichita bank replied that it knew nothing about the transaction. It was then discovered that the Guthrie bank had been victimized, and when a search was made for "Wilson" he had left for parts unknown. This clever swindler is described as 5 feet 10 inches tall, weighs about 185 to 200 pounds, has a smooth full face, and when last seen wore a so-called salt-and-pepper suit. If he attempts to perpetrate a similar scheme on any member of this Association it is requested that he be detained on some pretext and the Protective Department notified immediately.

Several banks (Ms.) in East Liverpool, Steubenville and Bridgeport, O., were recently defrauded by means of bogus checks drawn on a bank (M.) in Pittsburg, Pa., which they cashed for a party using the name of J. C. Evans, who claimed to be selling books on Masonry for the McClure Publishing Company of Philadelphia. Evans fraudulently represented himself as a member of a Masonic Lodge in Harrisburg, Pa., and he proved to have such a complete knowledge of the Masonic rituals and everything pertaining to Masonry that he found no difficulty in gaining the friendship of those who not alone introduced him at the banks which he later defrauded but who were themselves victimized by this party. The manner in which he defrauded the banks was to produce a pass book purporting to show a large balance to his credit in a bank (M.) in Pittsburg, and his checks drawn on that bank were cashed without question because of the good impression that he had left with many of the leading citizens in the towns he visited. Evans is about 40 years of age, 5 feet 5 inches tall, weighs 130 pounds, is of slight build, has a dark complexion, dark hair (bald on top of head), dark eyes, smooth-shaven, prominent forehead, his eyes set deeply in the head and his cheeks are sunken. He has the appearance of being a business man. He wore a Knight Templar's emblem stuck in his tie, and a double eagle in his coat lapel. Should his whereabouts become known to any member of this Association, kindly notify the Protective Department immediately. We reproduce below a specimen of Evans's handwriting:

*J. C. Evans Self*  
*Thirty-five 35<sup>00</sup>*

A party named Phillip M. Grant last month defrauded a bank (M.) in Baltimore, Md., by forging the signature of his employer to a check and having the paying teller cash same for him. Grant was employed as a stenographer and bookkeeper in Martinsville, Va. He is described as 37 years of age, 5 feet 7½ inches tall, weighs 140 pounds, walks slightly lame (slew footed), has light sandy hair, light-blue eyes, occasionally wears glasses, is smooth-shaven, wears a No. 7 shoe and a No. 15 collar, has a high forehead, his nose has a slight Roman bump on ridge, his eyes are set back, being somewhat small and not well open, wore side-burns one-half way down ears, widening to cheek, has thin lips, speech is somewhat impeded due to a broken nose, has prominent ears, a prominent Adam's apple, has a serious demeanor and looks like an English coachman. Any information as to this party's whereabouts should be forwarded to the Protective Department. We reproduce below specimens of Grant's handwriting:

*April 19, P. M. Grant 310<sup>60</sup>*  
*Three Hundred and Fifteen <sup>60</sup>/<sub>100</sub>*

On May 20, 1910, J. W. Hebbard, who was arrested for forgery by the local police of San Antonio, Tex., was sentenced to serve two years in the Texas State Penitentiary. Hebbard was recently convicted at Houston, Tex., for passing a forged check, and was given two years on the latter charge, which makes his term of imprisonment altogether four years. Hebbard claimed to be a newspaper man.



JAMES MORROW

On May 13th the local police of Philadelphia, Pa., arrested James Morrow in connection with hall letter box thefts committed in that city. The Philadelphia representative of our detective agents succeeded in securing from Morrow a confession in which he admitted having broken open a number of mail boxes and stealing a number of letters containing checks, which he cashed after substituting the word "Bearer" in place of the name of the payee originally appearing on the check.

On May 1, 1910, the local police of Plymouth, Pa., arrested one Richard Crook on the charge of issuing worthless checks. Crook, who was formerly a stenographer in the Street Opening Department of New York City, has left a trail of worthless checks in a number of New York and Pennsylvania towns, but has heretofore always managed to skip out before the police were able to work up a case against him. He is now lodged in jail in Plymouth, where he awaits trial.

On May 15, 1910, the local police of Brooklyn, N. Y., arrested John Brennan, alias John Brannon; his brother, Joseph Brennan, alias "Ed" Davenport, and Paul Dietrick, all of whom are said to have been implicated in the burglary of a post office at Newel, W. Va., on May 4, 1910, in which \$2,000 in stamps were stolen. The men have been returned to West Virginia for trial.

On May 8, 1910, Dr. James T. Hardy was arrested by the local police of New York City on the charge of issuing worthless checks drawn on a bank (M.) in New York City. He was held in \$10,000 bail.

The *New York Times* has given notice that a party calling himself variously Robert H. Vane and Harold Vane has been issuing checks purporting to bear the signature of the *Times* business manager. These checks are drawn on a bank (M.) in New York and the person who is circulating them was last heard of in Boston, Mass., where he appeared last month. Vane is described as being 27 years old, 5 feet 10 inches tall, weighs 150 pounds, has auburn hair, which is worn pompadour style, florid complexion, wears eyeglasses when reading or writing. He carries a cane at times and walks with a limp, due to the arch of his right foot being broken.

On May 19, 1910, the local police of Brooklyn, N. Y., arrested G. N. Garsten, alias Geo. Curtice, alias Geo. Davis, after he had tendered a worthless check for \$3,000 in payment of an automobile. Garsten has defrauded a number of merchants in different cities with his bogus checks, of which he drew almost one hundred on a bank (M.) in New York City. He has previously served time for forgery in the Rochester (N. Y.) Reformatory, in addition to having been arrested and convicted in Cleveland on a similar charge.

On May 1, 1910, J. C. Hartzell was sentenced to serve ten months in the Cook County (Ill.) House of Correction for a forgery committed on a bank (M.) in Chicago. Hartzell has previously served time for forgery, having been sentenced to the Pontiac (Ill.) Reformatory on November 21, 1905, and released March 6, 1909.

Fred B. Eddy, who was arrested for a forgery committed on a bank (M.) in Chicago, Ill., has been sentenced to serve four months in the Cook County (Ill.) House of Correction.

A. Perlberg, arrested in Chicago, Ill., on the charge of forgery, was found not guilty and released. His wife, Carrie Perlberg, who was arrested with him, was convicted of forgery and is now serving an indeterminate sentence in the Joliet (Ill.) Penitentiary.

Sidney Hoeninghouse, who was placed under arrest in Chicago, Ill., on the charge of issuing worthless checks, was sentenced to serve an indeterminate sentence in the penitentiary at Joliet, Ill. His accomplice, Ella Sobieske, was given a sentence of thirty days in the county jail.

On May 1, 1910, E. S. Kyle, arrested in Springfield, Ohio, for issuing worthless checks, was given an indeterminate sentence in the Xenia (O.) workhouse.

On May 18, 1910, Gustav Pireaux was tried before a jury in connection with the hold-up of a bank (M.) in Green Bay, Wis., and was acquitted of the charge.

On May 21, 1910, H. W. Craig, arrested in Fort Wayne, Ind., for issuing worthless checks, was given an indeterminate sentence of two to fourteen years in the Indiana State Penitentiary.

H. R. Prosser, who was arrested in Kansas City, Mo., for a forgery committed on a bank (M.), failed to appear when his case was called for trial and his bond was declared forfeited.

W. R. Hughes, who was placed under arrest in Whiting, Ind., on the charge of issuing worthless checks, has been adjudged insane and the case against him has been dropped.

Charles J. Burkhardt was sentenced on May 15th to serve two years in the Ionia (Mich.) Penitentiary. This party broke into a store at Corunna, Mich., and stole some checks, which he later filled out and cashed.

Rolland I. Winterringer, alias Harry Jenks, who was arrested for defrauding a bank (M.) in Bellevue, Ohio, was sentenced on May 1st to serve an indeterminate sentence of one to three years in the Ohio State Reformatory at Mansfield.

C. Bailey, who was arrested in Leroy, N. Y., for issuing worthless checks, plead guilty to the charge and was released on suspended sentence.

On May 30, 1910, Joseph D. Hardebeck, under arrest in St. Joseph, Mo., for forgeries committed on banks (M.) in that city, was brought to trial and sentenced to serve four years in the Missouri State Penitentiary at Jefferson City.

W. L. Geissenger, alias Walter Brooks, who was placed under arrest for a forgery committed on a bank (M.) in Los Angeles, Cal., has been sentenced to serve two years in the California State Prison at San Quentin.

On May 8, 1910, Thos. Jefferson Hoal was sentenced to life imprisonment in the Michigan City, Ind., Penitentiary. Hoal attempted a hold-up on a bank (M.) in New Albany, Ind., on November 11, 1909, and on that occasion shot and killed the cashier, seriously wounded the president, and also shot a negro chauffeur while trying to make his get-away.

Eugene H. Schlange, arrested for a forgery committed in Newark, N. J., was sentenced to serve an indeterminate sentence in the Rahway, N. J., Reformatory.

On April 27, 1910, a bank (M.) in New York City called the attention of the Protective Department to the fact that it had caused the arrest of one Salem Ghazel, an Assyrian, for a forgery; but the bank officials feared that Ghazel might not be convicted of the charge because he had defrauded a number of his countrymen within the past eight or ten years and had always managed, through influence and threats, to escape prosecution. A few years ago Ghazel swindled a merchant out of several thousand dollars and was arrested for this offense. It appears that Ghazel had knowledge that this merchant was implicated in some smuggling at one time, and by threatening to expose him to the Government he succeeded

in frightening the party to such an extent that the merchant left for Canada, so that when Ghazel's case came to trial the absence of the complaining witness made it necessary to release him.

When this new case, however, was brought to the notice of the Protective Department our detective agents were instructed to investigate same and to take steps to have a strong case made out against Ghazel. Ghazel, it was learned, had been released on bail while awaiting his trial, and on investigating matters our detective agents ascertained that his bail bond was worthless. Evidence to this effect was presented to the district attorney in New York, with the result that Ghazel was immediately taken into custody, at the request of our detective agents, who were present when the re-arrest took place, and the amount of his bail doubled. He could not raise this sum and was therefore incarcerated in Tombs Prison pending his trial. In the meantime our detective agents worked diligently in an effort to secure evidence of Ghazel's fraudulent operations that would ensure him a prison term. In this they were successful, for on June 3, 1910, Ghazel was sentenced to serve an indeterminate sentence of three to six years in Sing Sing Prison.

On May 21, 1910, John T. Iler was arrested by the local police of Towson, Md., on information furnished by, and at the request of our detective agents. Iler had raised the amount on a check drawn on a bank (M.) in Cockeysville, and the alteration was not discovered until after the bank had cashed the check. Iler is now confined in Towson jail awaiting trial. He is an intelligent mulatto, 24 years of age, 5 feet 9 inches tall and weighs about 145 pounds.

On May 3, 1910, Paul Vogel, who was under arrest for a forgery committed on a bank (M.) in New York City, was brought to trial. He plead guilty to the charge and was released on suspended sentence.

On May 7, 1910, Charles B. Nostrand was given an indeterminate sentence of two and one-half years to five years in Sing Sing Prison for a forgery committed on a bank (M.) in New York City.

On May 4, 1910, Lee Bitman, alias Lee Britton, was sentenced to six months in the penitentiary for issuing worthless checks in New York City.

On May 19, 1910, John W. Coon delivered himself up to the local police of Seattle, Wash., in connection with a forgery committed on a bank (M.) in that city last January. Coon is now lodged in the county jail awaiting trial.

On June 4, 1910, the local police of Montclair, N. J., arrested William A. Leigh on information furnished by, and at the request of, our detective agents, whose New York representative was present at the time of the arrest. Leigh had forged the name of a depositor to a check on a bank (M.) in Emporia, Va., and succeeded in obtaining the money on same. He has been returned to Emporia for trial.

On May 10, 1910, George W. Whitfield, who forged a number of letters of credit on Thos. Cook & Son, by which a bank (M.) in Montreal, Can., was defrauded, was sentenced in Montreal, Can., to five years in prison.

Banks are warned to be on the lookout for the following described five-dollar bank bills, which were stolen by a sneak thief from the desk of President C. W. Snow at the First National Bank of Syracuse, N. Y., on April 29, 1910:

Numbers 2043 to 2101 inclusive; Series 1902, E3795; bearing the picture of Ben Harrison; dated Syracuse, N. Y., February 25, 1903. The bills were signed E. S. Tefft, Cashier. They did not bear the signature of President C. W. Snow.

Members are cautioned against the operations of a dangerous forger who last month defrauded a bank (M.) in Boston, Mass. This party employed the name of Samuel Cohen, and is described as an American Hebrew, 30 to 35 years of age, 5 feet 6 or 7 inches tall, weighs 175 to 180 lbs., smooth shaven, and is a slow talker. He is usually dressed in dark clothes.

On his promise to make restitution and to lead an exemplary life in future, Frank Panner was released on a suspended sentence on May 24, 1910, in connection with a forgery committed by him on a bank (M.) in Pittsburg, Pa.

On May 25, 1910, John V. Ryan was sentenced to three years in the Florida State Penitentiary for defrauding a bank (M.) in Orlando, Fla.

F. Rogers, arrested for a forgery committed in Little Rock, Ark., was released because certain technical features of the law governing his case made a successful prosecution impossible.

On May 15, 1910, F. C. Coleman was sentenced to serve five years in the Sioux Falls (S. D.) Penitentiary for the attempted burglary of a bank (N. M.) in Kaylor, S. D. Coleman had been apprehended by the local police while escaping from the scene of the crime.

Herewith is a photograph of Risto Radusinovich, who defrauded a bank (M.) at Rock Springs, Wyo. He is described as follows:



RISTO RADUSINOVICH

Height, 5 feet 7 or 8 inches; weight, 147 to 150 pounds; left leg slightly lame, having been broken, little shorter than right; pickhole middle knuckle left hand, leaving small hole; dark hair and brown; oval face; false teeth, slightly separated; probable scars left hip and back; wore dark cap and clothes.

This party ran a saloon in that city under the above name and is from Montenegro.

Members are warned against the operations of one W. M. Oneal, who represents himself as a well-to-do ranchman living near Amarillo, Tex. He has recently succeeded in passing four worthless checks in Melrose, N. M., for \$10.00 and \$15.00. These checks were on Amarillo and Fort Smith, Tex., and Albuquerque, N. M.

Oneal is described as being about 5 feet 11 inches in height; weight, about 186 pounds; dark hair and mustache tinged with gray; appears to be about 50 years of age, and wears pinch-nose glasses.

Our members are hereby warned against a party who is evidently traveling westward and issuing checks on a bank (M.) at Rock Island, Ill. He is operating with these checks on newspapers, as he claims to be a newspaper man. He is using the names of H. G. Morgan, R. S. Beal and various others, and has succeeded in obtaining various amounts.

Fraser Mander, alias Arthur J. Hauptner, John O'Neill, alias Nelson, and Charles Fisher, alias Wells, who were arrested in New York City on April 29th in connection with the issuance of forged checks, are still in jail awaiting the action of the grand jury.

On May 23, 1910, John Gardiner, alias John Sullivan, alias Zanesville Johnny, plead guilty at Pontiac, Ill., to the charge of burglarizing a bank (M.) in Chatsworth, Ill., and was given an indeterminate sentence of one to twenty years in the Joliet Penitentiary. An account of this party's arrest, together with his photograph, was published in last month's JOURNAL.



**STATISTICS OF WORK OF THE PROTECTIVE DEPARTMENT**  
**AS REPORTED TO THE STANDING PROTECTIVE COMMITTEE FROM**  
**SEPTEMBER 1, 1909, TO MAY 31, 1910**

New York, June 1, 1910.

**CRIMINALS ARRESTED, CONVICTED, SENTENCED, AWAITING TRIAL, ETC.**

**BURGLARS—SPECIAL:** Arrests up to May 31st, 8. Convicted, 1; released, 2; died, 1; awaiting trial, 4.

**BURGLARS—GENERAL:** Arrests up to April 30th, 24; arrests in May, 1; total arrests, 25. Convicted, 9; released, 10; killed, 1; awaiting trial, 5.

**FORGERS—SPECIAL:** Arrests up to April 30th, 110; arrests in May, 11; total arrests, 121. Convicted, 58; released, 30; died, 1; escaped, 3; awaiting trial, 29.

**FORGERS—GENERAL:** Arrests up to April 30th, 70; arrests in May, 11; total arrests, 81. Convicted, 37; released, 15; escaped, 1; killed, 1; awaiting trial, 27.

**HOLD-UPS—SPECIAL:** Arrests up to May 31st, 8. Convicted, 2; released, 1; escaped, 1; killed, 1; awaiting trial, 3.

**HOLD-UPS—GENERAL:** Arrests up to May 31st, 6. Convicted, 3; released, 1; killed, 1; awaiting trial, 1.

**SNEAK THIEVES—SPECIAL:** No pending cases.

**ROBBERS—SPECIAL:** Arrests up to May 31st, 1. Awaiting trial, 1.

**ROBBERS—GENERAL:** Arrests up to May 31st, 3. Released, 1; awaiting trial, 2.

Arrests—Special Investigations—prior to and awaiting trial on Sep- tember 1, 1909.....	30	
Arrests—Special Investigations—from September 1, 1909, to May 31, 1910, inclusive.....	108	138
Arrests—General Investigations—prior to and awaiting trial on Sep- tember 1, 1909.....	17	
Arrests—General Investigations—from September 1, 1909, to May 31, 1910, inclusive.....	98	115
Total arrests .....	253	
Convicted .....	110	
Released, escaped, killed and died.....	71	181
Awaiting Trial .....		72

**BURGLARS—SPECIAL INVESTIGATIONS.**

May 23, 1910, John Gardiner given one to twenty years in Joliet (Ill.) Penitentiary for burglarizing a Chatsworth, Ill., bank (M.).

*Awaiting Trial:* John Maw, Dodge City, Kan.; Stray Waddell, Dodge City, Kan.; August Meyer, Pontiac, Ill.; Thomas Howard, Coal City, Ill.

**BURGLARS—GENERAL INVESTIGATIONS.**

May 6, 1910, William Kellar arrested at Brookland, Ark., while attempting to burglarize a bank (N.M.).

May 15, 1910, F. C. Coleman given five years in Sioux Falls, S. Dak., Penitentiary for attempt to burglarize a Kaylor, S. Dak., bank (N.M.).

*Awaiting Trial:* J. Callahan, Milan, Kan.; Allen Hindgless, Vernon, Tex.; Robert Huntley, Vernon, Tex.; Harry A. Warner, Vernon, Tex.; Wm. Kellar, Brookland, Ark.

FORGERS—SPECIAL INVESTIGATIONS.

May 7, 1910, Harry Weiss arrested for forgery committed on a Brooklyn, N. Y., bank (M.); held for trial in Brooklyn.

May 28, 1910, John Burns arrested for forgeries committed on Roxbury and Boston, Mass., banks (Ms.); held for trial in Roxbury.

May 11, 1910, Floyd Koon arrested for attempt to defraud Chicago banks (Ms.) by "fake" telegram swindle; held for trial in Chicago.

May 18, 1910, C. E. Hill arrested in Washington, D. C., for forging indorsement to check drawn on a Tiro, O., bank (M.). Hill had stolen a letter containing this check. He has been turned over to the Federal authorities and has been taken to Toledo for trial.

May 27, 1910, Louis Meyer arrested in Newark, N. J., for issuing bogus checks; held for trial in Newark.

May 12, 1910, John H. Henderson arrested for forgery committed on a New York bank (M.); held for trial in New York City.

May 21, 1910, John T. Iler arrested in Towson, Md., for raising check on a bank (M.) in Cockeyville, Md.; held for trial in Towson.

June 4, 1910, William A. Leigh arrested for forging check on an Emporia, Va., bank (M.); held for trial in Emporia.

May 9, 1910, J. Nord arrested for forgery committed on a Portland, Ore., bank (M.); May 10, 1910, was given six months in the county jail.

June 4, 1910, Salem Ghazel given indeterminate sentence of three to six years in Sing Sing Prison for forgery committed on a New York bank (M.).

James B. Richards arrested for forgery committed on a Dysart, Ia., bank (M.); brought to trial in St. Louis May 15th, and released from custody on a legal technicality.

May 3, 1910, Paul Vogel released on suspended sentence in connection with forgery committed on a New York City bank (M.).

May 7, 1910, Chas. B. Nostrand given indeterminate sentence of two and one-half to five years in Sing Sing Prison for forgery committed on a New York bank (M.).

May 24, 1910, Frank Panner released on suspended sentence in connection with forgery committed on a bank (M.) in Pittsburg.

May 25, 1910, John V. Ryan given three years in Florida State Penitentiary for defrauding an Orlando, Fla., bank (M.).

F. Rogers released on legal technicality in connection with forgery committed on a Little Rock, Ark., bank (M.).

May 1, 1910, J. C. Hartzell given ten months in Cook County, Ill., House of Correction for forgery committed on a Chicago bank (M.).

Fred B. Eddy given four months in Cook County, Ill., House of Correction for forgery committed on a Chicago bank (M.).

H. R. Prosser forfeited bail bond in connection with charges against him for forgery committed on a bank (M.) in Kansas City, Mo.

W. R. Hughes adjudged insane and charges against him dropped in connection with defrauding a bank (M.) in Whiting, Ind.

May 1, 1910, Rolland I. Winterringer, alias Harry Jenks, given one to three years in Mansfield, O., Reformatory for defrauding a Bellevue, O., bank (M.).

C. Bailey released on suspended sentence in connection with forgery committed on a Leroy, N. Y., bank (M.).

May 30, 1910, Joseph D. Hardebeck given four years in Missouri State Penitentiary for forging checks on St. Joseph, Mo., banks (Ms.).

W. L. Geissinger given two years in San Quentin, Cal., Prison for forgery committed on a bank (M.) in Los Angeles.

Eugene H. Schlange given indeterminate sentence in Rahway, N. J., Reformatory for forgery committed on Newark, N. J., bank (M.).

*Awaiting Trial:* Irving G. Crocker, Evanston, Ill.; Wm. Knapton, Roanoke, Ala.; Eug. C. Brockaw, Chicago, Ill.; Emil Nordloef, St. Cloud, Minn.; John Kelley, Brooklyn, N. Y.; Nelson Schofield, New York City; Melville Garfield, Indianapolis, Ind.; Josephine Croane, Alton, Ill.; N. C. Hill, Monroe, La.; M. Olsen, Stronghurst, Ill.; A. R. Rickey, Seaton, Ill.; A. J. Seidemann, Vienna, Austria; Chas. P. Robinson, Springfield, Mo.; J. Reilly, Chicago, Ill.; Jos. Levy, Chicago, Ill.; H. L. Baker, Kansas City, Mo.; John Lovell, Detroit, Mich.; M. Reischling, Corpus Christi, Tex.; Wm. A. Rumsey, Davenport, Ia.; Chas. M. Meeker, New York City; Wm. S. Richey, Texline, Tex.; Harry Weiss, Brooklyn, N. Y.; John Buras, Roxbury, Mass.; Floyd Koon, Chicago, Ill.; C. E. Hill, Toledo, O.; Louis Meyer, Newark, N. J.; John H. Henderson, New York City; John T. Iler, Towson, Md.; Wm. A. Leigh, Emporia, Va.

FORGERS—GENERAL INVESTIGATIONS.

May 19, 1910, G. N. Garsten arrested in Buffalo for issuing worthless checks drawn on a New York bank (M.); held for trial in Buffalo.

May 20, 1910, J. W. Hebbard given two years in Texas State Penitentiary for defrauding merchants with bogus checks.

May 13, 1910, James Morrow arrested as hall letter-box thief; held for trial in Philadelphia.

May 1, 1910, Richard Crook arrested in Plymouth, Pa., for issuing worthless checks; held for trial in Plymouth.

May 15, 1910, John T. Hardy arrested for passing bogus checks; held for trial in New York.

May 10, 1910, T. J. Mowery arrested in Denver for defrauding banks (Ms.) with bogus drafts; held for trial in that city.

May 20, 1910, A. E. Webb, wanted for forgery committed on a bank (M.) in New York, arrested for burglary in Toledo, O.; held on burglary charge in Toledo; will be returned to New York later.

May 19, 1910, John W. Coon surrendered himself to police authorities in connection with forgery committed on a Seattle bank (M.); held for trial in Seattle, Wash.

A. Perlberg released in Chicago on forgery charge. His wife, Carrie Perlberg, given indeterminate sentence in Joliet, Ill., Penitentiary.

Sidney Hoeninghause given indeterminate sentence in Joliet, Ill., Penitentiary, for issuing worthless checks.

Ella Sobieske given thirty days in the Chicago County Jail on the charge of issuing worthless checks.

May 15, 1910, Chas. J. Burkhardt given two years in Ionia, Mich., Penitentiary, in connection with breaking into store and cashing stolen checks.

May 1, 1910, E. S. Kyle given an indeterminate sentence in Xenia, O., workhouse for passing bogus checks.

May 4, 1910, Lee Bittman, alias Lee Britton, given six months in penitentiary in New York for issuing worthless checks.

May 10, 1910, Geo. W. Whitfield given sentence of five years in Toronto, Can., for forgery committed on a Toronto bank (M.).

May 21, 1910, H. W. Craig given two to fourteen years in Indiana State Penitentiary for issuing worthless checks drawn on a Fort Wayne, Ind., bank (M.).

Fraser Mander, John O'Neill and Chas. Fisher arrested in connection with forgery committed on a bank (M.); all held for trial in New York.

*Awaiting Trial:* J. H. Estill, Racine, Wis.; Geo. E. Weiler, Harrisburg, Pa.; John A. Ross, Hoboken, N. J.; Stephen R. White, New York City; Clifton Monk, Little Rock, Ark.; H. R. Davis, Kansas City, Mo.; Hugo Norman, Toledo, O.; L. Burgemeister, Toledo, O.; Jos. P. Kitch, Sullivan, Ill.; S. B. Adams, Bristol, Va.; C. A. Breen, Los Angeles, Cal.; E.

Hummell, Jr., Chicago, Ill.; Orville Hodson, Marion, Ind.; W. A. Coutant, Amarillo, Tex.; Geo. H. Brigham, Chicago, Ill.; John Capehart, Hartford, Conn.; Edw. D. Feist, Newark, N. J.; Fraser Mander, New York; John O'Neill, New York; Chas. Fisher, New York; John W. Coon, Seattle, Wash.; A. E. Webb, Toledo, O.; Jas. T. Hardy, New York City; T. J. Mowery, Denver, Col.; Richard Crook, Plymouth, Pa.; James Morrow, Philadelphia, Pa.; G. N. Garsten, Buffalo, N. Y.

HOLD-UPS—SPECIAL INVESTIGATIONS.

May 18, 1910, Gustav Pireaux acquitted in connection with hold-up on a Green Bay, Wis., bank (M.).

*Awaiting Trial:* J. A. Austin, Kiefer, Okla.; W. D. Dixon, Kiefer, Okla.; J. H. Wilson, Canon City, Col.

HOLD-UPS—GENERAL INVESTIGATIONS.

May 8, 1910, Thos. J. Hoal given life term in Michigan City, Ind., Penitentiary, for murder in connection with attempted hold-up of a New Albany, Ind., bank (M.).

*Awaiting Trial:* M. Thornberry, Hoffman, Okla.

SNEAK THIEVES—SPECIAL INVESTIGATIONS.

No pending cases.

ROBBERS—SPECIAL INVESTIGATIONS.

*Awaiting Trial:* H. B. Elliott, Eufaula, Okla.

ROBBERS—GENERAL INVESTIGATIONS.

*Awaiting Trial:* I. H. V. Barckers, Benbow City, Ill.; J. A. Guhman, Benbow City, Ill.

	Attempts.	Burglaries.	Losses.	Total Losses.
Attacks upon members from September 1, 1909, to and including November 22, 1909 (under former agency, 83 days).....	5	4	\$1,563.15	
Attacks upon members from November 22, 1909, to and including May 31, 1910 (under Burns & Sheridan, 191 days).....	10	4	15,490.76	\$17,053.91
Attacks upon non-members from September 1, 1909, to and including May 31, 1910.....	27	48		\$157,830.37
	Attempts.	Hold-ups.		
Hold-ups on members from September 1, 1909, to and including November 22, 1909 (under former agency, 83 days).....	3	2	\$13,202.44	
Hold-ups on members from November 22, 1909, to and including May 31, 1910 (under Burns & Sheridan, 191 days).....	0	1	1,600.00	\$14,802.44
Hold-ups on non-members from September 1, 1909, to May 31, 1910, inclusive.....	4	3		5,763.00

STATE BANKERS' ASSOCIATIONS, 1909-10

ORGANIZATION OF SECRETARIES OF STATE BANKERS' ASSOCIATIONS

Organized November 13, 1902

OFFICERS

W. F. KEYSER, Sedalia, Mo., *President.* WM. B. HUGHES, Omaha, Neb., *Second Vice-Pres.*  
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 W. W. BOWMAN, Topeka, Kansas. W. J. HENRY, White Plains, N. Y.  
 ANDREW SMITH, Indianapolis, Ind.

CONVENTIONS TO BE HELD IN 1910.

June	6-7.	Ohio.....	(Chittenden Hotel).....	Columbus.
"	7-8.	Georgia.....		Atlanta.
"	8-9.	Connecticut.....	(The Shoreham).....	New Haven.
"	8-9.	Massachusetts.....		Pittsfield.
"	8-10.	American Institute of Banking.....		Chattanooga, Tenn.
"	8-10.	South Dakota.....		Yankton.
"	9-11.	Virginia.....	(Hotel Chamberlain).....	Fortress Monroe.
"	16-17.	Iowa.....		Des Moines.
"	16-18.	Maine.....	(Penobscot Exchange Hotel).....	Bangor.
"	21-23.	Maryland.....	(Blue Mountain Hotel).....	Blue Mountain.
"	21-25.	Michigan.....		Port Huron and Georgian Bay.
"	22-23.	Minnesota.....		St. Paul.
"	22-23.	West Virginia.....		Huntington.
"	22-24.	North Carolina.....	(Wrightsville Beach).....	Wilmington.
"	24-25.	Oregon.....		Pendleton.
July	8-9.	North Dakota.....		Valley City.
"	14-16.	New York.....		Cooperstown.
"	21-23.	Washington.....		Holquiam and Aberdeen.
Aug.	17-18.	Wisconsin.....		La Crosse.
"	30-31.	Montana.....		Bozeman.
Sept.	6-7.	Pennsylvania.....		Bedford Springs.
"	14-15.	Indiana.....	(The Vendome Hotel).....	Evansville.
"	27-29.	Colorado.....		Grand Junction.
Oct.	3-7.	American Bankers' Association.....		Los Angeles.
"	26-27.	Illinois.....		Cairo.
Nov.	11-12.	Arizona.....		Phoenix.

STATE CONVENTIONS IN MAY

CALIFORNIA.

The attendance at the Sixteenth Annual Convention of the California Bankers' Association at Riverside, May 5th, 6th and 7th, was much larger than had been anticipated, in view of the fact that many of the bankers in the northern part of California have made arrangements to attend the National Convention at Los Angeles in October, and therefore did not attend the State Convention, Riverside being situated near Los Angeles in the southern part of the State.

President H. S. Fletcher delivered an able annual address. The reports of the Executive Council by Stoddard Jess of Los Angeles, Secretary R. M. Welch of San Francisco, and the Protective Committee, showed the Association to be in a prosperous condition, and had been exceedingly active during the past year, especially in protective work.

Interesting papers read at the convention included the following: "The Government and the Money Power," by James K. Lynch, Vice-President First National Bank of San Francisco; "Uniting the Work of Paying and Receiving Tellers," by Stoddard Jess, Vice-President First National Bank of Los Angeles; "The California Bank Act of 1909," by J. M. Henderson, Jr., Cashier Sacramento Bank of Sacramento; "The Lure of the Profit Account," by H. C. Carr, Vice-President First National Bank, Porterville; "Land Titles



in California," by Lee C. Gates, President California Land Title Association of Los Angeles; "Equipment and Management of Safe Deposit Vaults," by John Cunningham, Manager Safe Deposit Vaults Crocker National Bank, San Francisco; "A Central Bank Plan," by Hon. Wm. C. Ralston, Assistant Treasurer United States at San Francisco; "Financial Publications," by George P. Edwards, Proprietor *Coast Banker*, San Francisco.

The social features were of an exceptionally enjoyable character, including long automobile rides through orange groves, and a trip up Rubidoux Mountain.

The officers elected for the current year are as follows:

President—W. H. High, Manager International Banking Corp., San Francisco; Vice-President—Stoddard Jess, Vice-President First National Bank, Los Angeles; Treasurer—J. J. Fagan, Vice-President Crocker National Bank, San Francisco; Secretary—R. M. Welch, Cashier San Francisco Savings Union, San Francisco; Assistant Secretary—F. H. Colburn, 502 California Street, San Francisco.

H. S. Fletcher, President Watsonville Savings Bank, of Watsonville, was nominated as a member of the Executive Council American Bankers' Association to succeed Geo. W. Peltier of Sacramento, whose term expires next fall; Jas. K. Lynch, Vice-President First National Bank of San Francisco, nominated as Vice-President for California, and Joseph D. Radford, Vice-President German-American Savings Bank of Los Angeles, as a member of the Nominating Committee.

#### NEW JERSEY.

On May 6th and 7th the New Jersey Bankers' Association held its Seventh Annual Convention at the Hotel Chelsea, Atlantic City. The registration numbered about 500.

The convention was called to order by President Edward L. Howe, Vice-President of the Princeton Bank, Princeton. Prayer was offered by Rev. James McLeod, D.D., of Cape May, N. J. The address of welcome delivered by Joseph A. McNamee of the Marine Trust Co., Atlantic City, was responded to by President Howe.

The President, in his annual address, covered different points in legislation, the currency system and the Postal Savings Bank Bill. He said the past year had been a prosperous one for New Jersey banking institutions.

The reports of the Executive Committee and Secretary William J. Field showed that the work of the Association had a most successful year in the several departments.

Addresses delivered were as follows: "The Three 'R's' of Industry," by Royal Meeker, Prof. of Political Economy, Princeton University, Princeton; "Bank Taxation," by Col. Williard C. Fisk, Counselor-at-Law, Jersey City; "Segregation of Deposits," by Robert E. James, President of Easton Trust Co., Easton, Pa. Hon. Vivian M. Lewis, Commissioner of Banking & Insurance State of New Jersey, also made an address.

Reports were made by the Committees on Trust Business, Legislation, Interest Rates, Bill of Lading and Savings Banks.

The seventh annual banquet of the Association was served Friday evening, May 6th, at 7.30 o'clock, in the banquet hall of the Hotel Chelsea, Mr. Edward L. Howe acting as toastmaster. Among the speakers were: Hon. J. Franklin Fort, Governor of New Jersey; Adrian H. Joline, New York City; George Bryan, Richmond, Va.; Dr. Woodrow Wilson, President Princeton University.

The officers elected for the ensuing year are as follows: President—Adrian Lyon, Vice-President Perth Amboy Savings Inst., Perth Amboy; Vice-President—H. H. Pond, Secretary & Treasurer Plainfield Trust Co., Plainfield; Treasurer—W. M. Van Deusen, Assistant Cashier National Newark Banking Co., Newark; Secretary (re-elected)—William J. Field, Secretary & Treasurer Commercial Trust Co. of New Jersey, Jersey City.

#### FLORIDA.

The Florida Bankers' Association held its Seventeenth Annual Convention at Pensacola, May 6th and 7th. The business sessions in the auditorium of the San Carlos Hotel were well attended, many visitors being present in addition to the delegates.

An address of welcome was extended by the Hon. Frank Reilly, Mayor of the city, Senator E. S. Crill, Palatka, making the response.

President Cary A. Hardee, President of the First National Bank, Live Oak, said the growth and development in the past year of the manufacturing enterprises, mines, orchard and garden products and other industries was phenomenal, and the advance in the value of lands was very noticeable. In regard to legislation, he favored the passage of laws which make for honesty and the best interests of the State, and the defeat of hastily prepared and untried legislation. Mr. Hardee paid a glowing tribute to Comptroller of the Currency Murray on the excellent manner in which he is conducting his office.

"The Florida Everglades—Their Value to the State" was the subject of a lengthy and very interesting address by the Hon. J. O. Wright, Chief Drainage Engineer. A paper was read entitled "Office End of the Naval Stores Factorage," prepared by E. G. Trenholm of the Consolidated Naval Stores Company.

The reports of Secretary-Treasurer George R. De Saussure and the various committees were submitted and adopted.

The following were elected officers for the ensuing year: President—C. W. Lamar, President American National Bank, Pensacola; First Vice-President—George W. Saxon, President Capital City Bank, Tallahassee; Secretary-Treasurer—George R. De Saussure (re-elected), Cashier Barnett National Bank, Jacksonville.

## MISSISSIPPI.

Several hundred bankers were in attendance at the Twenty-second Annual Convention of the Mississippi Bankers' Association, held at Natchez, May 9th and 10th.

The sessions opened Monday morning at the Baker Grand Theatre. An address of welcome was delivered by Hon. W. G. Brubron, Mayor of Natchez, and Ernest E. Brown extended the hospitality of the banks, which were responded to by Joseph Hirsch of Vicksburg, on behalf of the Association.

In his address President W. M. Anderson told the bankers of the importance of developing the great natural resources of the South.

Charles Janvier, Vice-President Canal-Louisiana Bank & Trust Co., New Orleans, La., also delivered an address. T. W. McCoy, Cashier Merchants' National Bank of Vicksburg, spoke on the work of the American Bankers' Association. Walker Broach, Vice-President First National Bank, Meridian, delivered an address on "State Legislation Affecting Banks." J. Bernheimer, President Mississippi Southern Bank, Port Gibson, discussed the "boll weevil" and remedies for its destruction.

The reports of the officers showed the Association to be in a prosperous condition, with a considerable increase in membership.

One of the features on the entertainment program was a trip on the steamer *Senator Cockrill* up the Mississippi River. The other features were also of a most enjoyable nature.

The officers elected for the ensuing year are as follows: President—B. W. Griffith, President First National Bank, Vicksburg; Vice-President—C. H. Williams, President Bank of Yazoo City, Yazoo City; Secretary—Rich. Griffith, Cashier City Savings & Trust Co., Vicksburg.

The next convention will be held at Greenwood.

## TEXAS.

The Twenty-sixth Annual Convention of the Texas Bankers' Association was held in the city of El Paso, May 10th, 11th and 12th. Considering the fact that El Paso is in the southwest corner of the great State of Texas, there was an unusually large attendance, and the convention was marked by great interest, enthusiasm and good attendance on the part of the delegates to the meetings.

Judge O. E. Dunlap of Waxahachie presided with ability and fairness, and made a most excellent annual address. The report of the Secretary, J. W. Hoopes, showed the Association to be in a prosperous condition, which was borne out by the report of the Treasurer, T. W. Slack.

This Association has a protective department and very creditable work has been done by W. A. Boyd, their detective.

The usual program of addresses of welcome and responses were a part of the proceedings. The addresses delivered were of a varied character and were well received, especially that of Joseph T. Talbert, Vice-President of the National City Bank, New York, who talked on "Our National Vice." It was a fine and comprehensive paper and dealt with the extravagances of the nation, especially in the automobile craze. Other addresses were: "Cotton and Cotton Exchanges," by F. H. Welch of Taylor, Tex.; "Bank Money Orders," by Fred. I. Kent, New York City; "Value of Bankers' Associations," Fred. E. Farnsworth, New York City, and "Our Profession," by M. A. Traylor, Ballinger, Tex.

The entertainment features were characterized by the usual southern hospitality, and were varied and unique. The bankers of El Paso did everything in their power to have the visiting delegates and guests enjoy themselves.

The following officers were elected for the ensuing year:

President—W. H. Fuqua, President First National Bank, Amarillo; one Vice-President was selected from each of the seven Group Organizations; Treasurer—T. F. Rodgers, Cashier First National Bank, Collinsville; Secretary—J. W. Hoopes, unanimously re-elected; Assistant Secretary—Franz C. Groos, San Antonio.

At the close of the morning session, May 11th, the members of the American Bankers' Association present held a meeting, resulting as follows:

For member of the Executive Council—Judge O. E. Dunlap, President Citizens' National Bank, Waxahachie; member of the Nominating Committee—H. R. Eldridge, Vice-President First National Bank, Houston; Vice-President for the State of Texas in the American Bankers' Association—G. E. Webb, President First National Bank, San Angelo.

#### LOUISIANA.

The Annual Convention of the Louisiana Bankers' Association was held at Alexandria, May 12th and 13th, at which there was a large attendance of delegates and other visitors. The Hon. J. P. Turregana made an address of welcome, which was responded to on behalf of the Association to Charles Janvier of New Orleans.

President R. N. Sims in his annual address covered very fully the rapid growth and prosperity of the South, stating that the conservatism and patriotism of the bankers were important factors in the upbuilding of the State.

The report of Secretary L. O. Broussard of Abbeville, showed the Association to have had a successful year, and spoke generally on the work accomplished. Treasurer L. M. Pool of New Orleans also presented his report.

John M. Parker of New Orleans delivered an address on the "Diversification of Crops." Prof. V. L. Roy, Superintendent of the Agricultural School of Baton Rouge, discussed "Scientific Corn Culture." George E. Roberts, President of the Commercial National Bank of Chicago, took for his subject "The Central Bank." W. O. Hart of New Orleans spoke on "Uniform Legislation."

The entertainment features included trips through the suburbs of Alexandria, receptions and a banquet at the Hotel Bentley.

The officers elected are as follows: President—A. Breton, Vice-President German-American National Bank, New Orleans; Vice-President—Paul Lisso, President First National Bank, Alexandria; Secretary—L. O. Broussard, President Bank of Abbeville, Abbeville (re-elected); Treasurer—L. M. Pool, Vice-President Hibernia Bank & Trust Co., New Orleans (re-elected).

L. M. Pool of New Orleans was nominated as Vice-President of the American Bankers' Association from Louisiana, and Joseph Gottlieb, President Louisiana State Bank, Baton Rouge, member of the Nominating Committee.

#### MISSOURI.

The Missouri Bankers' Association held its Twentieth Annual Convention at St. Louis, May 18th and 19th, and the registration showed an attendance in the neighborhood of 2,000, each of the twelve groups being well represented.

The Southern Hotel was headquarters, and the business sessions were held in the Olympic Theatre.

The invocation was pronounced by Rev. Dr. W. C. Bitting, Pastor of the Second Baptist Church of St. Louis, and addresses of welcome were made by the Hon. F. H. Kreismann, Mayor, in behalf of the city, and C. H. Huttig, President of the Third National Bank, St. Louis, in behalf of the St. Louis Clearing House Association. President J. P. Hinton responded in behalf of the Missouri Bankers' Association, following with his annual address.

The report of Secretary W. F. Keyser gave in detail the work done during the year, and it was evident by the results attained that the committees and groups had been very active; the protection afforded members against crime of the best; and the bonding and burglary insurance and time-lock business increased. The membership is now 1,273—a net gain of 71 new members since the last convention. The report of Treasurer A. H. Waite showed a very substantial balance in the treasury.

Addresses delivered were as follows: "The Banker and the Lawyer," E. H. Angert, Attorney, St. Louis; "The Work of the National Monetary Commission," Prof. A. Piatt Andrew, Director of the Mint, Washington, D. C.; "Clearing House Bank Examiners," William H. Lee, President Merchants' Laclede National Bank, St. Louis; "Some Recent Decisions on the Negotiable Instruments Law," Isaac H. Orr, Attorney for the St. Louis Union Trust Co., St. Louis; "St. Louis, Mobile and the Panama Canal," Col. E. L. Russell,

Vice-President Mobile & Ohio Railroad, Mobile, Ala.; Lewis E. Pierson, President Irving National Exchange Bank, New York, and President of the American Bankers' Association, also made a brief address on the work of the National Association.

A series of entertainments provided by the St. Louis Clearing House Association included a trip on the Mississippi to Jefferson Barracks, where the visitors witnessed a military review and dress parade, followed by a concert by the Post Band; a ride in special cars to the National League Park to see a regular league game between the St. Louis and Philadelphia baseball teams; and special attractions and amusement features at Suburban Garden.

Each delegate was the recipient of a silver loving cup with the monogram of the Association engraved thereon.

The officers elected for the ensuing year are as follows:

President—A. O. Wilson, Vice-President State National Bank, St. Louis; Vice-President—A. H. Waite, President Joplin National Bank, Joplin; Secretary (re-elected)—W. F. Keyser, Sedalia; Treasurer—R. R. Calkins, Vice-President German-American National Bank, St. Joseph.

#### ALABAMA.

The Eighteenth Annual Convention of the Alabama Bankers' Association convened in the Chamber of Commerce Auditorium, Birmingham, at 10 o'clock Monday morning, May 20th, sessions being held on that and the following day.

Addresses of welcome were made by Hon. Frank P. O'Brien, Mayor, on behalf of the City, and John H. Frye, President Traders' National Bank, Birmingham, on behalf of the Clearing House Banks. Responded to by J. H. Crawford, President First National Bank of Jasper.

President H. L. McElderry, President of the Talladega National Bank, in his annual address covered the work of the Association during the past year, legislation and the usefulness and possibilities of the clearing houses of the country.

Secretary-Treasurer McLane Tilton, Jr., of Pell City, in addition to reporting on the routine work and bonding and burglary insurance business of the Association, emphasized the need of increased activity along constructive channels pertaining to legislation for substantial improvement in the banking statutes, as Alabama's laws were far below the standard desired, as compared with other States. He recommended a complete banking code from organization to liquidation.

Mr. Tilton handed in his resignation to President McElderry two months ago, stating he thought the time had come for a new man to carry on the work, but that the Association would always continue to have his hearty support and sympathy.

The addresses delivered were as follows:

"The American Bankers' Association," F. O. Watts, Vice-President American Bankers' Association and President First National Bank, Nashville, Tenn.; "Comparison of Bank Examination Law of Alabama with the Law of New York," E. J. Smyer, Birmingham, Ala.; "The Growing Importance of Foreign Exchanges," R. S. Hecht, Assistant Manager Foreign Department Hibernia Bank & Trust Co. and Editor of the *Gulf States Banker*, New Orleans; "Sanctification by Secrecy," E. St. Elmo Lewis, Editor *Financial Publicity*, Detroit, Mich.; "Branch Banking When Properly Conducted," S. S. Broadus, President Tennessee Valley Bank, Decatur; "Alabama Banks and Their Branches," Hon. Ed. D. Hamner, State Senator, Attalla.

The entertainment features included a trip by special train to the newly discovered gas fields in Fayette County.

The officers elected for the ensuing year are as follows: President—W. L. Lancaster, President Bank of Wetumpka, Wetumpka; Vice-President—Frank S. Moody, President First National Bank, Tuscaloosa; Secretary-Treasurer (re-elected)—McLane Tilton, Jr., Cashier First National Bank, Pell City.

#### TENNESSEE.

In point of attendance, important business transacted and general interest manifested, the twentieth annual convention of the Tennessee Bankers' Association at Chattanooga May 24th and 25th was probably the best one the Tennessee bankers have ever held.

The invocation was pronounced by the Rev. Loaring Clark, of Chattanooga, and addresses of welcome made by Mayor C. T. Thompson, on behalf of the city, and C. A. Lyerly, President Chattanooga Clearing House, on behalf of the banks. J. E. Fox, Cashier First National Bank, Rockwood, and P. C. Stratton, President Lebanon National Bank, responded to same.

President F. G. Oates, of Knoxville, in his annual address, reviewed briefly the banking interests of the State for the past twenty years, and said that one thing stands out clear throughout the history of the Tennessee Bankers' Association, and that is its continuous endeavor to so direct its affairs that they shall be a real benefit to all bankers of the State.

The reports of Secretary F. M. Mayfield of Nashville, Treasurer Tate L. Earnest of Johnson City, and the chairmen of the various committees showed the Association to be in a flourishing condition and evidenced the fact of continuous activity in different lines of work.

The program of addresses was as follows: "The Importance of Bill of Lading Legislation to the Banks and to the Producers of Agriculture," Clay H. Hollister, Vice-President Old National Bank, Grand Rapids, Mich.; "Of Your Own Choice," Tom W. Neal, Vice-President Mercantile Bank & Trust Co., Dyersburg; "Some Phases of Transactions Between the Public and the United States Treasury," Hon. Lee McClung, Washington; Paper, "Tennessee Banking Laws and Needed Reforms," by winner of the contest among the State Chapters of the American Institute of Banking.

Resolutions were adopted condemning the Postal Savings Bank Bill.

The social features of the convention were very enjoyable, and the visitors greatly appreciated the courtesy of the Chattanooga Clearing House in providing such good entertainment. On the first night a banquet was given at the Golf and Country Club, at which about 500 guests were present; a musical program was rendered, and the humorous "hits" made in topical songs at the expense of the visiting bankers were vociferously applauded. Other entertainment included a trip to Chickamauga Park to witness a cavalry drill; and automobile rides for the ladies.

The following officers were elected for 1910-11:

President—D. M. Armstrong, Cashier Commercial Trust & Savings Bank, Memphis; Vice-Presidents—Ralph W. Brown, Cashier Holston National Bank, Knoxville; B. F. Allnutt, Cashier Bank of Cedar Hill, Cedar Hill; J. D. McDowell, Cashier Union & Planters' Bank & Trust Co., Memphis; General Counsel—W. D. Witherspoon, Nashville; Treasurer—Neill Wright, Cashier Bank of Huntingdon; Secretary—F. M. Mayfield, Nashville.

## OKLAHOMA.

The Fourteenth Annual Convention of the Oklahoma Bankers' Association took place in the city of McAlester, May 24th and 25th. Oklahoma, the newest State in the Union, can be proud of its Bankers' Association. The enthusiasm of the members was evinced by the well-attended sessions. The Oklahoma Bankers' Association has a State Bankers' Section, and successful sessions were held on the afternoon and evening of May 23d.

L. A. Wilson, President of the First National Bank, El Reno, and President of the Association, delivered a most eloquent annual address, which was very favorably received. He was followed by W. P. Freeman of McAlester, who made the address of welcome, and by J. B. Ferguson of Enid, who gave the response.

The report of the Secretary, W. S. Guthrie, and the Treasurer, J. D. Wade, were replete with a record of the year's business, which showed the Association to be in a good condition financially.

The main address of the convention was delivered by Hon. George E. Roberts, President of the Commercial National Bank of Chicago, on "A Central Bank." Mr. Roberts' address was well received, and without doubt convinced many of the bankers present that a central bank was desirable. General Secretary Farnsworth talked on "The American Association." Other addresses made were as follows: "Bank Law," Hon. Frank Wells, Oklahoma City; "Sanctification by Secrecy," E. St. Elmo Lewis, Detroit, Mich.; "Some Letters from John Grim," Tom Slack, Cashier First National Bank, Fort Worth, Tex.; "Some Observations," D. W. Watson, State Bank Examiner, McAlester, and "Modern Implements of Banking," Henry D. Forbes, Vice-President National Shawmut Bank, Boston. Some very good five-minute talks were also made.

The general program was interspersed with recitations and music. An interesting feature was the Burroughs Adding-Machine contest, some fifteen taking part.

The McAlester bankers furnished delightful entertainment and were ever alert to see that their guests were well taken care of.

The members of the American Bankers' Association attending this convention met separately and selected for members of the Executive Council D. W. Hogan, Cashier American National Bank, Oklahoma City, and L. A. Wilson, President First National Bank, El Reno; the latter tentatively with the expectation that the membership will be filled up to the required number before August 31st, which will no doubt be done by the Oklahoma hustlers.

The Association passed a unanimous resolution indorsing the Central Bank plan.



The new officers elected are as follows:

President—J. B. Ferguson, President Garfield Exchange Bank, Eid; First Vice-President—T. J. Hartman, Cashier Bank of Commerce, Sulphur; Second Vice-President—A. E. Ramsay, Vice-President First National Bank Muskogee; Secretary—W. S. Guthrie, Cashier Farmers' National Bank, Oklahoma City, was unanimously re-elected; Treasurer—J. M. Browning, Cashier First State Bank, Mill Creek.

## KANSAS.

Topeka entertained the Twenty-third Annual Convention of the Kansas Bankers' Association, May 26th and 27th. The business sessions were held in Representative Hall of the State House and, as always with Kansas conventions, the sessions were largely attended throughout the entire period of the convention. P. W. Goebel, the President, ably presided and dispatched the business with precision and manifest fairness. The addresses of welcome were delivered by the Hon. W. R. Stubbs, Governor of Kansas, and E. L. Copeland of Topeka; the response being made by M. H. Malott of Abilene, followed by the President's annual address.

The program comprised very many excellent addresses on various subjects of interest to bankers. The Hon. J. E. Swanger, Bank Commissioner from Missouri, gave a very able talk, as also did Hon. J. N. Dolley, Bank Commissioner of Kansas, who set forth the "Requisites to a Clean Bill of Health," and Hon. George E. Roberts of Chicago, who held the attention of the meeting with the subject "The Central Bank"; "Objectives in Association Work" was taken up by Fred. E. Farnsworth, General Secretary of the American Bankers' Association, New York City; Hon. J. R. Mulvane of Topeka made an excellent talk on "The Banker's Service to the Community as an Exponent of Sound Financial Doctrine"; he was followed by J. M. Hellings, Jr., of Coates, with "The Younger Fellows," and J. E. Wagner of Altoona on "A New Idea in Banking"; Thomas B. Paton, General Counsel of the American Bankers' Association, New York City, ably dealt with the "Legislative Measures Proposed by the American Bankers' Association." Many important features in banking and finance were discussed by Stanley Young in his address on "Bank Accounting" and by Hon. A. A. Goddard of Topeka in "Some Advantages of Uniform State Legislation." Besides the above, papers were read, and impromptu speeches pertinent to the banking profession were made.

The reports of the Secretary and Treasurer showed the financial condition of the Association to be in good shape—a cash balance of \$20,000 on hand.

This Association also has a Building and Loan Section, which held a very good meeting.

Another innovation was the reception given the ladies at the residence of Mr. and Mrs. J. R. Mulvane, for which a special program had been prepared, comprising musical numbers and excellent papers by the ladies present, among them some lady bankers.

Secretary Bowman had most perfectly arranged the details of the meetings which were faithfully carried out, and the entertainment furnished was a decided evidence of Kansas hospitality and the enterprise of Topeka.

The election resulted as follows:

President—W. H. Burks, Cashier Security State Bank, Wellington; Vice-President—J. R. Lindburg, President First National Bank, Pittsburg; Treasurer—M. H. Malott, Cashier Citizens' State Bank, Abilene; Secretary—W. W. Bowman of Topeka, unanimously re-elected.

The members of the American Bankers' Association present held a meeting and made the following nominations:

Vice-President of the American Bankers' Association for Kansas—G. C. Smith, President People's National Bank, Kansas City; Member Nominating Committee—W. M. Peck, Cashier Cloud County Bank, Concordia.

Resolutions were unanimously adopted indorsing the work of the Bill of Lading Committee of the American Bankers' Association, also favoring a central bank of issue.

## PROTECTIVE WORK OF STATE BANKERS' ASSOCIATIONS

MISSOURI BANKERS' ASSOCIATION,  
OFFICE OF THE SECRETARY.

\$75.00 REWARD!

SEDALIA, Mo., May 9, 1910.

The Missouri Bankers' Association offers a reward of \$75.00 for the apprehension and conviction of William H. Todd, who is charged with defrauding a member at Clever, Mo., by means of a forged note; offer of reward to remain in force one year from date of this notice, and to be paid under the rules of the Missouri Bankers' Association.

The defrauded bank describes Todd as follows: Name, Wm. H. Todd; age, 43 years; weight, 110 pounds; color of hair, black, turning gray; height, 5 feet 5 inches; build, slender, slightly round-shouldered; color of eyes, gray; style of beard, mustache; color of beard, dark, turning gray; mouth puckers when he is thinking; one leg slightly crooked between the knee and ankle, caused by its having been broken. On March 6, 1910, Todd purchased a railroad ticket from Billings, Mo., to Monett, and nothing has been heard of him since. Arrest and wire this office and the Sheriff of Christian County, Ozark, Mo.

**\$50.00 REWARD!**

The Association also desires to apprehend a man giving the name of Chas. Pratt, who is charged with defrauding a member at Mountain View, Mo., by selling or absconding with mortgaged property.

The following description is furnished by the bank: Name, Charles Pratt; residence, given as Enid, Okla.; occupation, farmer; age, 30 years; weight, 170 pounds; complexion, light or sandy; color of hair, light or sandy; height, 5 feet 6 or 7 inches; build, heavy; style of beard, smooth shaven; color of beard, sandy; slightly hair-lipped.

For the apprehension and conviction of Pratt on the crime charged, the Missouri Bankers' Association offers a reward of \$50.00; offer of reward to remain in force one year from date and to be paid under the rules of this Association.

Arrest and wire this office and the Sheriff of Howell County, West Plains, Mo.

MISSOURI BANKERS' ASSOCIATION,  
OFFICE OF THE SECRETARY.

SEDALIA, Mo., May 13, 1910.

**\$100.00 REWARD!**

A member of the Missouri Bankers' Association, at Springfield, Mo., complains of having been defrauded by honoring two checks, purporting to be drawn by S. E. Austin, Manager of the Missouri Fidelity & Casualty Company of Springfield, which checks proved to be forgeries. These checks were made payable to William Phillips, indorsed by him, and cashed by the Clancy-Watson Hotel Company of St. Louis, and the Athens Hotel of Columbia, Mo.

Phillips was employed to sell stock in the Missouri Fidelity & Casualty Company, and was sent to Columbia for that purpose. The last report from him there was on April 15th, and he evidently appeared in St. Louis on April 18th, as the indorsement of the Clancy-Watson Hotel Company bears that date.

The defrauded bank gives us the following description of the forger:

Name, William Phillips; nativity, Jew; occupation, salesman of insurance stock; age, between 26 and 30 years; weight, about 145 pounds; complexion, dark; color of hair, dark; height, about 5 feet 6 inches; style of beard, smooth shaven.

Remarks: Has a decided crook in his nose; the Jewish characteristics very pronounced; smokes cigars almost constantly; dresses neatly; is rather composed in his manner and presents a good appearance generally.

The Missouri Bankers' Association offers a reward of \$100.00 for the apprehension and conviction of Phillips on the crime charged; reward to remain in force one year from date of this notice and to be paid under the rules of this Association.

Arrest and wire this office and the Sheriff of Greene County, Springfield, Mo.

ILLINOIS BANKERS' ASSOCIATION,  
OFFICE OF THE SECRETARY.

CHICAGO, ILL., May 5, 1910.

**WARNING—\$100.00 REWARD FOR THIS MAN.**

Arrest forger calling on hardware and furniture trade in Illinois, who defrauds bankers, merchants, hotels and railroad agents.

Show this to your customers in the above lines.

Report all information and wire recent developments.

Description: About 40 years old; 5 feet 6 or 7 inches; weight, 145 pounds; rather dark complexion; smooth shaven; rather long nose and face; black hair, somewhat gray; dark eyes; wears black stiff hat, dark clothing and gray overcoat; is a smoker and seems nervous. He has used the following names: E. B. Evans, C. R. or M. W. Riley, M. A. Wright, L. A. Morris, E. H. or S. A. Thomas, M. A. Wiley, E. B. Langford, C. R. Parsons.

Statement: Calls on the hardware and furniture trade. Usually claims to represent the American Register Co. or the Lovell Mfg. Co., and appears to have visited the trade previously, but his identity has not been established. He has frequently stolen printed checks from the books of well-known merchants, which he fills out for about \$75.00 each

and has them cashed in adjoining towns. We are creditably informed that he has visited the following towns in Illinois within the last ninety days: Ashley, Highland, Brookport, Fairfield, Grayville, W. Frankfort, Carterville, Mt. Carmel, Carmi, Cairo, McLeansboro, Murphysboro, Flora, Centralia, E. St. Louis.

He appears to frequently visit Terre Haute and Indianapolis, as well as other points in Indiana, and sometimes registers from Evansville.

Pay no attention to the name he gives or the check he uses, as they are changed in almost every case. He has become a nuisance to the banks and is the cause of considerable loss to the business interests. If located, detain him without arousing his suspicion and secure his immediate arrest. We have ample evidence to convict. Was last reported from Franklin County, Ill.

Even the slightest information regarding this party will be appreciated.

The Protective Committee of this Association offers a reward of \$100.00 for the arrest and conviction of this party within one year from date.

ILLINOIS BANKERS' ASSOCIATION,  
OFFICE OF THE SECRETARY.

CHICAGO, ILL., May 21, 1910.

An old offender again in Illinois—arrest him. \$100.00 reward for penitentiary sentence. Hotels and liverymen will appreciate a warning, as he defrauds them as often as he does the banks.

Refer to our circular on this party of October 30, 1909, issued when we first heard of his operations in Southern Illinois, where he opened accounts under several names, using the checks and pass-book entries to defraud banks in neighboring towns. After continuing his work for a while in Illinois, he left a trail of fraudulent checks through Iowa and Missouri.

He is again in Illinois and occasionally finds a bank which cashes his checks without a good indorser. He is moving rapidly through the small towns in northern and central Illinois, usually using checks similar to the one below made out to different names, including "F. S. Barton" and "C. D. Parker." Sometimes claims to be studying crop conditions and prospective locations for retail lumber yards.

Description: Height, 5 feet 9 to 10 inches; weight, about 170 pounds; age, over 40 years; full, somewhat florid face; now believed to be clean shaven; hair, dark brown, somewhat gray—slightly bald; has lately been wearing a medium gray suit, low patent leather shoes, red tie and black soft hat. Makes good appearance and talks freely. Smokes good cigars and writes nervously.

Report all information to the Secretary.

NEBRASKA BANKERS' ASSOCIATION,  
OFFICE OF THE SECRETARY.

OMAHA, NEB., May 23, 1910.

**\$100.00 REWARD.**

A member cashed a check signed A. McDermott Scott, payable to M. Wilson, drawn on the Ramsey County State Bank, St. Paul, Minn. It was returned unpaid on account of insufficient funds and with the advice that the bank has been forced to return many others on the same account to different points.

This Association will pay the above reward for information that will enable us to find M. Wilson. He is described as follows:

About 40 years old; about 170 pounds; quite tall; dark complexion; looks rather like an Englishman; smooth shaved; appears to be of nervous temperament; drinks quite a good deal.

Above reward to remain in force one year from date, to be paid under the rules and regulations of the Association. Any information secured should be wired or phoned, at our expense.

NEBRASKA BANKERS' ASSOCIATION,  
OFFICE OF THE SECRETARY.

OMAHA, NEB., May 23, 1910.

**WARNING.**

We have frequent reports lately of a swindling game worked about as follows: An account is opened with a bank at some central point and all of the money promptly checked out except \$2.00 or \$3.00. Then checks are floated all over the country presumably for expenses of traveling representatives, each one overdrawing the account, and is, of course, returned unpaid. By the time they are received back again the man who cashed them has left for other parts. The enclosed reward notice is a case of this kind. A reproduction of one of the checks will be sent as soon as possible.

Another such case uses the name "Montgomery Blair Lumber Co., per J. H. Berry," drawn on the City National Bank of Omaha, usually made payable to F. R. Manning. We have not secured a description of this man.

Still another case of the same kind is the one described in our circular dated February 21st. This man signs "McArthur Bros.," on the Central National Bank, Lincoln, and in a general way, his description agrees with our reward circular of to-day.

Warn your customers along this line and wire or phone, at our expense, any information you may gain.

NORTH DAKOTA BANKERS' ASSOCIATION,  
OFFICE OF THE SECRETARY.

FARGO, N. D., May 10, 1910.

BULLETIN.

You are hereby notified of fraudulent checks which have been drawn by a man signing F. Baker. These checks have been drawn on at least three different banks in the State. They are made payable to himself and indorsed by him.

He represents himself as a traveling salesman selling pianos for a Chicago house. Is a tall heavy set man about 6 feet 4 inches in height and weighs about 270 pounds; smooth face, dark complexion and bald.

We have several of his fraudulent checks and if he should appear at your bank, please notify this office promptly by wire, as we are anxious to locate him.

MONTANA BANKERS' ASSOCIATION,  
OFFICE OF THE SECRETARY.

LEWISTOWN, MONT., May 18, 1910.

WARNING.

You are notified of fraudulent checks which have been drawn by a man signing F. Baker. These checks have been drawn on at least three different banks in Dakota. They are made payable to himself and indorsed by him.

He represents himself as a traveling salesman selling pianos for a Chicago house. Is a tall heavy set man about 6 feet 4 inches in height and weighs about 270 pounds; smooth face, dark complexion and bald.

We have several of his fraudulent checks and if he should appear at your bank, please notify this office promptly, as we are anxious to locate him.

OHIO BANKERS' ASSOCIATION,  
OFFICE OF THE SECRETARY.

COLUMBUS, OHIO, May 20, 1910.

\$50.00 REWARD FOR THIS MAN.

A member of the Association in Eastern Ohio was recently swindled by a party representing himself to be Harry H. Graff, who passed a fraudulent check of \$28.75 on them. The check was signed J. H. Cummings, Empire Art Company, and drawn on the Fidelity Insurance & Safe Deposit Co., Philadelphia. The Philadelphia bank never had such an account.

Graff appears to be about 27 years old; height, 5 feet 7 inches; weight, about 145 pounds; medium build; dark hair; fair skin and smooth shaven. Was supposed to be selling enlarged pictures. He is said to live in Detroit.

Our Protective Committee offers \$50.00 reward for his arrest and conviction.

COLORADO BANKERS' ASSOCIATION,  
OFFICE OF THE SECRETARY.

SILVERTON, COLO., May 24, 1910.

Members are warned against one C. H. Satterfield, who is traveling about the country claiming to be in the United States Reclamation Service, and gives his residence as 826 13th Street, Denver. At Buena Vista recently he obtained the indorsement of a local merchant on his check for two hundred dollars on the State Bank of Utah, Salt Lake City, and cashed the check at the First National Bank. The check was protested and returned with the statement that Satterfield never had an account with the bank on which it was drawn and the local merchant lost the amount. The following is a description of Satterfield:

Complexion, hair and eyes, dark; age, 35 to 38; height, about 5 feet 6 inches; weight, 135 to 140; smooth face and regular features; upper front teeth out; fluent talker and hard drinker; wears Shriner's pin on lapel of coat and claims to be a member of New York Lodge, No. 1, B. P. O. Elks.

Should this man put in an appearance in your town, please wire this office at once.

COLORADO BANKERS' ASSOCIATION,  
OFFICE OF THE SECRETARY.

SILVERTON, COLO., May 27, 1910.

Secretary Wm. B. Hughes of the Nebraska Bankers' Association sends us special notice of a swindler who has been operating in Wisconsin and Iowa, then moving on to Nebraska. Thinking he may try Colorado next, Mr. Hughes has warned us so that we may be on the lookout for him.

The party complained of opened an account with the Ramsey County State Bank, Saint Paul, Minn., under the name of A. McDermott Scott. He represented that he was going into the business of buying and selling furs, but had not yet established his office; had some lithographed checks made and within a short time had withdrawn all his money except two or three dollars. Then his checks for amounts ranging around \$50.00 began to appear at points in Wisconsin. The number of these checks has been increasing, some of them coming also from points in Iowa and points in Nebraska. The last trace of this man was had at McCook, Neb., and he is liable to show up here in Colorado at any time. Please look out for him, and if he puts in an appearance in your town, wire this office immediately. A reward is offered for him in Nebraska.

MONTANA BANKERS' ASSOCIATION,  
OFFICE OF THE SECRETARY.

LEWISTOWN, MONT., June 1, 1910.

WARNING.

The Nebraska Bankers' Association offers \$100.00 reward for the apprehension of one M. Wilson, described as follows:

About 40 years old, weight about 170 pounds, quite tall, dark complexion, looking rather like an Englishman, smooth shaven, and appears to be of a nervous temperament. It is thought that he drinks quite a good deal.

You are advised that this man Wilson is attempting to cash checks of A. McDermott Scott, payable to M. Wilson, drawn on the Ramsey County State Bank, Minneapolis, Minn. These checks are returned unpaid on account of insufficient funds with the further advice that the bank has been forced to return many others of the same kind to different points. This man Wilson is also attempting to open accounts with banks at central points, all of the money being promptly checked out, excepting \$2.00 or \$3.00. Checks are then floated in the neighborhood presumably for traveling expenses, each one overdrawing the account. By the time they are received back again the man who cashed them has left for parts unknown.

Another such case used the name "Montgomery Blair Lumber Co., per J. H. Berry," drawn on the First National Bank of Omaha, usually made payable to F. R. Manning.

Any information secured concerning this man should be wired or 'phoned, at our expense, to this office.

ANNUAL CONVENTION FOR 1911

The city of San Antonio extended an invitation to the American Bankers' Association to hold its convention there in 1911. At the last meeting of the Executive Council the bankers of Atlantic City also presented an invitation for the 1911 convention.

General Secretary Farnsworth, on his recent western trip, spent a day in San Antonio to look over that city. Mr. N. S. Graham, president of the American Bank and Trust Company, arranged for a meeting with the bankers of San Antonio. At this meeting a resolution was unanimously adopted deciding to again extend an invitation for the convention in 1911.

San Antonio is an attractive city, of great historical interest, beautiful climate, hospitable people, and many features of city life bordering on the Mexican. It has three fine, large first-class hotels besides a number of smaller ones. The Hotel St. Anthony, which is a large fire-proof structure, is one of the finest in the country, and would be a credit to New York City. The Gunter and Menger are also good hotels—better than are generally found in a city the size of San Antonio. Before the Los Angeles convention, the local committee of bankers will furnish exact statistics as to the accommodations which would be available for a large convention.

MORTUARY RECORD OF MEMBERS FOR MAY, 1910.

The following list is compiled from the financial journals. If, in future, our members will advise the JOURNAL of the decease of any officer or director of their Institution, giving name, title, age and date of death, the same will be published.

- BARNES, FRANK W., Vice-President First National Bank, Wilson, N. C.  
BECK, FRANCIS E., Assistant Cashier Anglo and London-Paris National Bank, San Francisco, Cal.  
EISEMAN, BENJAMIN, Director National Bank of Commerce, St. Louis, Mo.  
ELLIOTT, JOSEPH S., Vice-President & Director Citizens' Bank, Fayette City, Pa.  
FARRELL, CHARLES I., Vice-President Home Savings Bank, Detroit, Mich.  
FOLDA, LAMBERT F., Vice-President Colfax County Bank, Howell, Neb.  
GEHNER, AUGUST, President German-American Bank and Director Mississippi Valley Trust Co., St. Louis, Mo.  
GOULDEN, THEOPHILUS A., Cash. First National Exchange Bank, Port Huron, Mich.  
MCINTYRE, ORSON, Cashier Commercial Bank Co., Greenspring, Ohio.  
MCNAUGHTON, JOHN, President Commercial National Bank, Appleton, Wis.  
MEYERS, BRINKERHOFF, Vice-Pres. East River Savings Institution, New York, N. Y.  
NELSON, S. R., Vice-President Bank of Chillicothe, Chillicothe, Mo.  
RICE, FRANK S., Manager First National Bank, Bakersfield, Cal.  
RICHARDS, THOMAS C., Director People's Bank, California, Pa.  
THURMOND, WILLIAM DABNEY, Pres. Nat'l Bank of Thurmond, Thurmond, W. Va.  
TILLINGHAST, CHARLES W., Vice-President United National Bank and Troy Savings Bank, Troy, N. Y.  
WHITON, SYLVESTER C., Vice-President Merchants' Exchange National Bank, New York, N. Y.  
WILSON, JOHN T., Director First National Bank, Jamestown, N. Y.  
WURTZ, JOHN H., Vice-President First National Bank, Dawson, Pa.  
YOUREE, HENRY H., Vice-President Commercial National Bank, Shreveport, La.  
ZIEGENHEIM, HENRY, President Lafayette Bank, St. Louis, Mo.



CHANGES AFFECTING MEMBERSHIP FROM MAY 1 TO 31, 1910.

AS THE MEMBERSHIP OF THE ASSOCIATION IS NOW ABOUT ELEVEN THOUSAND, THERE ARE FREQUENT CHANGES WHICH COME ABOUT THROUGH CONSOLIDATIONS, MERGERS, LIQUIDATIONS, ETC. AS CHANGES OCCUR, THE SECRETARY OF THE ASSOCIATION WOULD APPRECIATE VERY MUCH RECEIVING NOTICE FROM OUR MEMBERS, FOR THE PURPOSE OF KEEPING OUR MEMBERSHIP LIST CORRECT AND GIVING PUBLICITY THROUGH THE COLUMNS OF THIS JOURNAL.

Arizona .....	Yuma .....	Farmers' & Merchants' Bank, consolidated with Yuma National Bank.
Arkansas .....	Little Rock.....	State Investment & Trust Co., changed to State Trust Co.
Maryland .....	Chestertown .....	Second National Bank, succeeded by Third National Bank.
Michigan .....	Freeport .....	Business of Freeport Banking Co., taken over by the State Bank of Freeport.
Nebraska .....	Omaha .....	Corn Exchange Bank, changed to Corn Exchange National Bank.
Nevada .....	Eureka .....	The Eureka County Bank, in Receiver's hands.
North Dakota.....	La Moure.....	Farmers' State Bank, converted to Farmers' National Bank.
Ohio .....	Lorain .....	Penfield Avenue Savings Bank, changed to the Central Bank Co.

NEW MEMBERS FROM MAY 1 TO 31, 1910, INCLUSIVE.

Alabama .....	Birmingham .....	Caldwell & Ward.
Alaska .....	Fairbanks .....	American Bank of Alaska.
Arkansas .....	Batesville .....	National Bank of Batesville.
	Lavaca .....	Citizens' Bank.
	Springdale .....	First National Bank.
California .....	Fort Bidwell.....	Bank of Fort Bidwell.
	Kingsburg .....	First National Bank.
	San Bernardino.....	Savings Bank of San Bernardino.
	San Dimas.....	Bank of San Dimas.
	Ukiah .....	Bank of Ukiah.
Colorado .....	Alamosa .....	Alamosa National Bank.
Connecticut .....	New Haven.....	Lomas & Nettleton.
Idaho .....	Rockland .....	First State Bank.
Illinois .....	Buda .....	Lindner & Boyden, Bankers.
	Cowden .....	First National Bank.
	Pawnee .....	Pawnee State Bank.
Indiana .....	Logansport .....	Logansport Loan & Trust Co.
	Rensselaer .....	The Trust & Savings Bank.

Iowa	Mount Ayr	Farmers' State Savings Bank.
Maryland	Hancock	The Hancock Bank.
	Libertytown	Savings Bank of Libertytown.
Massachusetts	Everett	Everett Trust Company.
Michigan	Benton Harbor	State Savings Bank.
Montana	Billings	Farmers' & Traders' State Bank.
	Culbertson	Citizens' State Bank.
	Ekalaka	Ekalaka Commercial State Bank.
	Thompson	First State Bank of Thompson Falls.
New Jersey	Ridgefield Park	First National Bank.
New York	Alexandria Bay	First National Bank of the Thousand Islands.
	Brooklyn	Brooklyn Trust Co. (Bedford branch).
	Canajoharie	Canajoharie National Bank.
	Clayton	National Exchange Bank.
	New York	Brooklyn Trust Co. (branch).
	New York	Trowbridge & Company.
Randolph	State Bank of Randolph.	
Tupper Lake	Tupper Lake National Bank.	
North Dakota	Crosby	First State Bank.
Oklahoma	Lawton	First National Bank.
	Pittsburg	Bank of Pittsburg.
Oregon	Grants Pass	Josephine County Bank.
South Carolina	Columbia	Union National Bank.
	St. Matthews	St. Matthews Savings Bank.
Texas	Greenville	Greenville National Exchange Bank.
Virginia	Tappahannock	Southside Bank, Inc.
Washington	Selah	Selah State Bank.
Wyoming	Worland	Stock Growers' State Bank.
Canada	Vancouver, B. C.	Northern Crown Bank.

