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### WHERE DID THE MONEY GO?

A. B. LYMAN WANTS AN ACCOUNTING WITH THEODORE C. BATES.

**Says \$400,000 Was Collected From Investors to Carry Out the Winner Enterprises and He Wants to Know Where It Went.**

The threatened proceedings for an accounting against Theodore C. Bates by A. B. Lyman, a Baltimore capitalist who has invested in the Winner enterprises, were intensified yesterday, when Mr. Lyman brought suit against Mr. Bates, Francis Amory and the Kansas City & Atlantic Railroad Company. The petition is a very long document and reviews the history of the organization of the Winner enterprises to build the Winner bridge, the Kansas City & Atlantic terminal and carry out other boom plans formulated by Mr. Winner. Mr. Lyman charges Mr. Bates and Mr. Amory, who secured control of the Winner enterprises, with diverting from their proper purpose large sums of money subscribed from time to time by the investors to carry out the specific plans which were formed. He alleges that \$400,000 was subscribed and he wants to know where the money went.

Mr. Lyman sets out that the Kansas City Bridge and Terminal Company, which had a capital stock of \$2,000,000, had built the plan for the Winner bridge, a bridge at a cost of \$2,000,000, and bonded the property for \$2,000,000. The bonds were secured by a mortgage providing that \$200,000 of bonds might be sold for each mile of single track of railway, and \$25,000 for every mile of the bridge.

Under the provisions of this mortgage, \$200,000 of bonds had been issued, \$100,000 for six miles of railway and \$100,000 for the bridge. All these bonds were sold to investors in the United States. There are still in the treasury \$200,000 of bonds to be sold for the completion of the bridge and railway, the estimated cost of which was \$2,000,000.

The North Side Construction Company was organized, with a capital stock of a large number of investors. In May, 1902, the assets of the company were between \$200,000 and \$300,000 and its liabilities only \$200,000, outside of its capital stock. The company was organized to build bridge and terminal railway.

The Chicago, Kansas City & Texas Railway Company was organized with \$2,000,000 capital and \$1,000,000 bonds, to build a railway from Kansas City to the northern part of Missouri.

The Central Syndicate was organized with a capital stock of \$300,000 to deal in real estate.

Bates and Amory held a small amount of bonds of the bridge and terminal company, but were largely interested in the construction and syndicate companies, all of which were Winner enterprises. Bates and Amory formed a plan in 1902 to get control of the various Winner companies, which they carried out, and Bates sold a large amount of bonds and stock of the bridge and terminal company, the proceeds of which were not, according to Mr. Lyman, a statement submitted to the benefit of the company. Shortly after these sales were made, Bates and Amory caused all of the companies to make a general assignment through perfectly solvent and solvent persons, in full and in due conformity, of which Bates and Amory were to have control.

The four Winner companies were to be consolidated with a capital stock of \$4,000,000 and bonded for the same amount. In pursuance of the plan, \$300,000 was collected and paid to Bates and Amory by the Winner investors, to pay expenses and fees on property of the Winner companies consolidated. Mr. Lyman held \$250,000 of the bonds and \$150,000 of the stock of the Kansas City Bridge and Terminal Company. The mortgage on the latter company's property and that of the Chicago, Kansas City & Texas Company was foreclosed and sold by Bernard Shaw, of London, attorney for Bates and Amory. The property of the Central Syndicate Company was allowed to go to waste and was abandoned and the assets of the construction company were not realized on. Bates and Amory refused to issue to Lyman the \$150,000 of stock in the Kansas City & Atlantic Railroad Company under the reorganization and refused to deliver the \$250,000 of bonds held by him.

Notwithstanding the plan of reorganization was entered into in 1902, and first mortgage bonds were cancelled in 1902 and large sums have been subscribed by investors to carry out the plan, no account has been made to complete the enterprises planned for and the property of the Central Syndicate Company and the North Side Construction Company has been dissipated and lost.

Mr. Lyman charges Bates and Amory with investing a large amount of the trust funds held by them in outside speculation, notably the sum of \$400,000 in the stock of the Horticultural and Fair Association. Notwithstanding a large amount of the trust funds of the Chicago, Kansas City & Texas railway was donated in consideration of a free driveway across the bridge, the trustees spent large amounts of money in securing the cancellation of such claims from the charter. The \$1,500,000 first mortgages to Lyman and the second mortgages are entitled to the proceeds of the sale of any of the assets of the trust company. No account has ever been made of the proceeds of the sale of the stock and bonds for the use of the money paid to the defendants, nor of the disposition of the proceeds of the sale of the first mortgage bonds of the Kansas City & Atlantic Railway Company.

Mr. Lyman asks that Bates be required to deliver to him \$150,000 of the stock of the Kansas City & Atlantic Railway Company, that all the first mortgage bonds of the company be declared void, and a complete accounting for all money received and expended by the defendants.

PRINCE OF BLUFFERS.

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