

**BOX
2
FOLDER
16**

Chamberlain

1910-1911

✓
CORPORATION COUNSEL,
CITY OF NEW YORK.

June 30, 1910.

Hon. William J. Gaynor,

Mayor of The City of New York.

S i r:

I am in receipt of your favor of the 29th instant, in the course of which you ask certain questions, which I answer as follows:

1. The power to audit and fix claims against the City is vested in the Comptroller by section 149 of the Charter, and in him solely.

2. The Mayor has no power to revise, overrule, set aside, reduce or modify in any way or to any extent an audit of a claim by the Comptroller. The Comptroller's audit is conclusive on all city officials. See People ex rel. N.Y.&c.R.R.Co. v. Havemeyer, 3 Hun 97; People ex rel. Tucker v. Opdyke, 40 Barb. 306.

3. The present Comptroller, when he assumed office on January 1st of this year, had no power to revise, overrule, set aside, reduce or modify in any way the audit of the Cohalan claim by Comptroller Metz, his predecessor in office. See Osterhout v. Rigley, 98 N.Y. 222; People ex rel. Smith v. Carr, 174 N.Y. 258; People ex rel McCabe v.

1
Hon. William J. Gaynor, -2-

Mathis, 179 N.Y. 242, 251.

4. The clerk designated by the Mayor under the Charter to countersign warrants, has no duty or power in the matter except the formal one of countersigning such warrants, when transmitted to him in due form. The countersignature of the Mayor or the Mayor's clerk might be compelled by mandamus. People ex rel N.Y.&c.R.R.Co. v. Havemeyer, 3 Hun 97; People ex rel Tucker v. Opdyke, 40 Barb. 306.

5. The chamberlain has no power to revise, overrule, set aside, reduce or modify in any way or to any extent an audit of a claim by the Comptroller. The Chamberlain has merely the formal duty of designating the particular bank which shall pay the warrant for which purpose the Chamberlain signs the check form attached to the warrant. His signature to this check, if withheld, would be compelled by mandamus.

The cases recently settled include those to which you refer, with a few others added. The State has no interest in the money collected, all of which, less the expense of collection, including expert witnesses and compensation of counsel designated by the Attorney General, belongs to the City. I think my department is adequate to

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3.

Hon. William J. Gaynor, -3-

handle such cases, but the Tax Law commits them to counsel designated by the Attorney General.

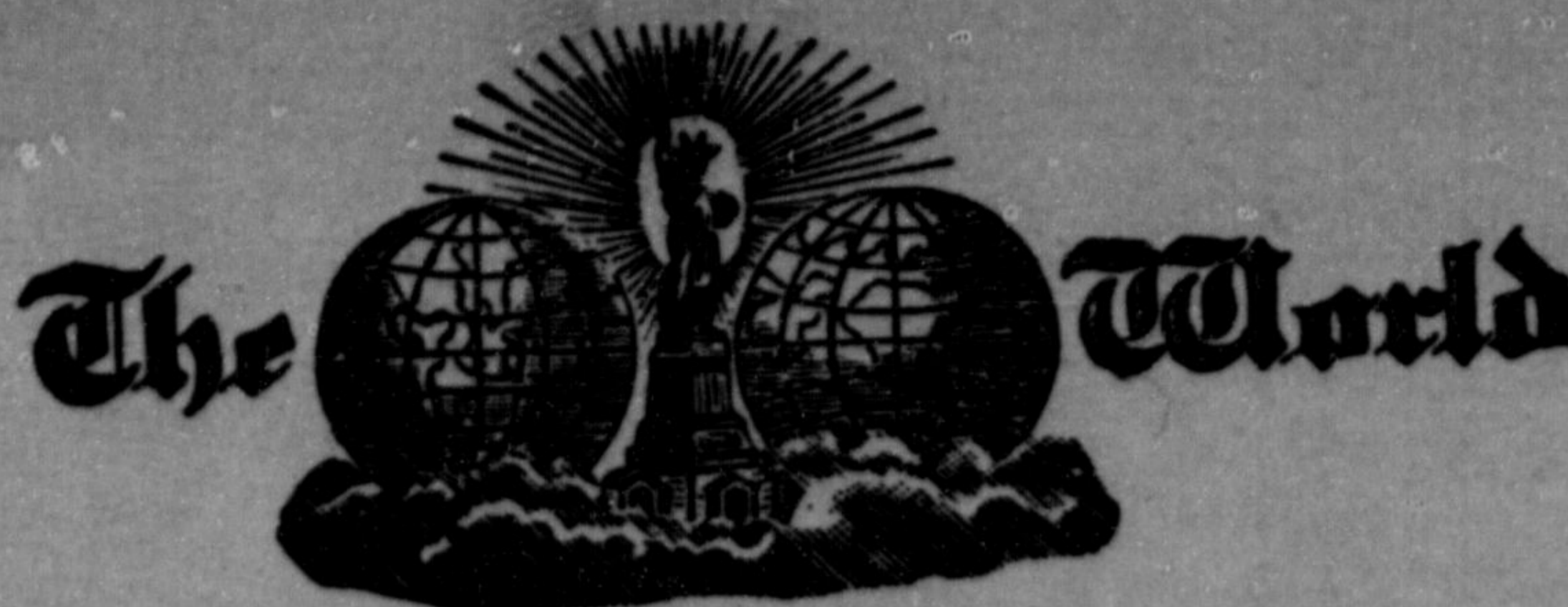
Respectfully,

McLuskie R. Walton

Corporation Counsel.

June 30/1910

ack Mayors Letter
of the 29th re. to the
Power of the Mayor
as to Claims & Ck



EDITORIAL ROOMS.
Pulitzer Building, Park Row, N. Y.

December 27, 1910.

Hon. William J Gaynor, Mayor,
City of New York .

Sir:-

October 14, 1910, Frank Gardner, a former State Senator, was indicted by the Grand Jury of this County on a charge of attempting to bribe Otto Foelker, to vote, in 1908, against the Agnew-Hart Anti-Race-track bill.

October 19, 1910, Assistant District Attorney Elder, of Kings County, swore before the Legislative Joint Investigating Committee, in the Aldermanic Chamber in the City Hall, that the said Gardner had informed him that a fund of \$500,000, five hundred thousand dollars, had been subscribed to defeat the said Agnew-Hart bills. Said Elder swore further that the fund had been determined on by a few men deeply interested in racing, and that, still according to Gardner, the men included Charles H Hyde, now the City Chamberlain of this city, and your personal appointee.

Mr Hyde was seen , I was informed at the time, in the Aldermanic Chamber, an interested witness of the proceedings while Mr Elder was testifying.

The Legislative Investigating Committee, through its counsel, M.Linn Bruce, announced that it would be glad to have the testimony of any and all men mentioned in the course of Mr Elder's testimony, and would not issue subpoenas for such men unless such a course proved to be the only way of obtaining their presence before the Committee . The name of Mr Hyde was mentioned then as one of those who would not be subpoenaed for the present, and the newspaper men were requested to advise Mr Hyde



EDITORIAL ROOMS.
Pulitzer Building, Park Row, N. Y.

Hon. W. J. Gaynor. 2.

that they, the Committee, would be glad to have him appear as a voluntary witness in relation to the matters that had brought his name into the Committee's proceedings.

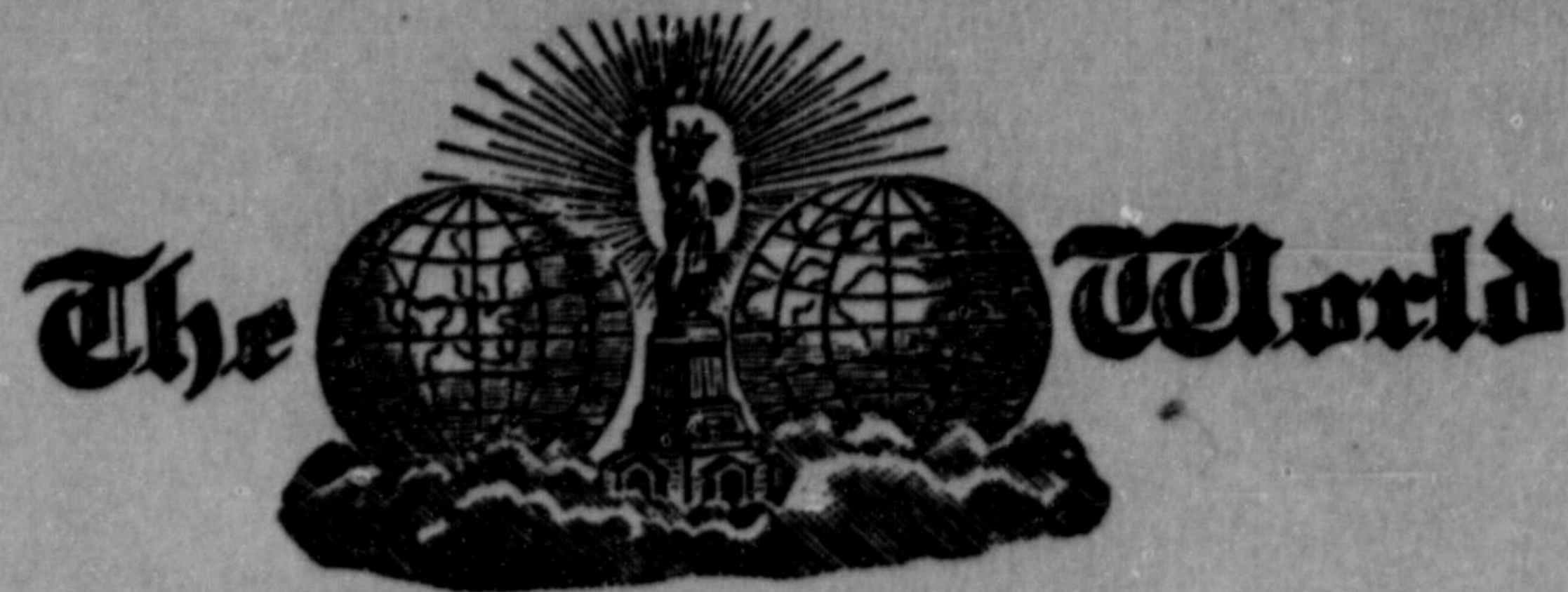
Mr Hyde was so advised by several newspaper men that night, October 19, but declined to comment on any of the day's events or testimony. The name of said Hyde was brought into the testimony taken before the said Committee on several other occasions, both by Mr Elder and by other witnesses, all the testimony relating to him being of the same general tenor, that he was a party to, or deeply interested in, an attempt to defeat the Agnew-Hart bills, by methods involving corruption.

Said Hyde has never appeared before the Legislative Joint Investigating Committee, though Mr Bruce is authority for the statement that Mr Hyde had told the committee's counsel he would surely appear voluntarily and need not be subpoenaed.

On the other hand, Charles H Hyde, the City Chamberlain, has been absent from his office in the City Hall for a month or more. None of the clerks in his office seem to know where he is at any moment, and none can tell today where he is. The general impression seems to be, in his office and at Mr Hyde's home at Roslyn, that the City Chamberlain is duck-hunting in the South, and there is not the slightest information to be obtained as to the date of his return.

The Joint Legislative Investigating Committee is engaged in preparing its report which must be submitted to the Legislature early in January. The process servers of the Committee, I am informed, have reported that they cannot locate Mr Hyde.

The New York World believes that the failure of Mr Hyde to present himself before this Committee constitutes a grave public scandal.



EDITORIAL ROOMS.
Pulitzer Building, Park Row, N. Y.

Hon. W.J. Gaynor. 3.

dal. An impression must remain that this important official of the city, a man intrusted with the care of the city's funds, knows something which he does not care to tell of an attempt to bribe legislators in 1908.

The New York World further believes that the continued absence of the City Chamberlain from his office is most scandalous, and detrimental to the public service, unless it can be shown that there is a good and valid reason for such absence, and unless the same is with your knowledge and consent.

The World therefore asks, through me, specially assigned to the task, that you demand of Mr Hyde an accounting for his absence, or that the public be given some official explanation of its necessity.

I have the honor to be, Sir,

Respectfully yours,

R. O. Scallan
City Editor.

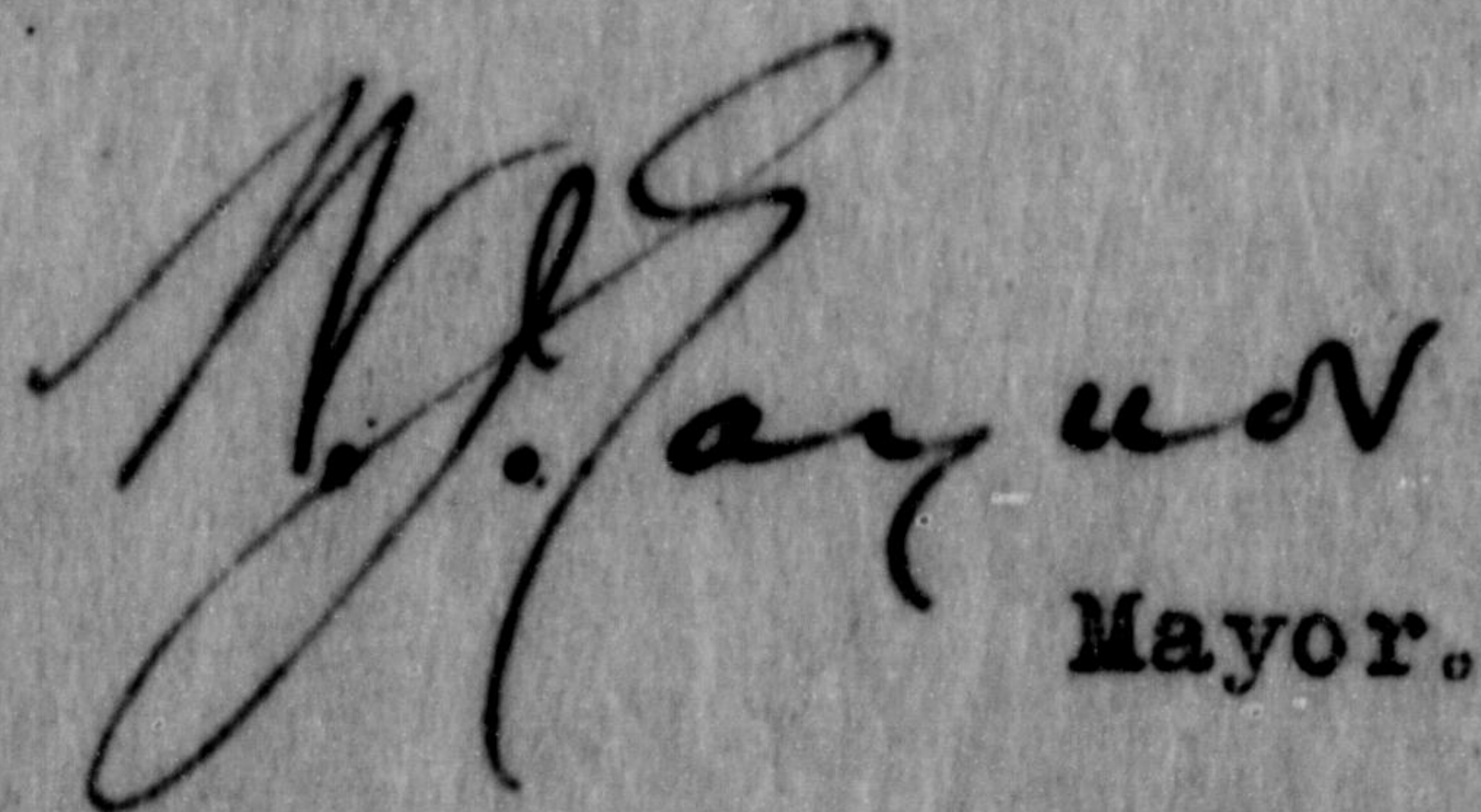
New York World .

Jan. 10, 1911. M

Sir:

I notice a disposition on the part of some to say that the city is likely to lose its deposit in the Carnegie Trust Company. I have been informed differently, namely, that the bank has not been looted or mismanaged, but that all of its securities and assets are intact, which of course means that the depositors are all certain to be paid in full. Do you understand this to be the true state of the case?

Very truly yours,


Mayor.

Henry J. Walsh, Esq.,

Deputy City Chamberlain.

11-2-9



CITY OF NEW YORK
OFFICE OF THE CHAMBERLAIN

January 10, 1911.

CHARLES H. HYDE,
CHAMBERLAIN.

HENRY J. WALSH,
DEPUTY CHAMBERLAIN.

Hon. William J. Gaynor,
Mayor, City of New York.-

My dear Mr. Mayor:

In answer to your note of this date, I will state that I have no reason to believe that the depositors of the Carnegie Trust Company will not be paid in full.

It is my understanding that its securities are all intact, and that there has been no looting of the bank. It was not put on the list of City depositories recently. It has been on such list for several years.

Very truly yours,

Deputy Chamberlain.

Jan 10/1911
From J. J. Chamberlain
to Carnegie Trust

Deputy Chamberlain.

Chamberlain

Chamberlain



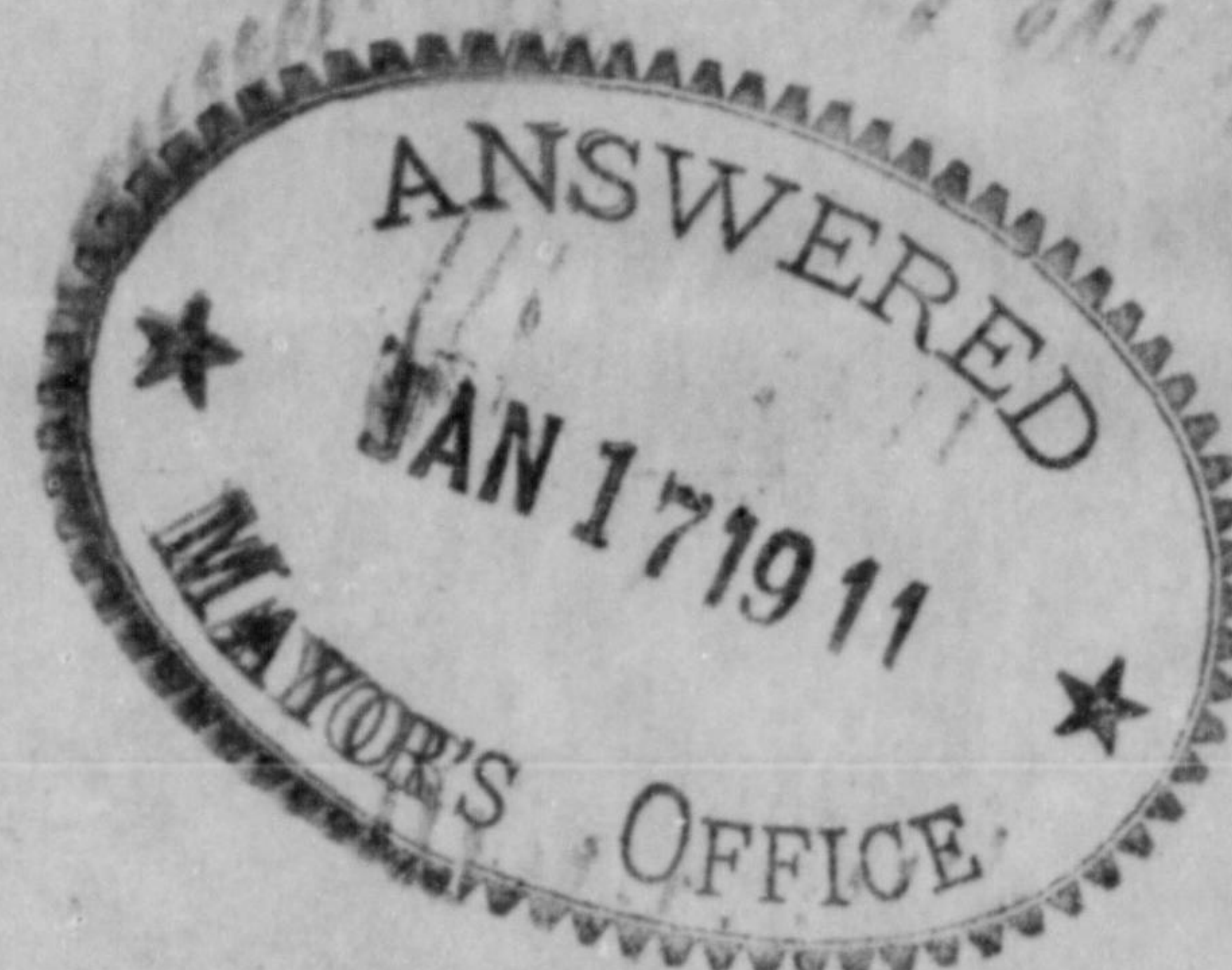
CITY OF NEW YORK
OFFICE OF THE CHAMBERLAIN

CHARLES H. HYDE,
CHAMBERLAIN.
HENRY J. WALSH,
DEPUTY CHAMBERLAIN.

January 16, 1911.

Hon. William J. Gaynor,
Mayor.-

My dear Mr. Mayor:



Having suffered for some time from a painful malady, commonly known as kidney stones, last summer I was advised to go away and rest for a protracted period. When I spoke to you of the matter and offered to resign my office, if deemed advisable, you readily granted me a leave of absence. Again in November I had a severe recurrence of the trouble and the physicians having again urged me to go away, I renewed my offer to resign, but you thought it unnecessary and granted permission for me to take the necessary time to, if possible, ward off further attacks by a complete rest.

Notwithstanding this I learn that after I had been away for a short time, certain newspapers started the false statement that I went away to avoid being subpoenaed by a Legislative Committee. As you know there was no ground for that statement. I was here in the city and daily at my office for three months that the Committee was in session and was never subpoenaed or requested to go before the Committee.



CITY OF NEW YORK
OFFICE OF THE CHAMBERLAIN

CHARLES H. HYDE,
CHAMBERLAIN.
HENRY J. WALSH,
DEPUTY CHAMBERLAIN.

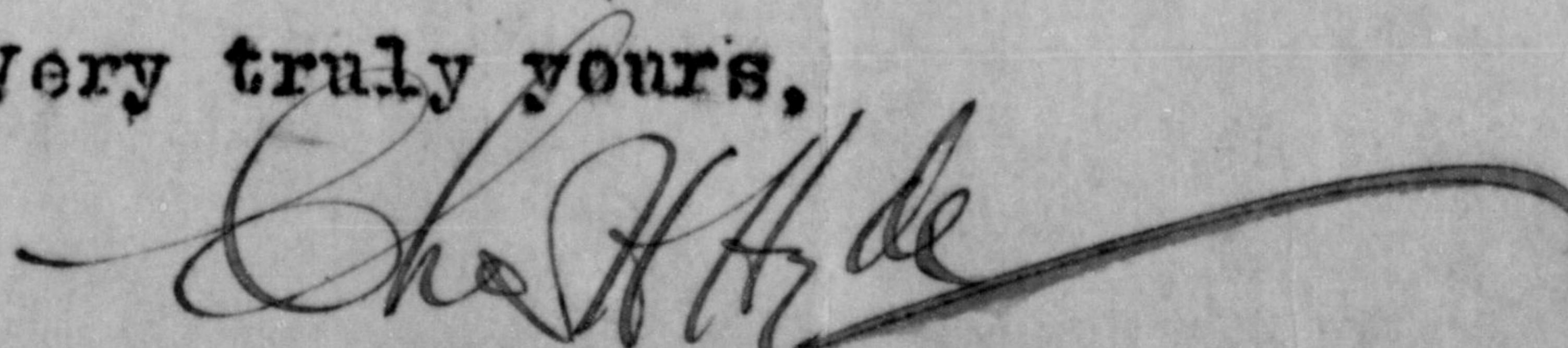
Hon. William J. Gaynor, - 2 -

There was no reason why I should go before the Committee. The Chairman of the Committee informed me that I was not to be subpoenaed and the Chief Counsel to the Committee publicly announced that I was not to be subpoenaed. Nevertheless, these certain newspapers took advantage of my absence to make the false statement which I have mentioned and it seems to have been copied by some respectable newspapers.

A certain person, whom those who know him best would not believe under oath, had gone before the Committee and testified that another person told him that someone else, who is not named, told him that certain gentlemen, of whom I was one, had sat down to dinner at Delmonico's and raised \$500,000, to oppose race track legislation at Albany. I certainly never had the slightest inclination to contradict such a piece of untraceable hearsay as that.

Although slight recurrences indicated that I was not yet to be free from the malady, immediately upon hearing of the bank failures I returned to my desk.

Very truly yours,


Chamberlain.

Jan 16/1911

Thom H. Hyde
to the Mayor - re
to his absence
from the City

Jan. 17, 1911. m

Dear Mr. Hyde:

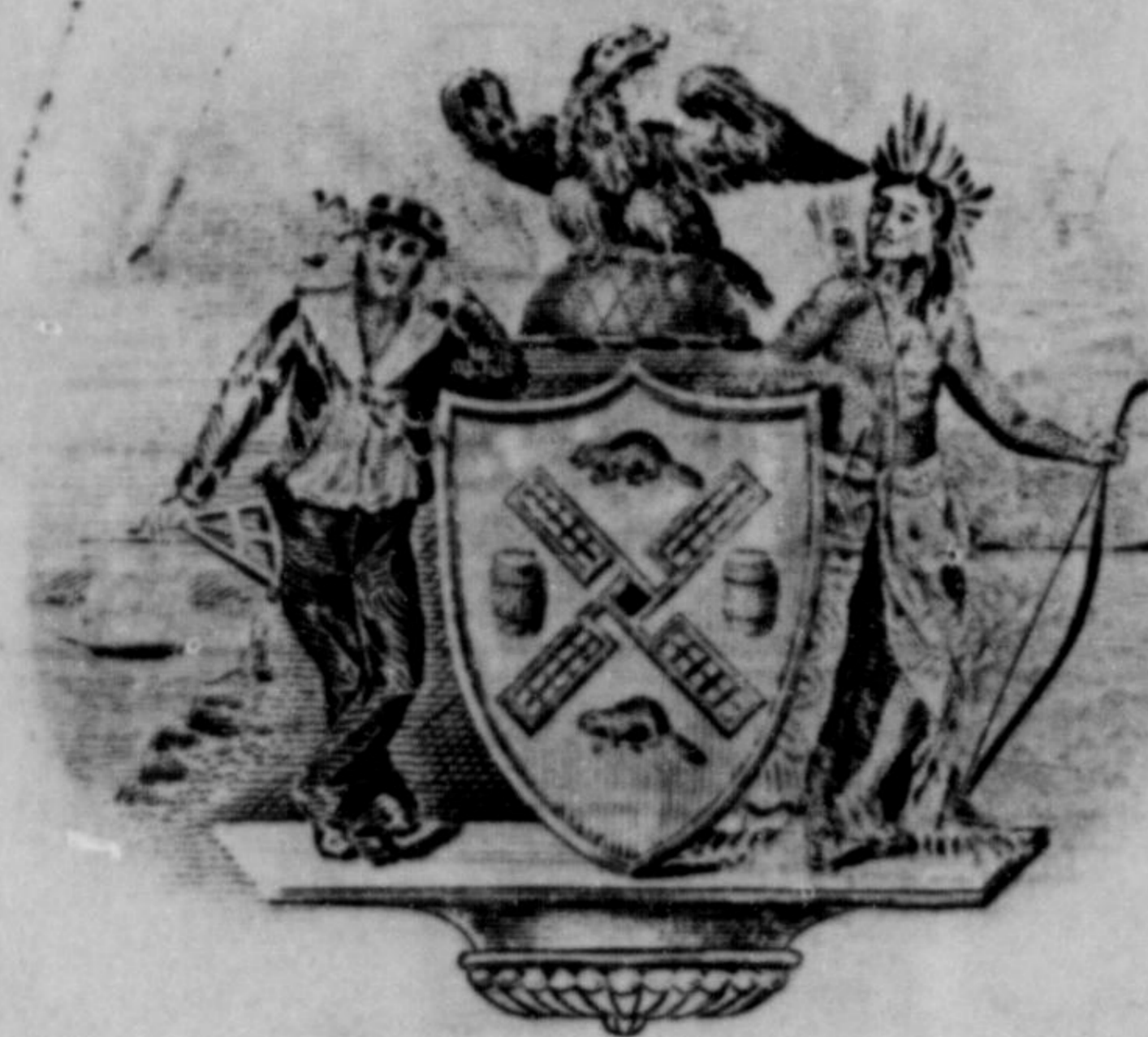
✓ Your letter is at hand.
I am not surprised that you feel
hurt at the way you have been
treated by some newspapers. But
let us not be affected by that.
I know of no way to prevent it,
and if I did I do not know that
I would take the trouble to try
to prevent it. I rely on the
good sense of intelligent people.

It has been called to my
attention that it is stated that
you were asked by the Comptroller
to withdraw the city deposits
from the Robin bank. I would like
a full statement of how deposits
came to be made in that bank, of
who made the deposits, and all
about the matter.

Sincerely yours,

W. J. Gaynor
Mayor.

Charles H. Hyde, Esq.,
City Chamberlain.



CHARLES H. HYDE
CHAMBERLAIN.

CITY OF NEW YORK
OFFICE OF THE CITY CHAMBERLAIN

January 18, 1911.

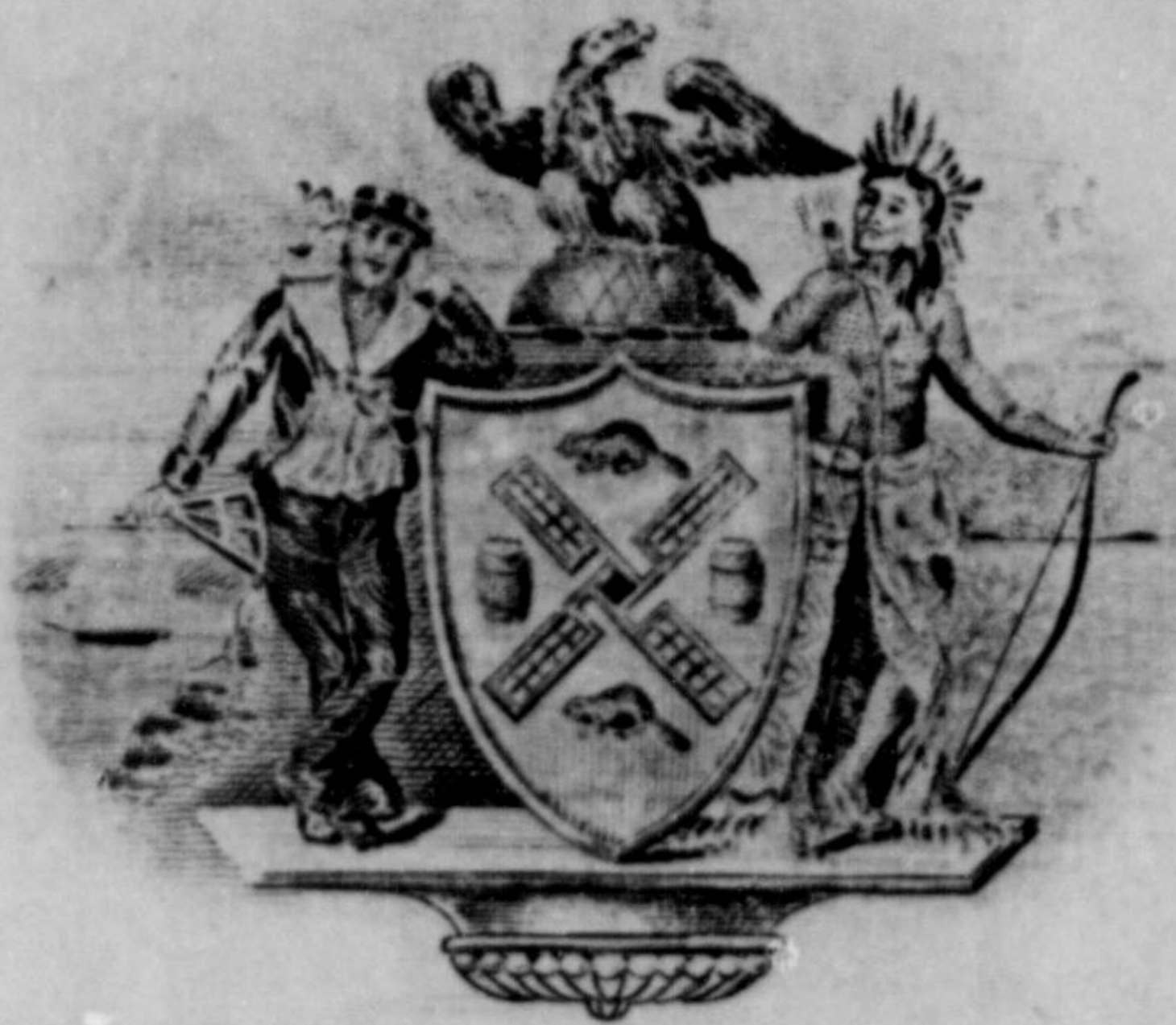
Hon. William J. Gaynor,

Mayor.-

Sir:

Your letter of January 17 is at hand.

In the latter part of January, 1910, the Comptroller came to me personally and requested me to designate the Northern Bank as the depository of taxes in the Bronx Borough. I knew nothing of the bank, but he assured me that it was a sound and conservatively managed institution. I afterwards learned that he had been a stockholder and director and that Mr. Henderson M. Wolfe, the Chief Auditor in his office, had been Vice-President of the bank. I thereupon directed that it be made the depository of Bronx tax receipts. My office has never deposited any money in that bank. The only deposits made in that bank were by the Comptroller and some smaller amounts by the Water Registrar and President of the Borough. The public statement of the Comptroller that he afterwards asked me to draw the money out of the bank is an absolute untruth and no one knows better than you the extent to which he can carry untruthfulness and deceit. Never did he make any such request of me. On the contrary the Comptroller continued to deposit the tax receipts in the said bank from day to day up to the day ✓



CHARLES H. HYDE
CHAMBERLAIN.

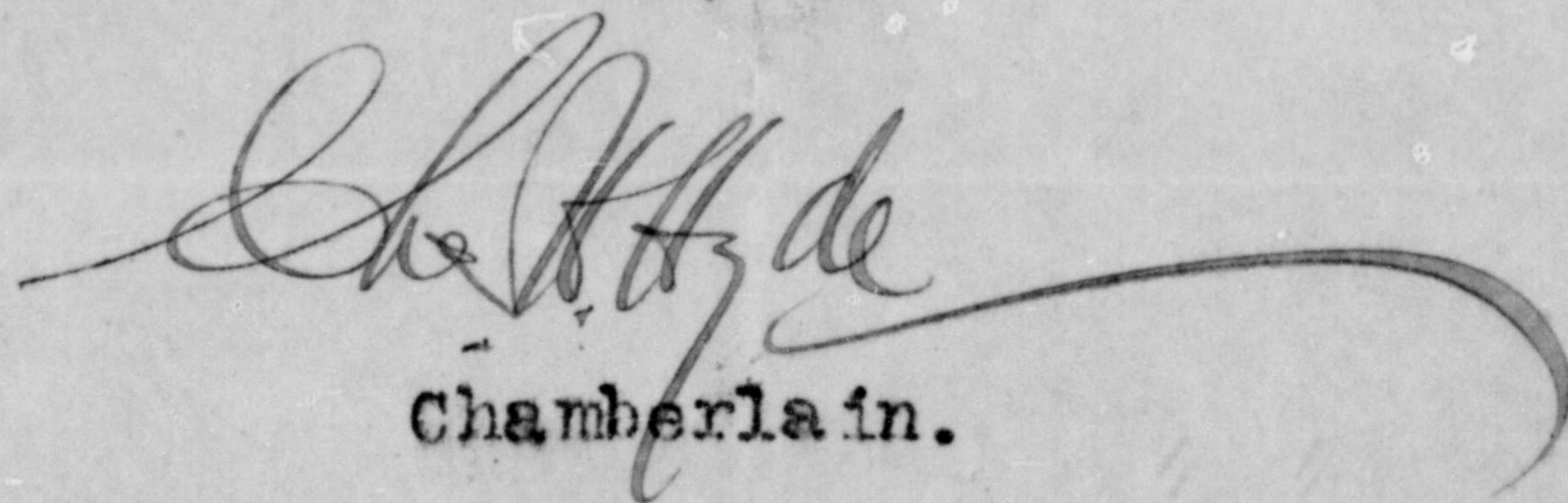
CITY OF NEW YORK
OFFICE OF THE CITY CHAMBERLAIN

Hon. William J. Gaynor, - 2 -

of its failure, which occurred during my recent absence. I repeat that I never deposited any of the city money in the said bank and in designating it as the depository of taxes as they were collected by the Comptroller's department, I acted solely on the Comptroller's request and assurance.

As to the Carnegie Trust Company, before I put any money in that institution, I consulted representatives of the State Banking Department and it was strongly vouched for by them as a solvent and well managed bank.

Yours very truly,


Chamberlain.

Jan 18/1911

Ac. to Jan 17/11

From C. P. Hyde

Ac. to deposits

in the Northern

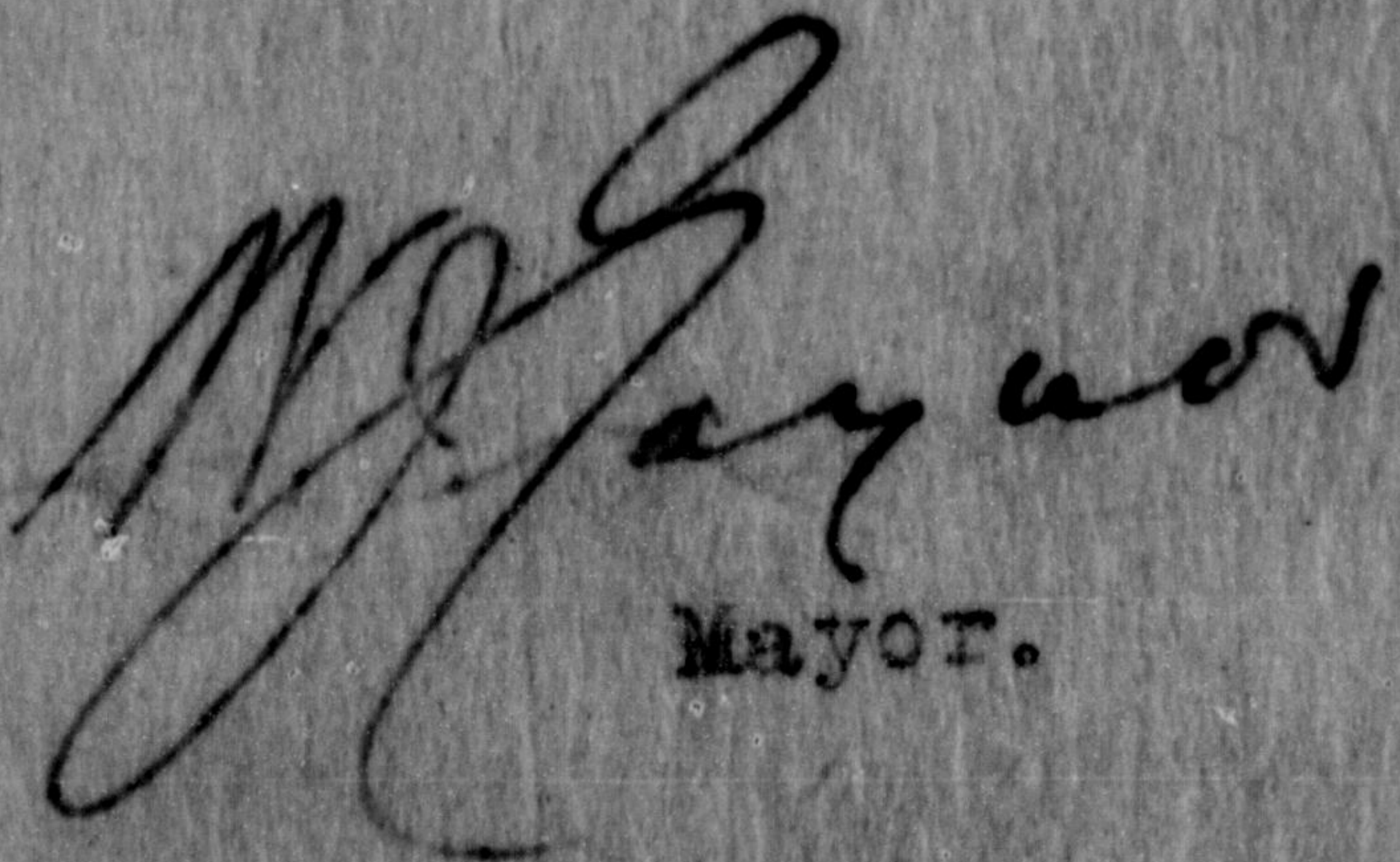
Bank &c

Jan. 19, 1911.m

Sir:

Your letter of yesterday is at hand. I note what you say of how the Robin or Northern Bank came to be designated as a city depository, and who made the deposits in it. While I am unable to attach blame to you in the matter, I must request that hereafter you consult with me in such matters before acting. Please also go over the list of depository banks, and mark those which you think ought to be stricken off. No wild-cat bank like Robin's bank should be on the list at all. When you have thus revised the list please submit it to me. The list has been growing for many years, and it is high time that it be revised. You will remember that I stated at the meeting of the Banking Commission early in January last that I thought the list was altogether too extended and should be curtailed. I am of that opinion still, and yet I may be wrong about it, and desire to have your judgment on the subject. I am aware that the deposit in any one bank should not be too large, and in order to avoid that result we have to have a considerable number of banks for city depositories.

Very truly yours,


Mayor.

Charles H. Hyde, Esq.,

City Chamberlain.

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I N T H E M A T T E R

-of-

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the Application of ALFRED EPSTEIN
for the Removal of CHARLES H. HYDE
City Chamberlain.

TO HON. WILLIAM J. GAYNOR,
Mayor of the City of New York
New York City.

ALFRED EPSTEIN
COUNSELOR AT LAW
320 BROADWAY
NEW YORK

New York, January 7th, 1911.

Hon. William J. Gaynor,
Mayor of the City of New York,
City Hall, New York City.

Honorable Sir:

I respectfully petition your Honor to remove CHARLES H. HYDE from his office of Chamberlain of the City of New York, for the following reasons:

FIRST: That he has unreasonably and without cause absented himself from his official desk, and has not performed his duties as City Chamberlain since the 1st day of December, 1910, and that during the entire months of June and July, 1910, he absented himself from his office, and that in August, 1910, he attended at his office only on eight days, in the month of September, only three days, in the month of November only fourteen days, and that during the year of 1910, he did not report at his office for 224 days, Sundays and Holidays inclusive, for which he has received compensation, as provided for in Section 196 of the Greater New York Charter.

SECOND: That by reason of his continued absence from his office during the month of December, 1910, and up to January 7th, 1911, he has allowed the funds of the City of New York entrusted to him to be placed in jeopardy of being lost by the closing of the Northern Bank of New York, and the Carnegie Trust Company, in which he had deposited as Chamberlain, \$200,000. and \$650,000. respectively. That he had reasonable cause to believe that the Northern Bank was in a precarious condition, and should not have deposited any moneys of the City in that bank after he became aware of that fact.

THIRD: That he has, in violation of law, as such City Chamberlain and as trustee of the moneys of the City of New York, improperly invested the funds of the

City of New York in mortgages on real estate in excess of sixty per cent of the true and fair valuation of said property, inasmuch as that on April 8th, 1910, he loaned \$18,000. to William and Lillian Stern, on mortgage of premises No. 1143 First Avenue, at five per cent. Assessed value, 1910, \$22,000.

On April 23rd, 1910, he loaned \$15,000. to Samuel and Mamie Lehrer at five per cent on premises at 121st Street and Second Avenue. Assessed valuation, \$18,000.

On May 5th, 1910, he loaned \$50,000. to Golde & Cohen on premises No. 36 Convent Avenue. Same day Golde and Cohen mortgaged No. 30 Convent Avenue to Ruth W. Price of Elberon for \$27,500. Whole block of five numbers assessed at only \$100,000.

On May 20th, 1910, he loaned \$18,000. to Fred A. O. Schwarz, as payment for assignment of \$18,000. mortgage on No. 326 East 26th Street; assessed value, \$20,000.

On June 1st, 1910, he loaned \$125,000. to J. F. and Minnie Menke for mortgage on premises at Thames and Greenwich Streets; assessed value \$145,000.

On June 1st, 1910, he loaned \$45,000. to Henrietta Hirsch for assignment of mortgage of same amount on premises No. 1435 Madison Avenue; assessed value of premises, \$45,000.

He also purchased three mortgages from the Astor Mortgage Company, aggregating \$181,000., as follows:

A mortgage of \$75,000. on 454 Broadway, the assessed value being \$90,000.; a mortgage on No. 39 W. 17th St. for \$70,000., the assessed value being \$80,000. and a mortgage of \$36,000. on No. 568 W. 173rd Street, the assessed value being \$36,000.

That by reason of the aforesaid investments, the funds of the City of New York may be lost, and the City Treasury thereby depleted.

I respectfully ask that your Honor notify MR. CHARLES H. HYDE of these charges, and that you set the matter down for a hearing, when I can examine Mr. Hyde in reference to these matters, and produce the evidence to substantiate the charges.

Very respectfully yours,

Alfred Coxter
320 Broadway
N.Y. City

Chamber

ALFRED EPSTEIN
COUNSELOR AT LAW
320 BROADWAY
NEW YORK
TEL. 1912 WORTH

January 9th, 1911.

Hon. William J. Gaynor,
Mayor of the City of New York,
City Hall, New York City.

Honorable Sir:

In relation to the Charges, which I have filed with your Honor, requesting the removal of Mr. Charles H. Hyde as Chamberlain of the City of New York, I desire to take this occasion to state that I am not actuated in so doing by any personal feeling or animosity against Mr. Hyde. I bring these charges as a citizen, and honestly feel that Mr. Hyde has not properly attended to his duties, and that there is and has been grave danger of the City's moneys being lost, through the failure and closing down of two banks, and by reason of the continued absence of Mr. Hyde from his office.

Before bringing these charges, I have taken the occasion to interview a number of my clients and business men of this City, and in every instance, found them quite indignant over the situation, and a number of them have even gone so far as to characterize his actions as outrageous, and that he should be removed from office, solely by reason of the fact, (if for nothing else) that he has absented himself from his duties for the greater part of the year of 1910.

In conclusion, I again state that I am sincere in my belief that Mr. Hyde has forfeited his right to hold the

ALFRED EPSTEIN
COUNSELOR AT LAW
320 BROADWAY
NEW YORK
TEL. 1912 WORTH

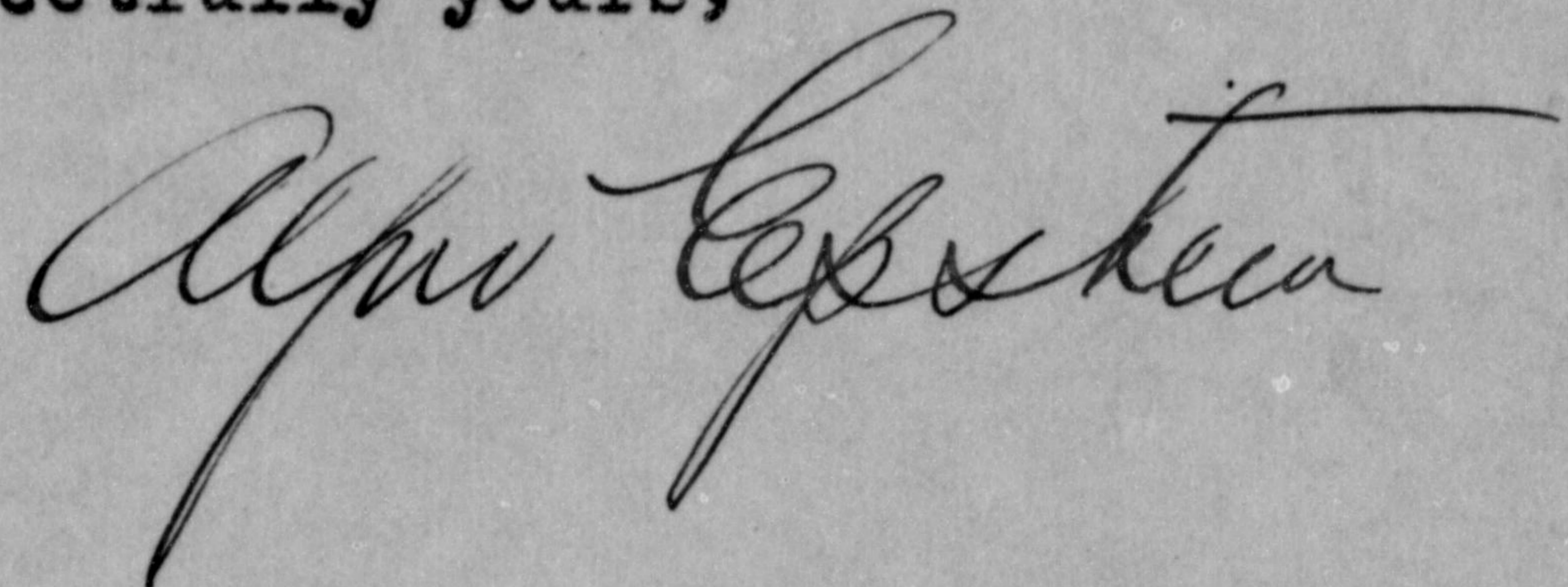
January 9th, 1911.

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high office of City Chamberlain of the City of New York, and that it is out of pure public spirit that I am actuated in presenting the charges.

I would urge that your Honor give this matter a speedy hearing, as any delay might tend to reflect upon your administration.

Very respectfully yours,

A handwritten signature in cursive script, reading "Alfred Epstein". The signature is written in dark ink and is positioned below the typed name "Alfred Epstein".

From L. Stern, Paterson, N.J
who states that he was at one time
a business associate (in some small
corporation) of Epstein, the lawyer
and "professional taxpayer", and
relating how through collusive and
fraudulent bankruptcy proceedings on
the part of Epstein and his colleagues
he has lost the money invested by
him. He says he is now without
funds to press the matter , and asks
if you cannot assist him to get just-
ice and have these people punished.



ESTABLISHED 1864.

TEL 1779 R. PATERSON

MCCULLOCH'S MILLINERY

L. STERN.

HEADQUARTERS FOR

Fashionable Millinery,

Trimmed and Pattern Hats.

MOURNING GOODS A SPECIALTY.

42 MAIN STREET.

PATERSON N. J.

Jan. 20th 1901

Hon Mayor Gaynor

New York

Dear Sir.

Writer of this letter was ruined
in business by Alfred Eppstein,
the lawyer 320 B'way on Febr.
4th 1910. Through crooked ways,
which I will describe, mean try to do so.
Alfred Eppstein of Eppstein Bros
went, on the 4th day of February 1910,
a director, who also was Secretary
and treasurer, by the name of Robert
Zelter, of the Emergency Baggage
Repair Co. a \$10,000 corporation,
with 400 shares of \$25⁰⁰ par value, of
which Co. I was President and held 322
shares



ESTABLISHED 1864.

TEL 1779 R. PATERSON

MCCULLOCH'S MILLINERY L. STERN.

HEADQUARTERS FOR

Fashionable Millinery,

Trimmed and Pattern Hats.

MOURNING GOODS A SPECIALTY.

42 MAIN STREET.

PATERSON N. J.

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shares, buying up claims against
the Co., by the Manhattan Trunk Co.
and had bookkeeper, who had no
authority to assign claim to Robert
Zelter and to M. Weller & Co.
75 Greene St., whom he forced to sell
claim to a fictitious party and Zelter
paid for a p/42. - \$60.00 and got one David
Goldsmith, Trunk Manufacturer of the firm
L. Goldsmith & Co Newark, who he claimed a
client of his, to join to bring bankruptcy
proceedings against the Emergency Baggage
Repair Co 25 & 29 E 14th Street in the U. S.
Court Southern District and made a false
affidavit in regard to the value of the
Merchandise. The purpose was to have



ESTABLISHED 1854.

TEL 1779 R. PATERSON

MCCULLOCH'S MILLINERY

L. STERN.

HEADQUARTERS FOR

Fashionable Millinery,

Trimmed and Pattern Hats.

MOURNING GOODS A SPECIALTY.

42 MAIN STREET.

PATERSON N. J.

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a receiver appointed and get secret bids for the business and turn the business over to Robert Zeller with the help of Goldsmith. Fought the case till my funds gave out, before referee Peter B. Olney, who has the testimony in the case, and was compelled to sell my stock in the Co to Goldsmith in May and Mr Goldsmith after finding out that he was roped in this matter by Eppsteins, on the advice of his lawyer in Newark and in order to save himself, paid \$2000. To my lawyer, which money I took to the 14th Street bank to get released on the Emergency Co's note, which I had ^{personally} endorsed and ~~was a~~ balance due of \$3500 - and by that means Mr. Goldsmith was able to have the Co declared bankrupt and get the assets



ESTABLISHED 1864.

TEL 1779 R. PATERSON

MCCULLOCH'S MILLINERY

L. STERN.

HEADQUARTERS FOR

Fashionable Millinery,

Trimmed and Pattern Hats.

MOURNING GOODS A SPECIALTY.

42 MAIN STREET.

PATERSON N. J.

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IV
sold. Forgot to state that Epstein
acted for the receiver H. Osterman
320 B'way, as well for Goldsmith and
the false creditors. assigned by and through
A. Epstein crookedness and put in a claim ^{against and} now
for all of the receipts, as good for myself, themselves
Have been trying through Mr. Hayman & B'way
in Feb, 1910 to get the men, indicted, that
forced the Co in Bankruptcy, but owing that
I had no money to fight the bunch no
lawyer would take it up, as it takes
time and money to do these things, besides
I couldn't get the evidence, as all parties
to the crookedness stuck together.
Reason for writing this letter was, whether you
couldn't assist me to get justice and have
these crooks punished by law. Mr. McNeil
Room 411. Equitable Life Bldg has a copy of the evidence
taken before Seth B. Mney and can give you



ESTABLISHED 1864.

TEL 1779 R. PATERSON

MCCULLOCH'S MILLINERY L. STERN.

HEADQUARTERS FOR

Fashionable Millinery,

Trimmed and Pattern Hats.

MOURNING GOODS A SPECIALTY.

42 MAIN STREET.

PATERSON N. J.

190

all the facts.

As regards myself would refer
you to the Mayor A. J. Mc Bride
here, Hamilton Trust Co. Paterson N.J.
Mr. H. Heidelberg manager 14th Street
Cashier Mr. Amis 14th Street. Bank

Mr. Haymon lawyer 198 B'way 5th floor.
Hope have not tired you out and that you
can refer me to somebody that
would take my case, and see what
crookedness there is done through
bankruptcy proceedings and collusion of
receivers & lawyers. Thanking you beforehand
for trouble remain very truly

L. Stern.

42 Main Street

✓
CORPORATION COUNSEL,
CITY OF NEW YORK.

2
January 24, 1911.

Robert Adamson, Esq.,
City Hall,
New York City.

My dear Mr. Adamson:

Just a word in relation to the Surety Company's bond in the Northern Bank matter, in case you may desire to speak to the Mayor about it: The amount of our bond was \$150,000; deposits \$200,000. In case we should make a demand of the Surety Company for \$150,000, they would no doubt at once pay it, and thereupon be subrogated in law to our claim against the Bank to the extent of \$150,000. Should the Bank thereafter pay only 50% to depositors, the City would lose \$25,000, being 50% of the balance not covered by the surety bond. Should, however, the City be paid by the Bank 50% of its deposit there, to-wit \$100,000, then the Surety Company bond would cover the entire balance. My first thought was to make a demand upon the Surety Company at once, but upon reflection I decided it to be wiser to defer such action for the present.

Sincerely yours,

McClure & Watson

Corporation Counsel.

Jan 24/1911

Re. to Furety's Co
Bond for the
Deposits in the
Northern Bank

Feb.2,1911.k

S i r :

Last year an attorney named Alfred Epstein brought a so-called taxpayer's action in the name of "Julia Smith" against the mayor. The allegation of the complaint therein was that the mayor signed or countersigned a certain warrant against the city. It was entirely false. The warrant had been signed and completed before I became mayor, and he knew it. With great difficulty the plaintiff Julia Smith was located and found to be a manicure girl, an acquaintance of Epstein. It has not been found after diligent search that she owns real estate and is a taxpayer, as the complaint alleges. Recently after the failure of the Carnegie Trust Company Epstein began an action in the name of another alleged taxpayer to stop payment of the city chamberlain's salary, and also made charges against him to the mayor. It is now found that he presented three promissory notes of \$5,000 each to the Carnegie Trust Company, purporting to be endorsed by Heineman Bros., a responsible business concern, and had them discounted on the strength of such endorsement, and

drew out the money. I send you herewith testimony and affidavits of Hon. Leslie M. Shaw, former Secretary of the U. S. Treasury, and afterwards President of the said trust company, of Paul H. Sheridan, Secretary of the said trust company, and of Henry A. Rubino, showing that when the said notes were maturing the said Epstein told them that the said endorsement was a forgery by him or with his knowledge; and also the affidavit of Mr. Heineman, doing business as Heineman Bros., that the said endorsement was a forgery. This testimony also is that a financial statement submitted to the said trust company by Epstein to obtain such discount was false; that instead of being worth \$48,000 in assets as therein shown, he was worth nothing. Sooner than have the matter made public the trust company received other securities from Epstein which turned out worthless. Inquiry also discloses that Epstein is one of a large number of similar people who follow in the wake of certain sensational newspapers and help in the manufacture of false news and sensations. Unfortunately respectable newspapers sometimes publish their false statements as though they were from credible sources. I also have evidence that a sensational and untrustworthy newspaper paid Epstein to bring these

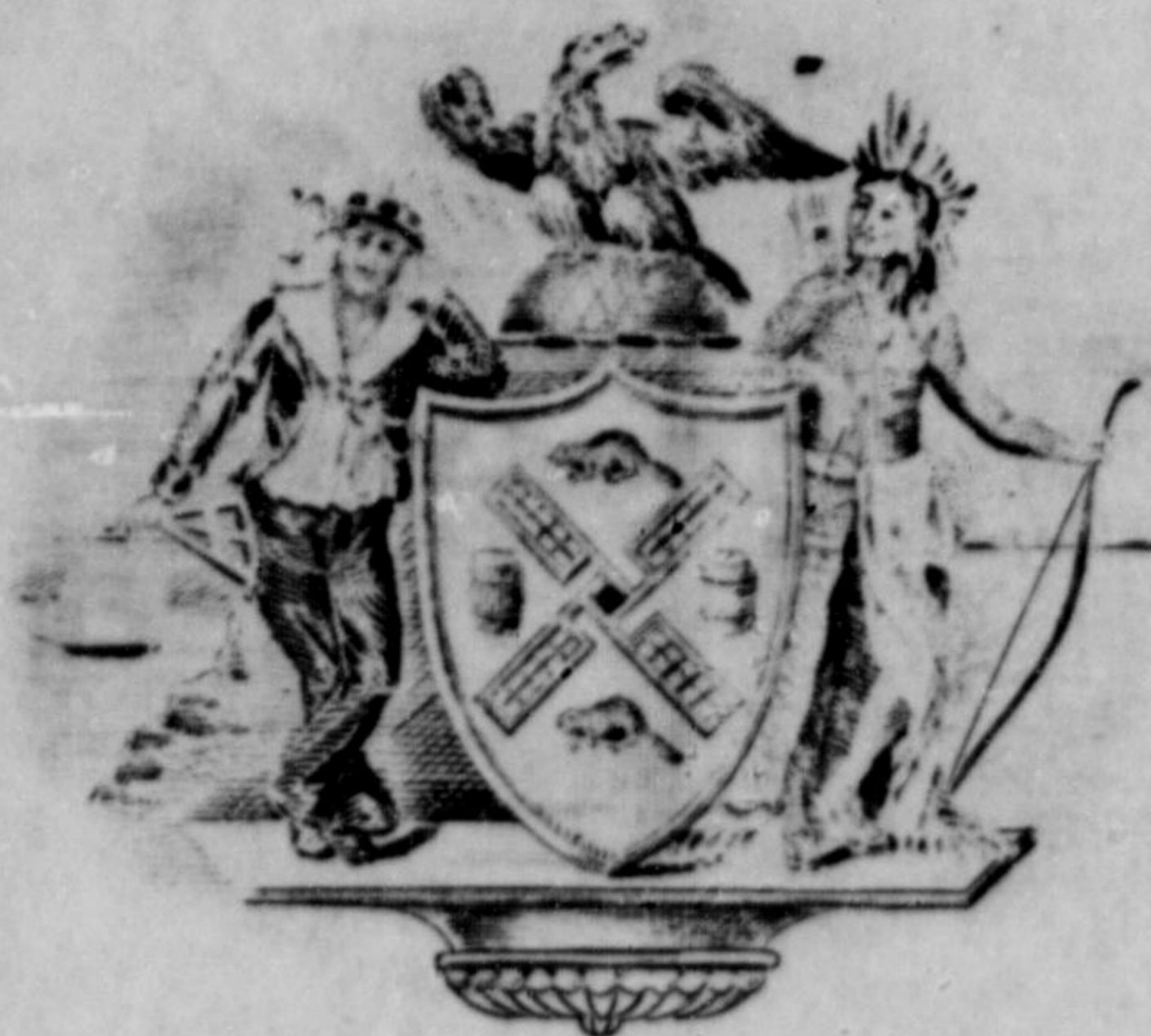
sham suits, which I shall put in shape for you later.

Please have this matter put before the bar association for the disbarment of Epstein, and also before the District Attorney for indictment. Epstein was indicted a few days ago for a similar thing. Place that matter before the bar association also.

Very truly yours,

W. R. Watson
y o r.

Archibald R. Watson, Esq.,
Corporation Counsel.



CITY OF NEW YORK
OFFICE OF THE CHAMBERLAIN

CHARLES H. HYDE
CHAMBERLAIN.

March 16, 1911.

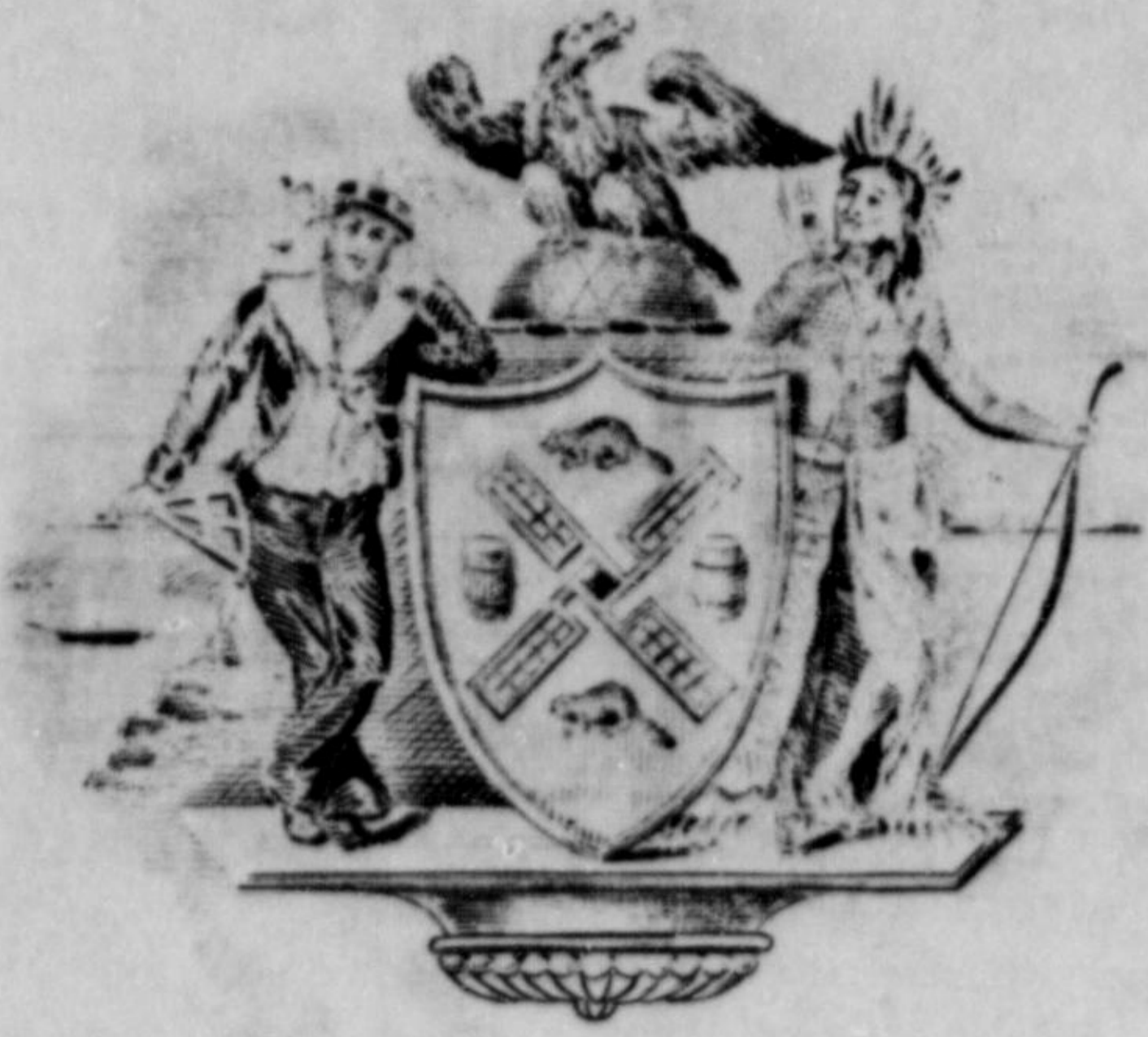
Hon. William J. Gaynor,
Mayor.

Sir:

The Carnegie Trust Company which was closed recently by the State Banking Department, has on deposit \$650,000. of City funds. I am informed that it holds \$430,000. of City bonds. One of the principal conditions on which the account was opened in the Carnegie Trust Company was that it would purchase and hold City bonds. The largest deposit that was made in that institution was the proceeds of City bonds which had been purchased at the 1910 sale and paid for by or through that institution.

I have always believed that City bonds owned by a bank or trust company might be legally offset against City deposits in the same manner as a promisory note of any depositor maturing after a suspension of payment.

I understand the Comptroller is averse to claiming this offset upon the stated ground that it would interfere with the use of City stock or bonds as an investment of banks for capital stock purposes.



CHARLES H. HYDE
CHAMBERLAIN.

CITY OF NEW YORK
OFFICE OF THE CHAMBERLAIN

Hon. William J. Gaynor, - 2 -

Personally, I do not concur in this view, and I think in any event, pending a complete investigation of the affairs of the Carnegie Trust Company, the City should take all possible steps to protect its interests in the premises.

If you concur with me in this view, I suggest that you give such instructions to the Corporation Counsel with reference thereto as may be appropriate.

Respectfully,

Charles H. Hyde
Chamberlain.

March 16/1911

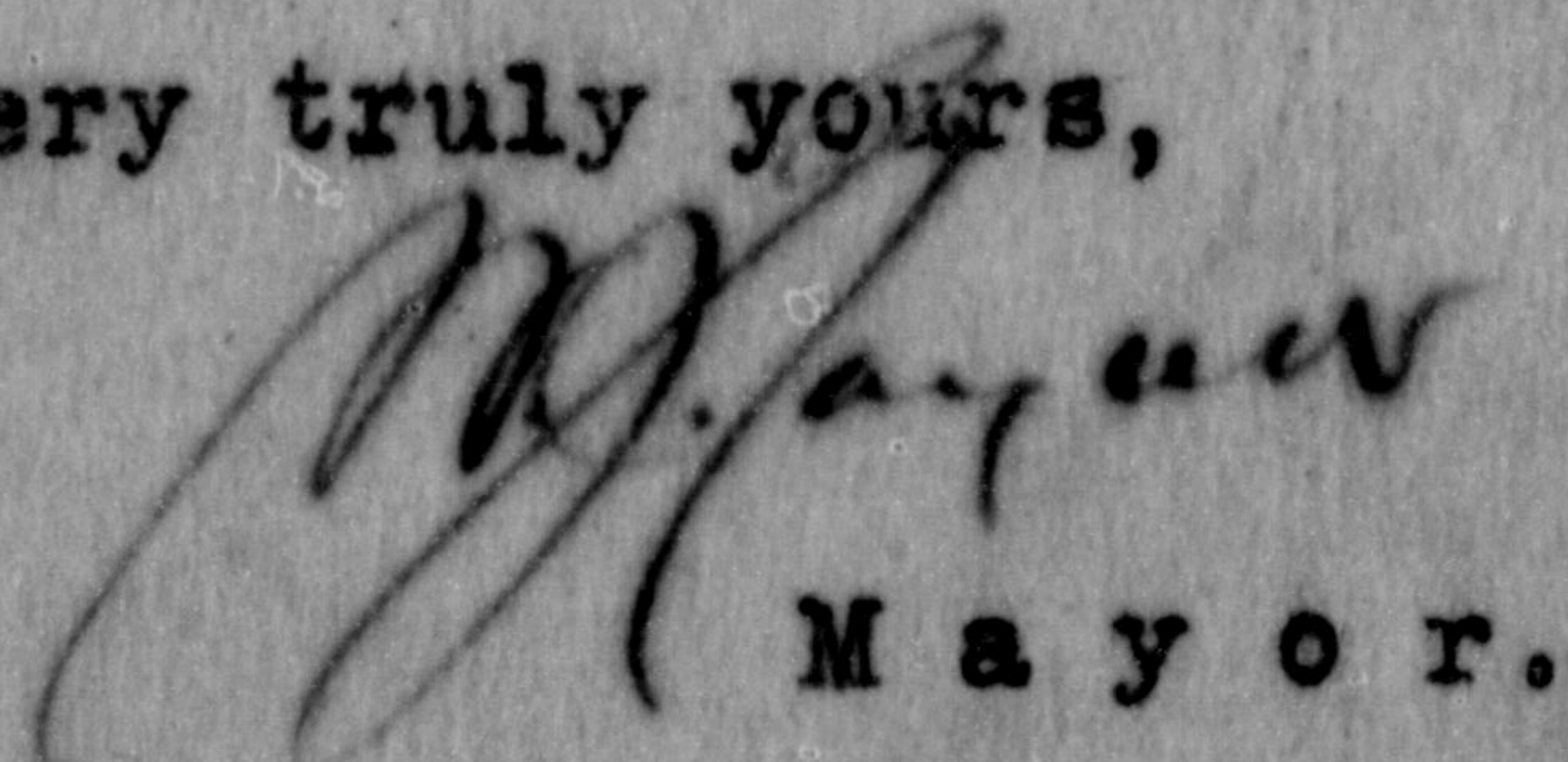
From P. Hyde
Ac. to Deposit at
Carnegie Trust Co

Apr. 10, 1911.k

Dear Mr. Maguire:

I thank you for your letter, but I could not very well coach you for the debate. Mr. Hyde has an article in the papers to-day. I saw it in the Sun. If you know of any wrong that he has done I do not. Many false things have been stated of him to my knowledge, but I do not rate that against him. I think you will find the head of every department of the city an honest man doing his best for the city.

Very truly yours,



Mayor.

Henry C. Maguire, Esq.,
2315, East 13th Street,
New York City.



CITY OF NEW YORK
OFFICE OF THE CHAMBERLAIN

CHARLES H. HYDE,
CHAMBERLAIN.
HENRY J. WALSH,
DEPUTY CHAMBERLAIN.

May 2, 1911.

Sir:

On January 3, 1910, you appointed me Chamberlain. For more than twenty years I had been associated with you, and while I appreciated the confidence which your desire to appoint me implied, you know it was much against my wish that I accepted the office. Last June when my health was seriously threatened I wanted to resign but you would not hear of it. I have devoted my energies to the faithful performance of my duties and hope that I have been of some service to you.

I have handled over \$500,000,000. in the 16 months I have been in office and have dealt with more than 120 banks on behalf of the city, to say nothing of all the other transactions involved in the workings of the office, without criticism from anybody and without the suggestion of even a favor granted me in return, yet for 3 months a campaign has been waged against me by certain political enemies and their newspaper allies, the result of which is that to-day I find myself under the humiliating necessity of answering to an indictment which has been found against me.



CITY OF NEW YORK
OFFICE OF THE CHAMBERLAIN

CHARLES H. HYDE,
CHAMBERLAIN.
HENRY J. WALSH,
DEPUTY CHAMBERLAIN.

-2-

I feel that under these circumstances I must resign. As my resignation, under the law, cannot take effect until the appointment of my successor, I ask that you appoint him as early as possible. I regret the circumstance, and while I feel confident that it will only be a short time until the whole conspiracy is laid bare, I think I am taking the proper course now.

Respectfully yours,

Chas. H. Hyde
Chamberlain.

Hon. William J. Gaynor,
Mayor.

May 3, 1911.k

Dear Mr. Hyde:

On getting home late last night I found your unexpected letter of resignation awaiting me. I had not asked for your resignation because I feel entirely certain that you are guilty of no offense. But if you insist on resigning I shall have to appoint your successor. I shall do it with regret, for I have always found you honest and correct to a dot, and it grieves me to see any such man sacrificed even for the time being.

Very truly yours,

W. J. Gaynor,
M a y o r.

Charles H. Hyde, Esq.,
City Chamberlain,
New York City.



CITY OF NEW YORK
OFFICE OF THE CHAMBERLAIN

CHARLES H. HYDE,
CHAMBERLAIN.
HENRY J. WALSH,
DEPUTY CHAMBERLAIN.

May 3, 1911.

Honorable William J. Gaynor,
Mayor.

My dear Mr. Mayor:

Your very kind letter of this date is just at hand and I appreciate very deeply your expression of confidence in me. Although you feel as you do personally I cannot allow your administration to bear my burdens, just or unjust, and I must, therefore, ask that you appoint a successor to whom I may turn over the affairs of the office of Chamberlain.

Sincerely yours,

May 3/1911

ack Mayor's letter
re. to (St Hyde's)
resignation