VOL. 14. NO. 3. KANSAS CITY, WEDNESDAY, SEPTEMBER 20, 1893.

RECEIVERS ARE IN CHARGE.

COLLAPSE OF THE LOMBARD INVESTMENT COMPANY.

The Application Made by Eastern Bondholders to Judge Caldwell at St. Paul—Liabilities Placed at 9 Millions—Cause of the Action.

The Lombard Investment company is in the hands of receivers appointed by United States Circuit Judge Henry C. Caldwell at St. Paul. The receivers were appointed on application of the New York Security and Trust company, Maria H. Hotchkiss and George Burnham. The New York Security and Trust company is trustee for two series of debenture bonds issued by the Lombard company of Missouri and amounting to $200,000. Maria Hotchkiss is the owner of loans guaranteed by the Lombard company amounting to $150,000 and George Burnham holds $90,000 worth of the company's stock.

The receivers named by Judge Caldwell are Charles S. Fairchild of New York, ex-Secretary of the Treasury; M. B. Whitney of Westfield, Mass., president of the company, and Attorney S. B. Ladd, Attorney Frank Hagerman and H. E. Mooney of this city. Mr. Mooney is second vice president of the company. The three receivers appointed from this city took charge of the Lombard offices in the Exchange building this morning and held a conference which was participated in by E. R. Crutcher, third vice president, and ex-President J. L. Lombard, who claims now to have no connection with the company. A copy of the complaint by virtue of which the receivers were appointed in St. Paul was filed in the United States circuit court in this city this morning. The plan which will be followed by the receivers in carrying out the instructions of the court with reference to the company's affairs will be for Receivers Whitney and Fairchild to look after matters in the East while Receivers Ladd, Hagerman and Mooney will take charge of affairs in the West.

The receivers will also administer the affairs of the Alliance Trust company, City Real Estate company, Investor company and Valley Loan and Trust company, which were auxiliaries of the Lombard Investment company, and were only instituted to acquire title by foreclosure to property on which the present concern had lent money and guaranteed the payment to the investors.

CAUSE OF THE RECEIVERSHIP.

The bill of complaint sets forth as reasons for placing the company in the hands of receivers that during the last few months the mortgagors have failed to pay their interest and principal and that the company has been compelled to pay out to investors, whose loans were guaranteed, more than $20,000 a month in excess of the amount received. It is claimed that the business of the Missouri company would ultimately yield a sufficient income to meet all demands but that on account of business depression the market value of securities and the credit of the company had been impaired and it is argued that the interests of investors and stockholders would be best subserved by judicious winding of the assets by receivers acting under instructions from the court. It is stated in the complaint that including taxes, interest and general expenses the company would have to pay a total of $345,926 between now and January 1, while to meet this liability only $52,143 in cash would be available.

The liabilities of the company are placed at 9 millions of dollars and the officers of the company say the assets will reach the same figure. The company holds mortgages which it has guaranteed principally on property in the West and South amounting to 33 millions of dollars. The last statement of the company, issued last February, places the first mortgages held by the company at nearly 20 millions of dollars. The second mortgages are given at $45,000, stocks and bonds at about 2 million dollars, real estate at $235,000 and interest advanced to investors at more than ½ million dollars. The value of real estate and other property acquired by the Valley Loan and Trust company is said to be $1,376,632, with liabilities of $800,000. The assets of the Alliance Trust company are placed at nearly 3 millions of dollars, with liabilities of $1,800,000, while the City Real Estate company is credited with assets slightly in excess of 1 million dollars and liabilities at half that amount.

THE STEAL OF LEWIS AND RUSSELL.

The amount of business transacted by the company and its auxiliaries was enormous. For the last two years its collections have been slow and in many cases fell off entirely. A year ago it was discovered that Montgomery H. Lewis and H. W. Lee Russell, two of the company's trusted employees, had embezzled about $120,000. An investigation of the company's affairs was instigated by Eastern stockholders and rumors were then rife of its early collapse, but Lewis, who was president at the time, was deposed after a long and bitter fight with the Eastern stockholders and M. B. Whitney was elected in his place. Of late rumors have been again current of the probable suspension of the company and the application for the appointment of receivers was a surprise to few.

The company was organized under the laws of Kansas in January, 1882. In August, 1890, this company was merged into the Lombard Investment company of Missouri with a capital of 4 million dollars. B. Lombard, jr., was the original president of the company and J. L. Lombard was vice president. The latter was elected president in 1892 and was deposed in April, 1893. He claimed to have sold his stock to a syndicate of which Receiver H. E. Mooney was a member. The company received money from Eastern investors and lent it on real estate in the West and South at 6 per cent interest. These loans and interest were guaranteed to the investors. The company had also issued debenture bonds amounting to 5 million of dollars.

A STATEMENT FROM MR. FAIRCHILD.

NEW YORK, Sept. 20.—President Charles S. Fairchild of the New York Security and Trust company, made the following statement to-day regarding the Lombard Investment company of Kansas City: "My appointment by Judge Caldwell as one of the company's receivers is probably owing to the fact that the company of which I am head is trustee of from $200,000 to $300,000 of the Lombard company's bonds.

"The company has not been paying dividends for some time, but up to the present [illegible]

BUTCHERS GO BACK TO WORK.

Armour Employees Withdraw the Demand That the Schedule Be Signed.

The strike of 150 beef butchers at the Armour Packing company's plant, inaugurated yesterday afternoon, as told in THE STAR, was short lived. The butchers, after discussing the situation, decided to withdraw their demand and return to work, and this morning at 7 o'clock every man was at his post, and the scene at the killing beds up in the top story of the new beef plant was a busy one.

The strike, if such it could be called, was caused by the company refusing to sign a scale of wages similar to the one that has been in force for the past three years, and was not a demand for any increase in wages. Superintendent Tourtelotte had given the butchers assurance that he had no desire or intention to reduce the wages in the future, but the company's officers could not see the necessity of entering into a contract. The company had for years employed thousands of men, and all questions as to wages had been satisfactorily adjusted, yet no written contract with the men had ever been signed.

The butchers' scale is considered fairly good, yet the depression in the packing business has necessitated working on short time. The indications now point to a large increase in the business and the employment of the men on full time. Last week the butchers worked ten hours each day, and with the exception of the time lost yesterday they will probably work full time this week.

MELLOS WILL NOT WAIT.

Rio to Be Bombarded at Once if Surrender Be Not Made.

LONDON, Sept. 20.—A large banking house in this city received an important cable message from its agent at the Brazilian capital this morning. It brings what is considered most trustworthy information as to the state of affairs at Rio. The agent says that Admiral de Mellos, commander-in-chief of the rebel forces in the bay of Rio de Janeiro, sent an officer and a boat's crew ashore to-day bearing a white flag. The officer was allowed to land in Rio and was conducted to the presence of the general in command of the government forces at Rio. To this officer the emissary of Admiral de Mellos presented a letter which contained the ultimatum of the rebel admiral.

Admiral de Mellos, in this ultimatum, declared that he was determined, unless the city of Rio de Janeiro should promptly surrender to the vessels under his command, to proceed to bombard Rio in a manner compared with which all his former efforts in that direction may be considered as child's play. Admiral de Mellos is understood to have given the authorities of Rio but a few hours in which to come to a decision, and to have announced that an unconditional surrender, promptly made, are the only terms which he would accept. In default of this the bombardment would begin immediately after the receipt of a refusal to comply with his demands.

There is no doubting that the rebel admiral is in earnest and that unless the city surrenders promptly it will be bombarded by about thirty vessels of all descriptions from the large war vessel down to the tugboat upon which small guns have been mounted by the rebel forces. It is understood that the rebel admiral will station his fleet around Rio and at a given signal open a fire upon it from all quarters, with all the guns at his command, and a scene of wholesale destruction of property and terrible loss of life is sure to follow. It is reported that these facts have been communicated to the representatives of the powers at Rio and that the latter are doing their utmost to dissuade the rebels from bombarding the city. Up to the time this dispatch was sent, however, the report says the powers and the captains of the foreign war vessels present had been unable in any way to change the determination of the rebel commander.

A state of complete panic and dismay prevails at Rio. The streets are crowded with people carrying as much as possible of their worldly goods upon their backs, others leaving their belongings and all doing their utmost to fly into the interior before the bombardment begins; for it is anticipated that if the city does not surrender