

# The Diary of a Country Banker

Last Chapter in the Life of an Emigrant Boy Who Acquired a Bank. Had Political Ambitions. He Did Not Dig In. Sequel to Sale Made in Good Faith. Much of Its Paper Proved to Be Bad and a Suit Followed. How May a Bank Be Safely Sold?

SEPT. 9, 1927.

**T**HIS morning's mail brought to me the following note, the last incident as far as I am commercially concerned in the business career of an erstwhile prominent man:

"NEW YORK, Sept. 6, 1927.

"DEAR FRIEND:

"Your request that I permit you to sell the collateral you hold against my note is granted gladly, and I only wish I could save your good bank from any loss whatever. But it does not now seem possible. I am nearly fifty-two years old, and with bare hands and no capital I can never hope to earn at common labor enough to pay my debts. I am heartbroken and helpless. Forgive my terrible mistakes.

"Your friend, BILL HAMAN."

So Bill has gone to the "Port of Missing Men," also the port at which he landed in this country when his world was filled with mist and dreams. He was a pink-cheeked lad of seventeen with sunlit eyes and a happy heart the day the great ocean liner bumped her nose into her dock. He hunched his pack to his sturdy shoulders and, without doubt or fear, set out for the "pot of gold at the end of the rainbow."

Now, after thirty-five years of life in the wide open spaces in the Middle West; after a spectacular career from emigrant boy to banker, and then to within a hair of the governor's chair of a great state, Bill Haman is back again from whence he started, not to make a new start in life, but to just live, and without taste or courage for even that undertaking.

His romantic and dramatic career began as soon as he landed out here and got his first job in a country plumber's shop. He was so energetic and happy he soon made many friends. In the course of a few years he became an implement merchant and soon mastered our language. He rose rapidly in the community to the position of leading citizen. Loyal to his family, he sent money "over there" and brought his brothers and sisters to this country, educated them and started them on the road to success.

Bill's great success filled him with pride and ambition. He was elected to one office after another. Eventually he was chosen treasurer of a great organization, which later led him into the banking business.

With a bank in his hands he soon sensed the power of credit and began to use his bank to further his personal ambitions and business enterprises. On the side (and secretly) he added real estate to his banking business.

Anon his ambitions knew no limits. As his wealth increased he dreamed of great political honors. He had a consuming de-

sire to be governor of the state. No one could offer any reason, either, why his ambitions should not be gratified. Think of the slogan, "from emigrant boy to governor" of a great state; from "plumber to banker and to governor," etc.! Great stuff! and Bill could tell the story, so it made a positive appeal to the crowd.

Everything was set. Bill only needed a few more laurels to his crown, and he was adding them on one by one. The next and last big conquest was to have himself chosen president of a great financial corporation in a nearby city.

## The Crop Burned Out

**J**UST as he was to begin to reap what he thought were the results of a lifetime of good seeding and cultivation, the crop began to burn out on him. His big financial job proved a lemon, and when the wreck was partially cleared away, Bill was maimed for life. He barely escaped the penitentiary. Some of his seeding was bad, and he also cultivated some company that was not good. All of these incidents were not sufficient to get him clear down, but he was disheartened.

Then deflation came along and flattened out the values in real estate, and many mortgages on land sold by him to his own bank began to look bad and later proved to be worthless. Then Bill's bank turned up its toes to the corn tassels.

And again Bill escaped the penitentiary by a hair.

It was a far cry when Bill was at the zenith of his career, when his name was on the tongues of people all over the state in both political and financial circles; back to the day when, as a pink-cheeked lad, he started to find his fortune, and he came as near it, too, as most men do. He failed only as most men fail, and for the reason that he was unprepared for the conquest. Bill's method of approach was unsound and so were his principles of conduct.

When one hunts the "pot of gold at the rainbow's end" he must prepare for the campaign and seek the objective with the same care that a careful general takes when he moves upon a wily foe. He must set up reserves all along the line of approach to guard against the unexpected that always happens, and, as a matter of practice, "dig in" every now and then just to make sure tools are available and in good shape. This sort of preparation always enables one to reach the goal, and no one can stop him.

But poor Bill thought he could get it by a short cut. Like a mountaineer, he climbed from crag to crag, but unlike the experienced climber he did this without rope or pike, and to the shallow pates along the way it looked as if he would reach the top. His last and mightiest leap to what appeared

to him the peak of success was made in a blaze of financial publicity, but what he mistook for the peak of success was a fog bank.

It wasn't laughable. It was a tragedy. He could not make a new start. He had no tools and his bare hands had no cunning. He was fed up on overconfidence; had wrong ideals; great and selfish ambitions, and was now, at fifty-two, a total loss to society.

Bill lacked education and proper training in business practices, all of which proves the folly of elevating ignorant men to places of great importance merely because they bring trade to the enterprise.

## He Sold a Bank

SEPT. 10

**Y**ESTERDAY I met August Yokofsky in the lobby of the bank. His handsome face wore a worried look. He had been in litigation of one kind or another for several years and a life's savings had been used up in costs.

Five years ago he sold what looked like a perfectly good national bank with \$600,000 of deposits to a furniture merchant next door for \$250 a share.

About nine months afterward the bank failed and was liquidated. In the course of time Kopisky, the merchant who purchased and paid for the bank, sued his countryman, August Yokofsky, for a large sum of money and obtained judgment, but was unable to collect it.

Then Kopisky's attorney took a quick turn and filed criminal charges against August for obtaining money under false pretenses.

The plaintiff offered the fact that the bank was declared insolvent by the Comptroller nine months after he purchased it; proved by witnesses that claims were made that the notes were good and the stock was worth the price.

The defense, on the other hand, proved by witnesses that plaintiff sought to buy the stock through his brother-in-law, who was cashier of the bank and also a brother of Yokofsky, and that he knew the people who owed the notes, and passed upon their credit as a merchant during the last twenty years. Yokofsky proved also that the plaintiff's brother-in-law and cashier of the bank thought the bank stock was worth the price by purchasing part of August's stock at the same time and at the same price. And it was further shown that the assistant cashier purchased stock at the same price at the same time, showing that not only August but his officers all thought the bank was solvent.

But as the jury looked at the well-dressed, handsome August Yokofsky before the bar and contrasted him with the plain home-

PARAPHRASED PROVERBS

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**A Bank is honored  
to the extent that it  
is permitted to serve  
its own neighbors**

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In Philadelphia there is little or no inter-bank affiliation nor representation of non-members in the Clearing House by member banks.

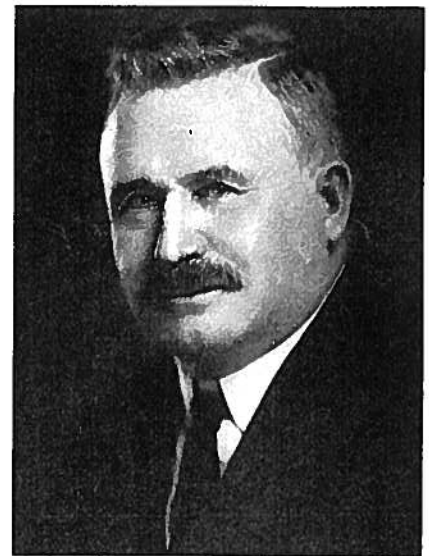
We regard it, therefore, as a significant and convincing tribute (by those who know us best), to the efficiency of our transit and collection facilities that we carry the accounts of sixty-seven "non-member" local banks and serve as the active collection agent of fifty of this number.

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**THE  
PHILADELPHIA-GIRARD  
NATIONAL BANK**

PHILADELPHIA, PA.

Capital, Surplus and Profits . . . \$29,000,000



Senator Peter Norbeck, Chairman Senate Committee on Banking and Currency

**Diary of a Banker**

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spun merchant who purchased his bank, it took them just three ballots to convict August of obtaining money under false pretenses.

Yesterday the drawn face of August, when he appeared and appealed to the court for a parole on the ground he had made satisfactory restitution, showed the effect of years of struggle in courts.

The agreement between the litigants was explained to the judge, and a parole was granted, and August escaped.

Both litigants are impoverished and embittered, but it may be they are compensated by their added wisdom.

The question is, How can a bank be safely sold? A friend today tossed on my desk two certificates of stock in a great American bank for 156 shares. He gleefully asked for a bid on the stock. Being saturated with August's experience, I was cold on the proposition. Then he told me he was offered \$90,000 for the 156 shares.

"Is it worth the price?" I asked.

"It is," he countered snappily.

"What's the book value?" I inquired with premeditation.

"Sixty thousand," he answered.

"But you say it's worth \$90,000?"

"Sure it is. I can get that."

"Yet," I said, "a jury of twelve alleged peers found August Yokofsky guilty of obtaining money under false pretenses on a sale that looks like your offer."

Then I told him a safe way to sell his stock would be to put a paragraph like this in the sale agreement:

"It is further agreed that the seller of this stock makes no claims whatever as to its actual value; that he avers the price may not bear any relation whatever to its actual value and that in fact it may be proven that the stock is worth less than the price asked, or may be proven to be entirely worthless in the end. The buyer of this stock further agrees that he will not sue me or prosecute me criminally as a result of this transaction, but that he will take his medicine like a man should the stock prove to be worthless."

My friend thought my suggestion a good joke, but after hearing August's story he said: "Gosh! You may be right."