BROAD BROOK BANK & TRUST CO.

April 14, 1926.—Committed to the Committee of the Whole House and ordered to be printed

Mr. UNDERHILL, from the Committee on Claims, submitted the following

REPORT

[To accompany H. R. 7930]

The Committee on Claims, to whom was referred the bill (H. R. 7930) for the relief of the Broad Brook Bank & Trust Co., having considered the same, report thereon with a recommendation that it do pass.

The full facts are stated in the following letter of the Secretary of the Treasury, which is made a part of this report.

Since considerable time has elapsed since the maturity of the note in question, and as the Government is fully protected in the filing of a bond in the penal sum of double the amount of the principal of the said note, etc., by the Broad Brook Bank & Trust Co., of Broad Brook, Conn., your committee recommends favorable action on the bill.

TREASURY DEPARTMENT,
Washington, March 29, 1926.

MY DEAR MR. CHAIRMAN: I have your letter of March 22, 1926, transmitting a bill (H. R. 7930) for the relief of the Broad Brook Bank & Trust Co., Broad Brook, Conn., on account of the loss or destruction of United States coupon note No. H–1, 728011 for $1,000 of the Victory 4½’s, and requesting the papers or copies of the same in the files of the department relating to the claim.

As to the merits of the claim the department has no information before it except that given in the papers on file, copies of which are forwarded herewith. These papers show that the note disappeared while held by the Broad Brook Bank & Trust Co. as collateral for a note for $1,000; that the bank presented an application for relief, alleging that the note had been destroyed, and that relief was denied, as the evidence does not meet the requirements of section 3702 of the Revised Statutes of the United States.

The records do not indicate that the note has been presented. Considerable time has elapsed since its maturity and no other claimant has appeared. Therefore, as stated in my letter of January 13, 1926, addressed to Congressman Fenn, a copy of which is among the papers in the case with which a draft of a bill to
which H. R. 7930 conforms was inclosed, if Congress is satisfied that the Broad Brook Bank & Trust Co. has become subrogated to the rights of the person who pledged the note, the department sees no objection at this time to the passage of the bill.

A copy of this letter is inclosed.

Very truly yours,

GARRARD B. WINSTON,
Acting Secretary of the Treasury.

REFERENCE AND OPINION SHEET, CLAIMS SECTION

The Broad Brook Bank & Trust Co., a corporation, Broad Brook, Conn.
Address: Mr. Oscar J. Depatie, treasurer.

Request for the redemption of United States coupon note No. H-1728011 for $1,000 of the Victory Liberty loan 4 3/4 per cent convertible gold notes of 1922-23, with coupons due December 15, 1922, and May 20, 1923, attached, alleged to have been destroyed by fire.

(Authority on file for Oscar J. Depatie, treasurer.)

Respectfully referred to the Solicitor of the Treasury.

C. N. MCGROARTY,
Chief, Division of Loans and Currency.

My Dear Congressman: My attention has been called to the request of your secretary relative to the draft of a bill which you propose to introduce in the House for the relief of the Broad Brook Bank & Trust Co., Broad Brook, Conn., on account of the loss or destruction of coupon note No. H-1728011 for $1,000 of the Victory 4 3/4's.

The papers on file in the case show that the note disappeared while held by the Broad Brook Bank & Trust Co. as collateral for a note for $1,000, and that the bank presented an application for relief alleging that the note had been destroyed. The evidence submitted does not meet the requirements of section 3702 of the Revised Statutes of the United States, and relief has been denied by the department.

Since the draft submitted, which is returned herewith, does not provide for the payment of the interest on the note, represented by coupons thereof due December 15, 1922, and May 20, 1923, and said to have been attached at the time of the alleged loss or destruction, and does not cover certain other particulars, a proposed draft of a bill in a form preferred by the department is inclosed.

Considerable time has elapsed since the maturity of the note and there is no information available which would indicate that it has been presented. Therefore, if Congress is satisfied that the Broad Brook Bank & Trust Co. has become subrogated to the rights of the person who pledged the note, the department sees no objection at this time to the passage of the bill. If the bill is presented to Congress and a report is called for by that body, the department will be pleased to make such recommendation as is deemed advisable.

A copy of this letter is inclosed.

Very truly yours,

A. W. MELLON, Secretary of the Treasury.

Hon. E. HART FENN,
House of Representatives, Washington, D. C.

A BILL For the relief of the Broad Brook Bank and Trust Company

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury be, and he is hereby, authorized and directed to redeem in favor of the Broad Brook Bank
and Trust Company unregistered United States Victory note numbered H-1728011, in the denomination of $1,000, and bearing interest at the rate of 4 3/4 percent per annum, without the presentation of the note, said note having been lost or destroyed after having been assigned to the said the Broad Brook Bank and Trust Company: Provided, That the said note shall not previously have been presented to the Treasury Department under such circumstances as would necessitate its redemption in favor of the person, firm, or bank presenting it: Provided further, That the Broad Brook Bank and Trust Company shall first file in the Treasury Department a bond in the penal sum of the principal of said note, in such form and with such surety or sureties as may be acceptable to the Secretary of the Treasury, to indemnify and save harmless the United States from any loss on account of the note herein described.

A BILL For the relief of the Broad Brook Bank and Trust Company, Broad Brook, Connecticut

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury be, and he is hereby, authorized and directed to redeem in favor of the Broad Brook Bank and Trust Company, Broad Brook, Connecticut, United States coupon note No. H-1728011 in the denomination of $1,000 of the Victory Liberty loan 4 3/4 per centum convertible gold notes of 1922-23, with coupons due December 15, 1922, and May 20, 1923, without presentation of the said note or the coupons, the note with the coupons attached having been lost or destroyed while being held as collateral by the said Broad Brook Bank and Trust Company: Provided, That the said note shall not have been previously presented and paid and that payment shall not be made hereunder for any coupon which shall have been previously presented and paid: And provided further, That the said Broad Brook Bank and Trust Company shall first file in the Treasury Department of the United States a bond in the penal sum of double the amount of the principal of the said note and the interest which had accrued when the principal became due and payable in such form and with such surety or sureties as may be acceptable to the Secretary of the Treasury to indemnify and save harmless the United States from any loss on account of the lost or destroyed note and coupons hereinbefore described.

Treasury Department, Washington, February 19, 1924.

Mr. O. J. Depatie,  
Treasurer the Broad Brook Bank & Trust Co.,  
Broad Brook, Conn.

Sir: Reference is made to your letter of February 7, 1924, relative to your claim for the redemption of coupon note No. H-1728011 for $1,000 of the Victory 4 3/4's, alleged to have been destroyed.

As stated in department letter of January 23, 1924, the Solicitor of the Treasury has rendered an opinion to the effect that the evidence submitted in this case, which includes a report of the department representative sent to your bank for a personal investigation, does not constitute that clear and unequivocal proof of destruction required by section 3702 of the Revised Statutes before relief can be granted. There is inclosed a copy of extract No. 16 from the regulations of the department with respect to United States bonds and notes, in which this section of the statutes is set forth.

It is undoubtedly possible and perhaps even probable that this note was destroyed as alleged, but possibilities or probabilities, however strong, can not be considered sufficient to satisfy the requirements of the statutes as to clear and unequivocal proof. The department can grant no relief on account of coupon bonds or notes except in accordance with the provisions of the statutes, and, of course, has no authority to make exceptions to such provisions, since exceptions to or changes in laws can be made only by Congress.

Respectfully,

C. N. McGroarty,  
Chief, Division of Loans and Currency
In re coupon note No. H-1728011, $1,000, Victory 43/4's; destruction alleged; the Broad Brook Bank & Trust Co., claimant.


Mr. Oscar J. Depatie,
Treasurer the Broad Brook Bank & Trust Co.,
Broad Brook, Conn.

Sir: Reference is made to department letter of December 26, 1923, relative to your claim for the redemption of the above-described note.

The Solicitor of the Treasury has returned the papers in this case with an unfavorable opinion as to the sufficiency of the evidence presented, stating that such evidence is based on the personal conclusions and opinions of the bank officials, and does not constitute the clear and unequivocal proof of destruction required by section 3702 of the Revised Statutes before relief can be given.

If at any time you are able to submit clear and unequivocal proof of the destruction of the note, this claim will receive further consideration.

Respectfully,

C. N. McGroarty,
Chief, Division of Loans and Currency.
Mr. C. N. McGroarty,
Chief, Division of Loans and Currency,
Treasury Department.

Sir: I am returning unapproved the caveat case of the Broad Brook Bank & Trust Co., Broad Brook, Conn., because the evidence is not clear and unequivocal in conformity with section 3702, United States Revised Statutes. The affidavits and the report from the Secret Service in the case show that the evidence is based on the personal conclusions and opinions of the bank officials, and it does not therefore meet the requirements of the law.

Respectfully,

R. J. Mawhinney, Assistant Solicitor.

TREASURY DEPARTMENT,
Washington, December 26, 1923.

In re coupon note No. H–1728011, $1,000, Victory 43/4's; destruction alleged; the Broad Brook Bank & Trust Co., Broad Brook, Conn., claimant

Mr. Oscar J. Depatie,
Treasurer the Broad Brook Bank & Trust Co.

Sir: Reference is made to your claim for the redemption of the above-described note. The papers in the case have been referred to the Solicitor of the Treasury for his opinion as to the sufficiency of the evidence presented. When a decision is reached you will be advised, and if it is favorable a bond of indemnity will be prepared in the department and forwarded to you for execution with good and sufficient surety.

Respectfully,

C. N. McGroarty,
Chief, Division of Loans and Currency.

Countersigned:

R. L. Lindsey, Manager, Claims Section.

The Commissioner of the Public Debt:

In connection with the letter of December 3, 1923, countersigned R. L. Lindsey, manager, claims section, transmitting for verification the case of the Broad Brook Bank & Trust Co., claimants, for coupon bonds alleged to have been destroyed, please find attached hereto special report of Operative Beary, in charge of our New Haven office.

W. H. Moran, Chief.

W. H. Moran, Esq.,
Chief, Secret Service Division, Washington, D. C.

Sir: I have the honor to submit the following special report relative to the loss of coupon note H–1728011 for $1,000, lost by the Broad Brook Bank & Trust Co., Broad Brook, Conn.

I proceeded to Broad Brook, Conn., and called at the Broad Brook Bank & Trust Co., and there interviewed Mr. Oscar J. Depatie, treasurer, relative to the loss of the above-mentioned bond, and he made the following statement:

That the bond was obtained by the bank on June 16, 1922, from Mr. E. H. Sloan, who had put same up as collateral for a loan of $1,000, and said bond was put in the cash till, which till during banking hours was kept in the business part
of the bank, and after banking hours was placed in a steel vault during the night. On June 27, 1922, the State bank examiners made an examination of the bank, and their report shows no shortage in the bank's funds or securities. On December 15, 1922, the note for which this bond was put up as collateral was due, and upon renewing the note it was discovered that the bond was missing. A very careful and thorough search was then made from the cellar to the attic of this building, which is wholly occupied by the bank. Mr. Depatie further stated that he was assisted in this search by Mr. Raymond E. Tschummi, assistant treasurer, but could find no trace of the bond, and they then formed the opinion that the bond in some manner unaccounted for must have gotten into the waste-paper basket, the contents of which is burned every evening in the furnace, and that on March 7, 1923, the State bank examiners again examined the bank, and their report shows a $1,000 Liberty bond missing. I examined the State bank examiner's report and verified this statement.

I then questioned Mr. Raymond E. Tschummi, assistant treasurer, and he verified the statements of Mr. O. J. Depatie.

The only other employee of the bank at that time was Miss Alice Chamberlain, and she has since left the employ of this bank and is at present employed by the City Bank & Trust Co., Hartford, Conn.

In company with Mr. Depatie I called at the Broad Brook Woolen Mills and interviewed Mr. Harry C. Brook, president of the bank and also president of the Broad Brook Co. (Inc.), who operate the Broad Brook Woolen Mills, and he verified the statements set forth by Mr. Depatie, and also stated that he personally in company with Mr. Lawrence E. Arnold, secretary of the bank, had made a very careful and thorough search of the bank, but could find no trace of the missing bond, and that they also formed the opinion that the missing bond must have been destroyed with the contents of the waste-paper basket. Mr. Brook further advised me that he had called a secret meeting of the board of directors of the bank for the purpose of employing the firm of Hadfield, Rothwell & Soule, bank investigators, of Hartford, Conn., and this firm on May 9, 1923, had conducted a very careful and thorough search of the bank, and also investigated its employees, and had submitted a report recommending certain alterations to be made with the fixtures and screenings of the tellers' windows, and their investigation concluded that no suspicion attached to any of the employees of the bank regarding the missing bond. I verified this statement by examining the report of the firm of Hadfield, Rothwell & Soule. Mr. Brook further added that he was very sorry this affair occurred but that he honestly believed that the missing bond had been destroyed in some unaccountable manner and that he would be perfectly willing if the Government should honor the bank's claim to put up any kind of a surety bond that the Government would request.

I then called on Mr. Lawrence E. Arnold, secretary, and he verified the statements of the president, Harry C. Brook, and also added that he was personally of the opinion that the bond was destroyed in the manner set forth in the affidavit. I made an effort to get in touch with Mr. E. H. Sloan, but was advised that he was out of town. Mr. Sloan is a large tobacco grower in this community and also holds a responsible position as tobacco inspector for the Connecticut Tobacco Association and is also a director of the Broad Brook Bank & Trust Co.

I returned to the bank and made an examination of the till where the bond was kept, and I am of the opinion that no one from the outside could have reached in and obtained this bond, and that it must have been destroyed as set forth in the bank's affidavit.

Complete file forwarded is herewith returned.

Respectfully,

JAMES H. BEARY, Operative in Charge.
Treasury Department,
Washington, December 3, 1923.

In re coupon note No. H–1728011, $1,000 Victory 4¾’s; destruction alleged; Oscar J. Depatie, treasurer the Broad Brook Bank & Trust Co., Broad Brook, Conn., claimant

Mr. Oscar J. Depatie,
Treasurer the Broad Brook Bank & Trust Co.,
Broad Brook, Conn.

Sir: Reference is made to your claim for the redemption of the above-described note.
Since this note is alleged to have been destroyed, a special examination into the case is being made, at the conclusion of which you will be further advised.
Respectfully,

Countersigned:

C. N. McGroarty,
Chief, Division of Loans and Currency.

R. L. Lindsey,
Manager Claims Section.

Treasury Department,
Washington, December 3, 1923.

Mr. W. H. Moran,
Chief, Secret Service Division,
Treasury Department.

Sir: Under date of December 28, 1922, Oscar J. Depatie, treasurer the Broad Brook Bank & Trust Co., Broad Brook, Conn., reported that coupon note No. H–1728011 for $1,000 of the Victory 4¾’s was missing from the safe in which it was kept. Later Mr. Depatie advised that it was believed that the note had been destroyed, and submitted affidavits showing that it was obtained by the bank on June 16, 1922, from E. H. Sloan as collateral for a loan of $1,000, and was placed in the cash till but was removed and replaced daily in a steel vault; that it was last seen on June 27, 1922, during the examination of the bank by the State banking department; that it was apparently destroyed with the contents of a waste-paper basket; that its alleged destruction was discovered on December 15, 1922, when getting the note for which this Victory note was collateral for renewal; and that it had not been taken, hypothecated, cashed, hidden, or intentionally destroyed by him.

Mr. Raymond E. Tschummi, assistant treasurer, who, Mr. Depatie stated, was the only person except himself who had access to the note, furnished an affidavit showing that it had not been taken, hypothecated, cashed, hidden, or intentionally destroyed by him, and similar affidavits were furnished by Harry C. Brook, president, and Lawrence E. Arnold, secretary of the bank.

A copy of a vote at a meeting of the board of directors of the bank, held September 4, 1923, authorizing Mr. Depatie to make claim for the redemption of the note and execute a bond of indemnity if the claim is approved, and an affidavit from Mr. E. H. Sloan, showing that he has not repaid the loan for which this note was held by the bank as collateral, have also been furnished.

This matter is referred to your service for a verification of the statements as set forth, after which the claims section should be advised relative thereto.
A copy of this letter is inclosed.
Respectfully,

Countersigned:

C. N. McGroarty,
Chief, Division of Loans and Currency.

R. L. Lindsey,
Manager Claims Section.
Treasury Department,
Office of the Secretary, Washington, D.C.

Gentlemen: As per your letter of November 14, we are returning herewith the affidavit for the redemption of the above-described claim. We have corrected the dates where they were wrongly inserted, and have signed these corrections myself, and have had them attested to by the official who attested the affidavit.

Trusting you will find these in order, we are

Yours very truly,

O. J. Depatie, Treasurer.

Affidavit of Destruction of United States Coupon Bond(s)/Note(s)

Principal Affidavit of Claim

State of Connecticut,
County of Hartford, ss:

The undersigned, being first duly sworn according to law, deposes and says:
1. That its name is Broad Brook Bank & Trust Co., of Broad Brook, county of Hartford, and State of Connecticut.
2. That it is the lawful owner of the following-described United States coupon bond/note, in the total face amount of $1,000, which have been destroyed; and that the information given in the following table is true and correct:
   - Title of loan: Victory 4½'s per cent.
   - Serial number: H-1728011.
   - Denomination: $1,000.
   - Coupons attached at time of destruction (describe by dates): December 15, 1922, and after.
3. That said bond/note was wholly owned by the undersigned on the date of such destruction; and that said bond/note had not by sale, hypothecation, pledge, loan, or in any manner whatever, passed from the ownership or control of the undersigned from the date of original acquisition by the undersigned to the date of destruction hereinafter set forth, except as stated below: No exception.
4. That the place of deposit or safe-keeping of said bond/note at the time of destruction was in cash till, removed and replaced daily in a steel vault.
5. That said bond/note was placed in said cash till on the 16th day of June, in the year 1922, by O. J. Depatie, treasurer of bank.
6. That the undersigned last saw said bond/note on the 27th day of June, 1922, under the following circumstances: During examination of bank by State banking department. O. J. Depatie, Oscar J. Galttler, assistant treasurer.
7. That after the undersigned last saw said bond/note no other person had access to said bond/note, except O. J. Depatie, treasurer, and R. E. Tschummi, assistant treasurer.
8. That said bond/note was destroyed, without bad faith on the part of the undersigned, in the following manner: Apparently destroyed with contents of a waste paper basket. See affidavits attached.
9. That the destruction of said bond/note was discovered on the 15th day of December, 1922, under the following circumstances: When getting note and bond for renewal.

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1 If temporary coupon bonds were destroyed, the bonds should be so designated.
2 Inclusive dates, e.g., "June 15, 1922, to June 15, 1947, inclusive," may be indicated in lieu of specific date of each coupon.
Deponent accordingly petitions the Secretary of the Treasury to issue duplicate bond/note in place of (or in case the bond/note has been called for earlier redemption or has matured, to make payment of) the above-described bond/note, pursuant to sections 3702, 3703 of the Revised Statutes of the United States, and the regulations of the Treasury Department prescribed thereunder.

OSCAR J. DEPATIE,
Treasurer Broad Brook Bank & Trust Co., Broad Brook, Conn.

Subscribed and sworn to before me, this 16th day of October, 1923, at East Windsor, county of Hartford, State of Connecticut, by said Oscar J. Depatie, treasurer Broad Brook Bank & Trust Co., personally known to me and known to me to be the identical person described in and who executed the foregoing affidavit.

[SEAL.]

GUS L. GOETTLER,
Town Clerk of East Windsor, Conn.

My term expires October, 1925.

II

AFFIDAVITS OF CREDIBILITY FROM TWO DISINTERESTED PERSONS

STATE OF CONNECTICUT,
County of Hartford, ss:

Clayton C. Chase, being first duly sworn according to law, deposes and says, that he resides at Hartford, Conn., and is cashier, City Bank & Trust Co., Hartford, Conn.; that he has no interest, directly or indirectly, in the foregoing application and is not related by blood or marriage to the claimant; that he is personally acquainted with Oscar J. Depatie, treasurer, Broad Brook Bank & Trust Co., of Broad Brook, Conn., and knows him to be the identical person who executed the foregoing principal affidavit.

Deponent further states that he has read the statements contained in said affidavit and believes them to be worthy of the confidence and consideration of the Treasury Department.

CLAYTON C. CHASE.

Subscribed and sworn to before me, this 16th day of October, 1923, at Hartford, county of Hartford, State of Connecticut, by said Clayton C. Chase, personally known to me and known to me to be the identical person described in and who executed the foregoing affidavit.

[SEAL.]

E. S. WARNER, Notary Public.

My commission expires January, 1926. Hartford, Conn.

STATE OF CONNECTICUT,
County of Hartford, ss:

Fred P. Holt, being first duly sworn according to law, deposes and says that he resides at Hartford, Conn., and is chairman of board, City Bank & Trust Co., Hartford, Conn., that he has no interest, directly or indirectly, in the foregoing application and is not related by blood or marriage to the claimant; that he is personally acquainted with Oscar J. Depatie, treasurer Broad Brook Bank & Trust Co., of Broad Brook, Conn., and knows him to be the identical person who executed the foregoing principal affidavit.

Deponent further states that he has read the statements contained in said affidavit and believes them to be worthy of the confidence and consideration of the Treasury Department.

FRED P. HOLT, Chairman.

Subscribed and sworn to before me, this 16th day of October, 1923, at Hartford, county of Hartford, State of Connecticut, by said Fred P. Holt, personally known to me and known to me to be the identical person described in and who executed the foregoing affidavit.

[SEAL.]

E. S. WARNER, Notary Public.

My commission expires January, 1926. Hartford, Conn.
BROAD BROOK BANK & TRUST CO.

In re: Coupon note No. H-1728011, $1,000, Victory 43/4's; destruction alleged;
Oscar J. Depatie, treasurer, the Broad Brook Bank & Trust Co., Broad Brook,
Conn., claimant.

Mr. Oscar J. Depatie,
Treasurer Broad Brook Bank & Trust Co.,
Broad Brook, Conn.

Sir: Reference is made to your claim for the redemption of the above-described
note.

Further examination of your affidavit, dated October 16, 1923, shows that in
paragraphs 2 and 6 thereof it is stated that the note was acquired by your bank
on June 16, 1923, and was last seen on June 27, 1923, while in paragraphs 5 and
9 it was stated that the note was placed in the cash till on June 16, 1922, and that
the destruction of the note was discovered on December 15, 1922. The affidavit
is therefore returned herewith, and it is requested that the incorrect dates be
corrected.

These corrections should be made in the presence of the official who attested
the affidavit, and should be initialed by him and by you.

Respectfully,

C. N. McGroarty,
Chief Division of Loans and Currency.

R. L. Lindsey,
Manager Claims Section.

Countersigned:

THE BROAD BROOK BANK & TRUST CO.
Broad Brook, Conn., November 7, 1923.

In re: Coupon note No. H-1728011 Victory 43/4's claim for which we filed in
our letter of October 13, 1923

TREASURY DEPARTMENT,
Washington, D. C.

Sir: As per your request of October 31, we are inclosing herewith statement
signed by Mr. Arnold as secretary, showing the correction you mentioned,
initialed by him, also that the seal of the bank has been affixed.

Inclosed also find statement signed by Mr. E. H. Sloan, stating that he has not repaid the loan
upon which this note was held as collateral.

Yours very truly,

O. J. Depatie, Treasurer.

THE BROAD BROOK BANK & TRUST CO.,
Broad Brook, Conn.

At a meeting of the board of directors held on September 4, 1923, the following
vote was enacted:

Voted that Oscar J. Depatie, treasurer of the Broad Brook Bank & Trust
Co., be authorized to make application for the issuance of duplicate of coupon
note No. H-1728011 for $1,000 Victory 43/4 per cent with December, 1922,
coupon attached, and to execute bond of indemnity in the name of the Broad
Brook Bank & Trust Co. if this claim is approved.

Attest:

L. E. Arnold,
Secretary of the Meeting.

THE BROAD BROOK BANK & TRUST CO.,
Broad Brook, Conn.

This is to certify that I, Oscar J. Depatie, treasurer of the Broad Brook Bank
& Trust Co., of Broad Brook, Conn., am over 21 years of age.

Oscar J. Depatie.

Subscribed and sworn to before me this 7th day of November, 1923.

[seal.]

Gus L. Goettler,
Town Clerk of East Windsor, Conn.
This is to certify that the note for $1,000 upon which coupon note No. H-1728011 for $1,000, Victory 4 3/4 per cent, is held as collateral by the Broad Brook Bank & Trust Co. has not been paid by me.

E. H. Sloan.

Subscribed and sworn to before me this 7th day of November, 1923.

[seal.]

Subscribed and sworn to me, this 16th day of October, 1923, at East Windsor, county of Hartford, State of Connecticut, by said Harry C. Brook, president, and Lawrence E. Arnold, secretary, personally known to me and known to me to be the identical persons described and who executed the foregoing affidavit.

[seal.]

I hereby certify that Victory 4 3/4 per cent bond No. H-1728011, which was being held as collateral by the Broad Brook Bank & Trust Co. on a loan of E. H. Sloan, has not been taken by me either hypothecated, cashed, hidden, or destroyed intentionally.

RAYMOND E. TSCHUMMI.

Subscribed and sworn to before me this 16th day of October, 1923, at East Windsor, County of Hartford, State of Connecticut, by said Oscar J. Depatie, personally known to me and known to me to be the identical person described and who executed the foregoing affidavit.

[seal.]
TREASURY DEPARTMENT,
Washington, October 31, 1923.

In re coupon note No. H–1728011, $1,000, Victory 4½'s; destruction alleged; the Broad Brook Bank & Trust Co., Broad Brook, Conn., owner; Oscar J. Depatie, treasurer, claimant

Mr. OSCAR J. DEPATIE,
Treasurer the Broad Brook Bank & Trust Co.,
Broad Brook, Conn.

SIR: Reference is made to the claim for the redemption of the above described note.

The statement signed by L. E. Arnold, showing that a note was passed by the board of directors of your bank, authorizing you to make claim, is returned herewith for correction. Since the note is described in this statement as "Coupon No. H–1728011 for $1,000 Victory 4½ per cent with December, 1922, coupon attached," the word "note" should be inserted between the words "Coupon" and "No." if the board of directors authorized you to make claim for relief on account of the alleged destruction of the note. This correction should be initialed by Mr. Arnold. As shown in department letter of August 30, 1923, the bank seal should also be impressed on this statement.

Since your affidavit does not show your age, you should submit a statement, over your signature, showing your age or showing whether you are over 21 years of age.

Your affidavit shows that the above described note was received from E. H. Sloan as collateral for a loan of $1,000, and Mr. Sloan should therefore submit an affidavit showing whether he has repaid this loan, and if so, whether he has been reimbursed for the note deposited as collateral.

Respectfully,

C. N. McGroarty,
Chief, Division of Loans and Currency.

R. L. Lindsey,
Manager, Claims Section.

THE BROAD BROOK BANK & TRUST CO.,
Broad Brook, Conn., October 18, 1923.

Mr. Garrard B. Winston,
Secretary of the Treasury, Washington, D. C.

Dear Sir: Inclosed herewith find affidavit which you sent us, establishing whatever proof we have for the replacement of Victory 4½ per cent $1,000 (Bond No. H1728011).

There appears to be no question in the minds of the persons who had access to this bond that nothing could have happened to this bond but its destruction, as we have stated in our affidavits.

We have supplemented these affidavits by those of directors who personally conducted a very thorough search throughout the entire building for this bond.

In addition to this we have had this affidavit signed by officers of a bank who carefully read the statements contained therein and personally know some of the officers and directors who made these statements and believe them to be men of unquestionable honesty.

We admit that probably claims of this kind do not establish clear and unequivocal proof according to the strict letter of the regulations established by the Treasury Department, but we do not believe that it was the intention of the legislators to deprive relief from being granted when sworn statements such as we have submitted, supported by attestations of bank officials who know the individuals for their sincere honesty of purpose, could be submitted especially by a corporation of this kind whose watchword must be honesty.

We submit these statements and affidavits feeling sure that after you have carefully considered the facts as stated, you will grant the relief asked for.

Thanking you for the capable manner in which you have taken care of this matter, we are,

Yours very truly,

O. J. Depatie, Treasurer.
The Broad Brook Bank & Trust Co.,
Broad Brook, Conn.

Sirs: Receipt is acknowledged of your letter dated August 17, 1923, relative to the possible destruction of coupon note No. H-1728011 for $1,000 of the Victory 43\%s.

It appears from your letter that this case is one which is not susceptible of the required proof. Your attention is again invited to sections 3702-3703 of the Revised Statutes of the United States. Clear and unequivocal proof as acceptable to the department under the statutes has been construed to be such as will admit of no inference other than that the note was destroyed as alleged. However, if you wish to submit evidence tending to prove the destruction of the note, the same will receive consideration.

In this connection, an executive officer of your bank should execute the inclosed form L. & C. 1022, in accordance with paragraph 2 of Department Circular No. 288. It should be definitely stated in paragraphs 3 and 7, whether the note had ever been pledged or hypothecated and whether anyone had access to it. This affidavit should be accompanied by a certified copy of an extract from the minutes of a meeting of the board of directors of the bank at which a resolution was passed authorizing such officer to make application for the issue of a duplicate and to execute a bond of indemnity in the name of the bank, if the claim is approved. The certificate should be signed by an executive officer other than the one empowered to act, and the seal of the bank should be affixed. All employees of the bank who had access to the bond should submit affidavits showing their knowledge of the existence of the bond and of the facts and circumstances in connection with the alleged destruction.

In compliance with paragraph 6 of the circular, in no event should a bond of indemnity be furnished until the evidence presented in the case has been accepted by the department, at which time further instructions will be given.

Respectfully,

Garrard B. Winston,
Assistant Secretary of the Treasury.

Mr. Garrard B. Winston,
Assistant Secretary of the Treasury,
Broad Brook, Conn., August 17, 1923.

Dear Sir: Replying to your letter of July 24 regarding loss of Victory 43\% per cent coupon bond No. H-1728011 for $1,000.

We can plainly see that it is necessary for us to furnish proofs to your satisfaction that the bond is destroyed. We can give the following proofs:

Proof can be given by officers and directors of the bank that the bond is not mislaid as the building has been searched from top to bottom without avail. Can furnish affidavits of this fact.

Proof can be given by officers of bank that the bond has not been stolen, as only treasurer and assistant treasurer had access to it. Will furnish affidavits that they did not steal the bond.

These facts certainly prove to our mind that the bond is destroyed and the fact that it was kept in a cash drawer makes us feel that the drawer in which the bond was located could be dropped in the course of handling and this bond slipped into a waste paper basket and burned along with other waste paper.

If we were not sure of our ground you may rest assured that we would not attempt to have this bond replaced by the Government. We are willing to appear before any one you designate to swear to the foregoing affidavits that we claim furnish our basis for relief from your department.

As the circular sent us giving the conditions by which relief will be granted states that it can be given at the discretion of the Secretary of the Treasury and wherever he may see fit, we feel certain that after thoughtfully considering the above facts you will agree that this bond certainly was destroyed and advise us what steps to take to obtain its replacement.

We greatly appreciate the personal attention you are giving us by renewing the consideration of this matter and wish to express our thanks for the past courtesies extended us.

Yours very truly,

O. J. Depatie, Treasurer.
Mr. OSCAR J. DEPATTIE,
Treasurer the Broad Brook Bank & Trust Co.,
Broad Brook, Conn.

SIR: Receipt is acknowledged of your letter dated June 27, 1923, relative to the theft or possible destruction of Victory 4% per cent coupon note No. H-1728011 in the denomination of $1,000.

It is noted that your letters previous to June 27, 1923, referred to the note as having been mislaid or stolen. Under these circumstances, it would not appear that you can present clear and unequivocal proof of the destruction of the note. United States notes in coupon form are payable to bearer and title thereto passes by delivery without indorsement and without notice to the Treasury Department. Under generally recognized principles of law, an innocent purchaser for value without notice before maturity, acquires good title thereto, even though reported stolen, and no proof of ownership is required when bearer securities are presented in regular course to the Treasury Department, or designated agencies, for payment, exchange, or conversion. The Treasury Department assumes no responsibility whatever with respect to coupon bonds or notes reported lost or stolen and enters no stoppages nor caveats against their payment, exchange, or conversion.

At the time of the several Liberty loan drives the Government endeavored, through its agencies, to advise all purchasers of Liberty bonds or notes of the importance of registration, and widely advertised the advantages of such registration. You therefore knew, or were in a position to know, that protection against loss could readily be had by having your note registered. The United States assumes no responsibility for the safekeeping of coupon bonds or notes issued to the public.

By the provisions of sections 3702-3703 of the Revised Statutes of the United States, relief is provided on account of destroyed coupon notes, if the destruction of the notes is shown by clear and unequivocal proof and a bond of indemnity furnished. Since you are not certain that the note is destroyed, it is not likely that relief can be granted in this case. The inference that a note must be destroyed because it is not sent in for redemption within a reasonable time after the date of maturity thereof, does not constitute that clear and unequivocal proof of destruction which the law expressly provides must be submitted before the Secretary of the Treasury may grant relief in such cases.

If you believe you can present the proof required by the department as outlined in paragraph 2 of the inclosed Department Circular No. 288, and will so advise this office, proper forms and instructions for making claim will be furnished.

Respectfully,

GARRARD B. WINSTON,
Assistant Secretary of the Treasury.

BROAD BROOK BANK & TRUST CO.
Treasury Department,
Washington, July 24, 1923.

Mr. OSCAR J. DEPATTIE,
Treasurer the Broad Brook Bank & Trust Co.,
Broad Brook, Conn.

SIR: Receipt is acknowledged of your letter dated June 27, 1923, relative to the theft or possible destruction of Victory 4% per cent coupon note No. H-1728011 in the denomination of $1,000.

It is noted that your letters previous to June 27, 1923, referred to the note as having been mislaid or stolen. Under these circumstances, it would not appear that you can present clear and unequivocal proof of the destruction of the note. United States notes in coupon form are payable to bearer and title thereto passes by delivery without indorsement and without notice to the Treasury Department. Under generally recognized principles of law, an innocent purchaser for value without notice before maturity, acquires good title thereto, even though reported stolen, and no proof of ownership is required when bearer securities are presented in regular course to the Treasury Department, or designated agencies, for payment, exchange, or conversion. The Treasury Department assumes no responsibility whatever with respect to coupon bonds or notes reported lost or stolen and enters no stoppages nor caveats against their payment, exchange, or conversion.

At the time of the several Liberty loan drives the Government endeavored, through its agencies, to advise all purchasers of Liberty bonds or notes of the importance of registration, and widely advertised the advantages of such registration. You therefore knew, or were in a position to know, that protection against loss could readily be had by having your note registered. The United States assumes no responsibility for the safekeeping of coupon bonds or notes issued to the public.

By the provisions of sections 3702-3703 of the Revised Statutes of the United States, relief is provided on account of destroyed coupon notes, if the destruction of the notes is shown by clear and unequivocal proof and a bond of indemnity furnished. Since you are not certain that the note is destroyed, it is not likely that relief can be granted in this case. The inference that a note must be destroyed because it is not sent in for redemption within a reasonable time after the date of maturity thereof, does not constitute that clear and unequivocal proof of destruction which the law expressly provides must be submitted before the Secretary of the Treasury may grant relief in such cases.

If you believe you can present the proof required by the department as outlined in paragraph 2 of the inclosed Department Circular No. 288, and will so advise this office, proper forms and instructions for making claim will be furnished.

Respectfully,

GARRARD B. WINSTON,
Assistant Secretary of the Treasury.

THE BROAD BROOK BANK & TRUST CO.,
Broad Brook, Conn., June 27, 1923.

SECRETARY OF THE TREASURY,
Washington, D. C.

DEAR SIR: Referring to our letter of June 13 and your reply of June 21 relating to loss of $1,000 Victory 4% per cent bond No. H-1728011, you have evidently misunderstood our letter.

It is our belief that this bond slipped into one of our waste-paper baskets and was burnt up. There is no other conclusion to draw. We can not furnish actual proof, but feel this is so, therefore feel quite sure the Treasury Department would not want us to suffer this loss and gain this amount themselves.

We are willing to furnish an indemnity bond for double the amount of the bond thereby protecting you from any loss. We feel quite sure of our ground and would appreciate your reviewing this case again.

To our minds it is the intent of the Treasury Department to protect all institutions or private individuals who have loaned the Government money, and there should be no question of meeting any obligation when claim is presented by a reliable institution, particularly when the Treasury Department is protected against any loss.

If a bond is never presented for payment owing to its being destroyed but no actual proof can be given, we do not think the Government would be justified in keeping the amount involved in its Treasury and not paying it up to the individual who loaned the money, when good faith can be shown. This is our case exactly.
We would appreciate your considering our case from this angle and advise us accordingly.

Yours very truly,

O. J. Depatie, Treasurer.


Mr. Oscar J. Depatie,
Treasurer, the Broad Brook Bank & Trust Co., Broad Brook, Conn.

Sir: Reference is made to your letter dated June 13, 1923, relative to the loss or theft of note No. H-1728011 for $1,000 of the Victory 43/4's, and requesting information as to the procedure in order to file a bond of indemnity for your relief.

There is inclosed for your information Department Circular No. 288, dated May 15, 1922, "Regulations in regard to lost, stolen, destroyed, mutilated, and defaced United States bonds and notes," and your attention is invited particularly to paragraph 1 which gives full information in regard to coupon bonds or notes which have been lost or stolen. You will note from this paragraph that bonds and notes in coupon form are payable to bearer and title thereto passes by delivery without indorsement and without notice to the Treasury Department, so that under generally recognized principles of law an innocent purchaser for value without notice before maturity acquires good title thereto even though reported lost or stolen, and no proof of ownership is required when coupon bonds or notes are presented in regular course to the Treasury Department, or its designated agencies for payment, exchange, or conversion. The Treasury Department assumes no responsibility whatever with respect to coupon bonds or notes reported lost or stolen and enters no stoppages or caveats against their payment, exchange, or conversion. Section 3702 of the Revised Statutes of the United States provides for no relief in the case of lost or stolen coupon bonds or notes. The only basis for relief is destruction, which must be established by clear and unequivocal proof. Bonds or notes thought irretrievably lost can not be considered as destroyed for the purpose of the statutes. The department can not, therefore, in accordance with law, grant relief in case of lost or stolen coupon bonds or notes against bonds of indemnity.

Respectfully,

C. N. McGroarty,
Chief, Division of Loans and Currency.

Countersigned:

H. B. Vrooman,
Acting Manager Claims Section.

THE BROAD BROOK BANK & TRUST CO.,
Broad Brook, Conn., June 13, 1923.

Secretary of the Treasury,
Washington, D. C.

Dear Sir: Owing to loss of Victory bond No. H-1728011 for $1,000, which was due on May 20, 1923, we are unable to present it for redemption. However, we are ready to put up a perpetual indemnity bond in a penal sum of $2,000, double the amount of the Victory bond, guaranteeing no loss to the Government should the bond turn up.

As we have practically come to an agreement with an insurance company to have them issue a bond of this nature, we wish you would advise us what procedure is necessary to file this surety bond with your department.

Deeply appreciating an early reply, we are,

Yours very truly,

Oscar J. Depatie, Treasurer.


Mr. Oscar J. Depatie,
Treasurer the Broad Brook Bank & Trust Co., Broad Brook, Conn.

Sir: Referring to your letter dated January 22, 1923, requesting information whether the lost note No. H-1728011 for $1,000 of the Victory 43/4's, uncalled, has been received, you are advised that the records of the department do not show that this note has been received.
You are advised that there is no information available at the present time in regard to the coupon dated December 15, 1922. Another copy of Department Circular No. 288 is inclosed and attention is invited to paragraphs 1 and 4 thereof.

Respectfully,

C. N. McGroarty,  
Chief, Division of Loans and Currency.

Countersigned.

H. B. Vrooman,  
Acting Manager, Claims Section.

THE BROAD BROOK BANK & TRUST CO.,  
Broad Brook, Conn., December 28, 1922.

The TREASURY DEPARTMENT,  
Office of the Secretary, Washington, D. C.

GENTLEMEN: Upon suggestion of Bank Commissioner Byrne, of this State, we wonder if you would assist us in locating the source of any coupon, or the bond itself, should it be presented at the Treasury Department for payment referred in your letter of January 11, 1923, namely, Victory bond No. H–1728011.

We are of course carrying insurance to cover losses of this kind, but we have no way to prove that the bond has been stolen; therefore if either the bond or the December 15, 1922, coupon is presented to your department for payment, that in itself will be prima facie evidence of the theft.

We would appreciate any assistance or advice in regard to this matter.

Yours very truly,

O. J. Depatie, Treasurer.

TREASURY DEPARTMENT,  
Washington, January 11, 1923.

Mr. Oscar J. Depatie,  
Treasurer the Broad Brook Bank & Trust Co.,  
Broad Brook, Conn.

SIR: Reference is made to your letter dated December 28, 1922, reporting the loss or theft of coupon note No. H–1728011 for $1,000 of the Victory 4¾s, requesting that payment be withheld and, if possible, that the note be replaced.

You are advised that United States coupon notes are payable to bearer, and no stoppage or caveat, therefore, can be entered against the payment or exchange of the note in question. The Secretary of the Treasury has no authority under existing law to grant relief on account of coupon bonds and notes which have been lost or stolen. Your attention in this connection is invited to paragraph 1 of the inclosed Department Circular No. 288 which gives full information in reference to coupon bonds or notes which have been lost or stolen.

Respectfully,

C. N. McGroarty,  
Chief, Division of Loans and Currency.

Countersign

R. L. Lindsey,  
Manager Claims Section.

THE BROAD BROOK BANK & TRUST CO.,  
Broad Brook, Conn., December 28, 1922.

SECRETARY OF THE TREASURY,  
United States Treasury Department,  
Washington, D. C.

DEAR SIR: We have recently noticed that a $1,000 Victory 4¾ per cent bond No. H1728011 was missing from the safe where it was kept. Although we have not been able to ascertain whether this bond was mislaid or whether it was stolen, yet we would appreciate some advice on the matter.

We wonder if it is possible to stop the payment on this bond which will be due in May, 1923, and replace the same to us. Or if that is not possible, to hold up the payment of this bond and trace it back through the bank, broker, or individual by whom it may have been presented, and thus assist us in locating the person who may have cashed it, if the bond was stolen or lost and not returned.

A letter from you in regard to this matter will be greatly appreciated.

Yours very truly,

O. J. Depatie, Treasurer.