

THE GREENEBAUMS.

Theodore B. Weber's Examination of the German National Bank.

How That Institution Was Milked by the Family.

The Government Asked to Commence Criminal Proceedings.

Mention was made some time ago of the fact that the Comptroller of the Currency had authorized Theodore B. Weber to make an examination of the books of the German National. That examination has been made, and the results were sent last week to Mr. Knox, the Comptroller. From the report it appears that Mr. Weber, together with Bank-Examiner Washburn, examined the books, papers, and assets of the German National with the following result:

The individual liabilities arising out of the illegal transactions of Henry Greenebaum, ex-President of the bank, and due at the time of the failure of the bank, Dec. 6, 1877, are put down at \$75,325, consisting of one note of Henry Greenebaum for \$25,350, with comparatively valueless collaterals; another note of \$15,000, with collaterals worth about \$4,000; a call loan by Sarah Greenebaum, Henry's sister-in-law, with no collaterals, for \$13,000; and overdrafts of Henry Greenebaum's private account, Dec. 5, 1875, of \$6,787. Dec. 6, after the bank closed, \$15,188 was charged as an overdraft to Henry Greenebaum's private account. The cash balance the day the bank closed decreased to the amount of that overdraft the day following, showing that Henry Greenebaum withdrew the amount after the bank closed.

The liabilities of Henry and David S. Greenebaum, said to be a fictitious firm not existing in fact, as bankers, are put down in Mr. Weber's report as owing the bank at \$40,078. One of these items, June 18, 1874, is a call loan for \$20,000 not entered on the call-loan register, but appearing on the cash-book under the initials H. & D. S. G., with no collaterals or indorsement.

The liabilities of Henry Greenebaum & Co., of Chicago, a firm consisting of Henry Greenebaum, David S. Greenebaum, and Elias Greenebaum, are put down as \$54,093. The chief item is a draft of Thomas Hoynes on W. B. Macay, of New York, in favor of Henry Greenebaum, President, for \$20,000, dated Nov. 30, 1877. It is alleged in the report that Henry Greenebaum appropriated the proceeds of this draft, and deprived the bank of the only security it held for their payment of the same by canceling certain indorsements of Thomas Hoynes and John Herting. All the liabilities of Henry Greenebaum & Co. were, it is alleged, incurred after the firm were

AWARE OF THEIR INSOLVENCY,

and while the then acting Vice-President of the German National was daily expecting the failure of the firm, as appears by the letter from him to the Comptroller dated Dec. 19, 1877.

The liabilities of Greenebaum Bros. & Co., of New York, a firm consisting of Henry, David S., and Elias Greenebaum, of date Dec. 5, 1877, amount to \$15,487. It is charged that Greenebaum Bros. & Co. collected and appropriated certain receipts of collections while already insolvent, and declined to pay drafts drawn on them. Certain other small drafts, it is alleged, were collected by the New York firm, and the proceeds appropriated by them, though the drafts could not possibly have reached them until after their failure. By skillful financiering, it is alleged, Henry Greenebaum & Co. fraudulently appropriated \$15,000 of the funds of the German National, and Greenebaum Bros. & Co., of New York, \$13,156.

To Michael Greenebaum, brother of Henry, and agent for his wife, Sarah, there was advanced on his promissory notes, without collaterals, from Sept. 13, 1877, to Nov. 22, 1877, \$7,565.

The liabilities of Isaac Greenebaum, brother of Henry, are \$32,395, secured by real estate worth about \$8,000.

The liabilities of F. J. Frank, clerk of Henry Greenebaum & Co., and nephew of Henry Greenebaum, are \$8,254, for three call loans. Frank was discharged from all liabilities after the closing of the bank in February, 1878. All these loans, it is alleged, were made for the benefit of Henry Greenebaum, Frank being simply a tool.

The liabilities of Abraham Wise, former Cashier of the German Savings, and brother-in-law of Henry Greenebaum, are put down as \$4,000, secured by real estate worth \$1,500. The direct indebtedness of the Greenebaum family is footed up at \$237,200.

It is alleged that there were certain transactions of G. H. Ward indirectly for the benefit of Henry Greenebaum. Among the assets of the bank are notes by him amounting to \$47,500, secured by Riverside real estate, which is not worth enough to justify the Receiver in paying the back taxes. It is charged that these notes were discounted

FOR GREENEBAUM'S BENEFIT.

Notes of Francis Arnold, amounting to \$44,348, secured by real estate which will not cover 33 per cent of their face value, were made for the purpose of selling them to the bank while Henry Greenebaum was its President. The bank also holds paper against W. J. Onahan and B. G. Caulfield, being \$21,094, with real estate security worth only about 50 per cent of the face of the paper. These notes, it is alleged, were the private paper of Henry Greenebaum & Co., and shoved off by them on the bank.

There also appears among the assets of the bank a loan to E. F. E. Dore, on South Park property, of \$46,862. The real-estate security on it has been valued by Mr. Washburn at \$5,000. This security, it is alleged, was originally the private paper of Henry Greenebaum & Co., and, by forcing it upon the German National, the latter sustained a loss of about \$38,000. There is nothing to show that such a loan was ever made to Mr. Dore by the German National.

It is alleged that preferred payments were made contrary to the instructions or the Comptroller after the bank went into liquidation to Louis Elias, Leopold, Kuh & Co., B. & W. N. Eisendrath, and Siegel & Hatzfeld.

The total expenses from the closing of the bank in December, 1877, to December, 1878, when a Receiver was appointed, were \$19,347, including \$2,702 to A. M. Day, Manager; \$3,459 to Henry Greenebaum, Secretary; and \$1,808 to H. H. Leopold, member of the Managing Committee.

Tenney Flower & Abercrombie, attorneys of the bank, are paid for legal services \$6,366. Of this \$350 was for legal services rendered with reference to the appointment of a Receiver. Mr. Flower, a partner of the firm, reaped the benefit of these services, and was appointed Receiver.

The report does not, it is alleged, include all the fraudulent transactions of Henry Greenebaum and his partners. There is much more paper in the assets of the bank which will not net over 15 to 25 per cent, all of which was originally the private paper of the Greenebaum family, but the statute of limitations bars action. Mr. Weber submits that the facts reported by him are more than sufficient to convict Henry Greenebaum of fraud and embezzlement, and that good cause is shown for the appointment of Receiver Flower, and, on behalf of the stockholders and depositors, who, he says, have been systematically robbed and plundered, he asks that the Government authorities see to it that justice is done, and criminal proceedings instituted without delay.