

# Bank of Ava Fails to Open--October 1930

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Foreword & transcription by Kenneth Brown

## Foreword

Cherished days were those in which I worked for Dr. Duane Meyer, noted Missouri historian and former President of Southwest Missouri State University. I observed, during almost eighteen years under his supervision, how he consistently demonstrated that a keen knowledge of history helped one to make better decisions on a daily basis and to not make the mistakes of the past. His lessons came to mind as I read the almost weekly accounts in the *Douglas County Herald* after the Bank of Ava failed to open for business on Friday, October 24, 1930. This document chronicles the weekly articles that Mr. J.E. Curry, editor of the *Herald*, chose to publish each week for the readers of that era.

As these *Herald* excerpts will unveil, the failure of the Bank of Ava was an incredible story, and was a tremendous tragedy that affected many people in Douglas County during the 1930s. For each of those families that lost all savings and wealth, the effect was felt for generations.

Before reading Mr. Curry's journalistic accounts of the bank's failure in October 1930, close your eyes and imagine that you're on the town square in Ava on Friday morning, October 24, 1930. It is late fall, and people were still feeling the effects of a hot summer drought that ruined many crops. Even if a crop had survived, it wouldn't provide much income because national farm prices depressed. If crops had little value, then land in Douglas County followed suit. Lack of land value and loss of income off the land meant that many of the notes at the bank could not be repaid. Thus, an environment was generated where failures, like that of the Bank of Ava, were inevitable.

In 1930, Herbert Hoover was the country's President, and history tells us that he was slow to recognize the needs of the country in terms of economic aid. Later, in 1933, Franklin D. Roosevelt replaced Hoover as President. But in 1930, in Douglas County, people would have been somber as they walked around the square on that fateful Friday, October 24. It was already a depressed time in the county. Suddenly, a commotion and a large group of people are seen milling in front of the Bank of Ava on the north side of the Ava square. Someone runs by you telling the news—the Bank of Ava—the largest financial institution in the county has failed.

The following Thursday after Ava's Black Friday of October 24, 1930, J.E. Curry included all the pertinent information that he felt his readers needed about the bank failure. Here is what his paper printed on that Thursday, October 30, 1930, followed by all other articles appearing in his paper for the next 18 months thereafter.

*Douglas County Herald*  
October 30, 1930

## **BANK OF AVA CLOSES** **County's Oldest Bank Fails to Open** **Friday.**

**Finance Department Now in**  
**Charge--Movement Underway for**  
**Re-Organization.**

Douglas County's oldest and largest banking institution, the Bank of Ava failed to open for business last Friday (October 24, 1930) last Friday morning. A notice posted on the door stated that the closing was voluntary and was ordered by the board of directors.

Truman Richards, State Bank Examiner of Springfield, arrived Friday night and took charge.

The last published statement of the financial condition of the Bank of

Ava was published on August 28, 1930, and showed total resources of \$541,506.23; cash and due from banks and bankers, \$47,975.81, total loans of \$471,959.43 and total deposits of \$366,637.71. At that time the bank had bills payable, representing money borrowed, amount to \$81,000. Sallie J. Adams was President, F.H. Turner, vice-president, J.A.G. Reynolds, cashier, and Josephine Ellison, assistant cashier.

No cause has been given for the closing, but it is generally understood that it was due to the general financial depression, crop failures, and a gradual withdrawal of deposits over a period of several months.

The crash came as a complete surprise to the people of the town and community. J.A.G. Reynolds, cashier, broken in health from the

effect of the failure, has been confined to his home.

Many friends have called to express sympathy and confidence. He has assured all who have visited him that his only desire is that none of the depositors will lose, and that he will put every resource within his command into the institution to prevent loss to depositors. Other stockholders, including Mrs. Adams, president of the bank, have made similar statements.

**Efforts to Reorganize**—Citizens and customers of the bank have already started a movement for re-organization of the bank. However, ? can be done along this line, pending an outcome of the examiner's report. Officials of the bank are hopeful the re-organization can be effected, and will assist to the extent of their ability in the effort.

The Bank of Ava was organized in 1890, and had become recognized as one of the strongest banks in southwest Missouri. It had a capital stock of \$36,000, and surplus fund of \$50,000.

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*Douglas County Herald*  
November 6, 1930

## **J.A.G. REYNOLDS TAKES OWN LIFE**

**Bank Failure Believed to Have Led  
to Rash Act of Leading  
Business Man and Financier Here  
for Many Years**

J.A.G. Reynolds, 57 years old, leading business man and financier of Ava for many years, ended his own life sometime Wednesday morning, by hanging himself in a barn at the Reynolds home, two blocks west of the business district.

Failure of the Bank of Ava, which closed its doors on October 24, is believed to have been the direct cause. Mr. Reynolds was cashier of the bank at the time it closed, and had spent most of his life with that institution.

Leaving home at about eight o'clock Wednesday morning, Mr. Reynolds told members of the family he was going to town to get the election returns. When he failed to return at the noon hour little was thought about it, yet there was a sense of uneasiness, due largely to the condition of his health. About the middle of the afternoon relatives began to inquire about him, and learned that he had not been seen up in town during the day. At about 4 o'clock the body was found suspended to a rope from a rafter in the barn back of the Reynolds home by W.F. Reynolds, brother, and C.G. Reynolds, son, who had started a search for him.

The body was removed to the home and the entire town and community seemed panic stricken as the news of his death spread. The body was cold, indicating he had been dead several hours.

Fred Livingston, manager of the Ava Lumber Company with offices across the street from the Reynolds home, recalled having seen Mr.

Reynolds start from his home in the direction of town sometime Wednesday morning, probably about 8 o'clock. After going a short distance, he hesitated for a moment, and then went back, going around the house in the direction of the barn, Mr. Livingston recalled. It is believed he went directly to the barn and hanged himself.

### **Family Grief Stricken**

Mrs. Reynolds and other members of the family are grief stricken. C.G. Reynolds, associated with his dad at the bank, and already badly run down in health as a result of the failure, was given the attention of a local physician, as was also his mother.

### **Bank Report Wednesday**

Since the failure of the bank, Mr. Reynolds had attended two meetings of depositors, and apparently was much encouraged over prospects of reorganizing the bank. He had consented to co-operate with depositors in the effort and was to have met with the committee Wednesday, at which time a report was expected from the State Finance Department as to the condition of the bank and the probable requirements necessary to reopen the institution.

Mr. Reynolds had received much encouragement from friends in all parts of the state, as well as from neighbors and depositors of the bank. Everybody seemed to have confidence in him in spite of the failure. Depositors at both meetings had expressed a desire to have him head the new bank in case of re-organization.

He is survived by his wife, Mrs. Leota Reynolds; four sons, L.E. Reynolds, county collector; C.G. Reynolds, who had been associated with his father in the Bank of Ava; O.C. Reynolds, cashier of the Citizens Bank; and M.C. Reynolds, hardware merchant here. He is also survived by his mother, Mrs. M.C. Reynolds; one brother, W.F. Reynolds; and one sister, Mrs. H.S. Wilson, all of Ava.

### **Son Re-Elected Tuesday**

It is now thought possible that Tuesday's election may have added weight to the despondency of Mr. Reynolds. His son, L.E. Reynolds was re-elected county collector, but by a reduced majority, thought to have

been partly due to the bank failure. Mr. Reynolds was uptown Tuesday night getting the election returns, and did not go home until he was sure his son had won.

### **Funeral Friday**

Funeral services will be conducted at the General Baptist Church at 2 o'clock Friday afternoon by Mrs. E.A. Hunsaker, pastor of the church, followed by burial in the Ava cemetery. Pall bearers will be: V.A. Dobyns, J.A. Mitchell, C.E. Yeoman, L.H. Pettit, J.E. Curry and Fred Livingston. The Clinkingbeard Undertaking Company has charge of funeral arrangements.

*(Note: one of the closest of the county elections was that of L.E. Reynolds for County Collector. He received 1511 votes to 1284 for his Democratic opponent, S.E. Malloy, a majority of 227 votes.)*

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*Douglas County Herald*  
November 13, 1930

## **THE REYNOLDS FUNERAL**

**Hundreds Assemble Her for Last  
Tribute  
One Hour Required as Huge Crowd  
Filed Through  
Church in Last Tribute to  
Prominent Citizen**

As evidence of the esteem and friendship held for J.A.G. Reynolds, his funeral here last Friday was attended by one of the largest crowds ever assembled in Ava on a similar occasion. Only a small portion of the crowd could gain admittance to the General Baptist Church, where the funeral sermon was delivered by the Rev. Mrs. E.A. Hunsaker, pastor of the church. At the conclusion of the service at the church, the casket was moved to a position near the door that friends and relatives might view the corpse for the last time. It required one hour for the huge crowd to file past the casket.

The funeral procession was perhaps the longest ever witnessed here. As the hearse conveying the body neared the Ava cemetery, the body rear end of the procession was barely out of the business district of town. People were here from many miles away, some coming from other states, to be present for the last rites of one who at some time in life had befriended them. Indeed it was a great tribute to the life and friendship of one who had spent his life in the service of his fellowman. The floral offering was indeed elaborate.

James A.G. Reynolds, son of Moses C. and Nancy E. Reynolds, was born October 24, 1870, near Ava, MO. died November 5, 1930, age 60 years, 12 days.

He moved to Ava with his parents in 1873, and resided here until his death. On September 4, 1892, he was married in Ava, MO, to Leota Curnutt, daughter of J.M. and Amanda Curnutt. To this union, five children were born, five dying in infancy at the age of 9 days. Four children survive, Lloyd E., Cecil G., Oden C., and M. Clifford, all of whom are now married and reside in Ava. He is also survived by his mother, now nearing 81 years of age, one older brother, W.F. Reynolds of Ava, and a younger sister, Mrs. H.S. Wilson also of this city.

In 1892, Mr. Reynolds was elected County Treasurer of Douglas county, and began working at the Bank of Ava, with which institution he was connected in various capacities until the day of his death. All through life he had taken a keen interest in the welfare of his community, always helping to finance movements for the advancement of the public interest. He was one of the heaviest contributors to a fund to bring our little railroad to Ava, and was one of the leaders in the drive to finance the proposition. Later when the road was

about to go on the rocks, he again came to the rescue, and with the aid of other citizens of the town, took the little railroad over at a heavy sacrifice.

Always with the welfare of the community at heart, naturally he was interested in the schools and churches, and aided at all times in their support. For twenty-seven years he had served as a member of the board of education of the Ava schools, during which time several bond issues were floated for new buildings and improvements.

It can truthfully be said that J.A.G. Reynolds has been a benefactor to the town and community in which the spent his life. As was stated by the Rev. Mrs. Hunsaker in the funeral sermon, perhaps no man ever did more for his community than did Mr. Reynolds. That certainly is a fine tribute to the life of any man.

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*Douglas County Herald*  
November 13, 1930

## **TO AUDIT BANK RECORDS**

**Springfield Firm Selected to Make Audit**

**Grand Jury Investigation to Await Outcome of Audit—**

**Depositors Committee Cooperating**

An audit of the records of the Bank of Ava, covering a period of three years, has been ordered by a depositor's committee, selected at a meeting of depositors of the defunct bank of at the lodge hall here following closing of the bank's doors. The audit was recommended by J.E. Cahill, deputy finance commissioner in charge of liquidation.

The audit, it is understood, will give detailed transactions of funds handled by the bank during the past three years, and will provide information necessary to determine if the criminal laws have been violated.

There has been some talk of a grand jury investigation, but this is not likely until after the auditors have completed their work, it is believed. In the meantime, Attorney A.M. Curtis of Springfield, on behalf of the state, is preparing to file proceedings to collect bonds of officials of the bank.

### **Depositor's Committee Active**

A depositor's committee composed of three of the heavy depositors of the bank, has been in close touch with the proceedings, and is cooperating with the liquidating officers. Mr. Cahill has gone into the affairs of the bank in considerable detail with the committee, and has given them valuable information as to steps to be taken in the interest of depositors.

### **Examiner's Report Filed**

The examiner's report was filed in the Recorder's office Friday morning and sets out in detail the complete list of assets of the bank. All notes and obligations of citizens to the bank are set out in the report. The report reveals a heavy line of credit extended to family lines, estimated at more than \$200,000. However, this does not necessarily mean a loss in that amount to depositors. Many of these obligations, and it is hoped, a majority of them, will be met.

Hundreds of people have visited the Recorder's office to scan the report of the examiner during the past few days.

### **Re-organization Dropped**

Following the death of Mr. Reynolds, cashier of the bank, and the filing of the examiner's report, all plans of re-organization have been dropped. It was apparent that, demands of the Finance Department for reopening the bank could not be met.

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*Douglas County Herald*  
November 13, 1930

## **ESTATE TO CREDITORS**

The J.A.G. Reynolds estate will go to the bank and to his personal creditors, who will share and share alike in their claims before the Probate Court. His life insurance, it is understood, is made payable to the estate and consequently will be added to his other holdings and liquidated for the benefit of creditors and depositors of the bank.

The extensive property holdings of W.F. Reynolds, it is understood, stand not only behind his own obligations, but have been advanced as security for the obligations of this brother and Mrs. J.M. Adams, president of the bank. Mrs. Adams also has extensive property holdings and has declared that everything goes for the protection of her personal creditors and depositors of the bank. Obligations of the Reynolds boys, sons of J.A.G. Reynolds, are also considered good.

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*Douglas County Herald*  
November 20, 1930

## **BANK AUDIT UNDER WAY**

**Auditors Expect to Finish Job by  
December 15  
Depositors Filing Claims Against  
Bank—  
No Dividends Until Eight Months,  
Officials State**

Morwood & Taylor, certified accountants of Springfield, Mo., started Monday on the task of auditing the books at the Bank of Ava, which institution closed its doors on October 24. The audit was authorized by a depositor's committee upon recommendation of J.E. Cahill, deputy

finance commissioner in charge of liquidation.

In recommending the audit, Mr. Cahill expressed the opinion that information brought to light in an audit would be of material benefit in the collection of notes and other obligations due the bank.

The task of auditing the records is expected to be slow and tedious, and will require about four weeks time, Mr. Taylor stated yesterday. The report should be completed by December 15, he believed.

Depositors are now filing claims against the bank, and the finance department officials are preparing to push collections on notes and other obligations due the bank. Owing to the drought and general depression, many creditors are going to be hard pressed to meet their obligations, and liquidating officers are going to have to be lenient if they realize the maximum amount possible for depositors. Creditors are given four months or until March 17, 1931, to file claims.

There have been few new developments during the past week and probably will be none pending a report of the auditors.

Any predictions as to the amount the bank will eventually pay to depositors is merely conjecture. That will depend largely on collections. In no event can a dividend be declared for the benefit of creditors under eight months from the date of the bank's closing, it is understood.

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*Douglas County Herald*  
December 4, 1930

## **DEPOSITORS ASK HELP**

**Petition Governor to Send Atty.  
General Here  
Would Probe Affairs of Defunct  
Bank With View to  
Criminal Prosecution—Petitions  
Freely Signed**

Depositors and citizens of this community have started a movement to secure aid of the state Attorney General in probing the affairs of the defunct Bank of Ava. Several petitions were put into circulation this week calling upon Governor Caulfield to direct Attorney General Shartel to intervene in behalf of depositors and other creditors of the bank, with a view of criminal prosecutions. The petitions are being signed freely according to reports.

In the meantime, Morwood & Taylor, Springfield accountants, are digging into the records for a complete record of all business transactions at the bank over a period of three years. On the outcome of this audit will depend, it is believed, the filing of any criminal charges against officers of the bank. The audit may also have a bearing on the collection of bonds carried by the president and cashier. The auditors declined to make any statement for publication when interviewed today, other than that they expected to file their complete report with Commissioner J.E. Cahill about December 15<sup>th</sup>.

J.H. Robinett, special liquidating officer in charge at the bank, is being assisted by Miss Ethel Sell. Mr. Robinett stated that people who owe notes at the bank are apparently making every effort possible to meet their obligations.

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*Douglas County Herald*  
December 18, 1930

**STATE INTO BANK CASE**  
**Shartel Assigns Two of His Staff to**  
**Ava Case**  
**Petition Signed by 525 Citizens Laid**  
**Before Governor Caulfield—**  
**To Complete Audit Soon**

Stratton Shartel, state attorney general, has assigned two assistant state attorneys to Ava to investigate the failure of the Bank of Ava. Action by the Attorney General was obtained last Saturday by a committee of depositors who laid the matter before Governor Caulfield, asking that the Governor direct the Attorney General to intercede. Petitions containing signatures of 535 citizens of Douglas county were presented to the Governor and Attorney General appealing for assistance from the state.

Mr. Shartel immediately announced the assignment of F.G. Robinson and Ray Weightman to the case. Mr. Robinson is the assistant attorney general who investigated affairs at the defunct Bank of Aurora, at the request of the Governor, resulting in the suspension from office of State Treasurer, Larry Brunk. Mr. Weightman recently helped in the successful prosecution of a former official of the closed Stotts City Bank

**Audit Nears Completion**

Just when the two assistant state attorneys will arrive here is not known. However, it will in all probability be after the first of the year. The attorney general's force is crowded with work just now, General Shartel announced.

Morwood & Taylor, Springfield accountants, employed to make an audit of the records at the bank, expect to complete their work by

Saturday, it was learned yesterday. At first the auditors set December 15<sup>th</sup> as the date on which they expected to complete the audit.

**Prosecuting Atty. Cooperation**

The committee appearing before Governor Caulfield and General Shartel last Saturday, also carried with them a request from Prosecuting Attorney, John M. Bragg, asking that Shartel assist in the investigation. However, Mr. Bragg likely will not be connected with the case, as his term of office expires on January 1<sup>st</sup>.

The prosecuting attorney-elect of Douglas county, Fred Stewart Jr. has also written the Attorney General, asking for assistance. Stewart is a son of former circuit judge, Fred Stewart, one of the attorneys retained by Mrs. Adams and, for this reason is glad to have assistance from the state in making an investigation.

Members of the committee who carried the petitions to Jefferson City were E.L. Yeoman, Dr. R.M. Norman, Judge N.V. Kester, and M.E. Miller of Ava and Atty. Tom Moore of Ozark who accompanied them by request.

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*Douglas County Herald*  
December 25, 1930

**BANK AUDIT**  
**COMPLETED**

**Information Will Not be Made**  
**Public**  
**Assistant Attorney General to**  
**Arrange Conference with**  
**Pros. Atty. to go Over Report**

Audit of the records of the defunct Bank of Ava have been completed by Morwood & Taylor, Springfield accountants, it was learned here today. All that now remains in connection with the audit is a final checking of the report before turning the information over to

Deputy Finance Commissioner J.E. Cahill and Prosecuting Attorney John M. Bragg.

The report of the auditors will not be made public as it is believed that would defeat the purpose of the audit, it is understood. Instead, one copy will be filed with the deputy finance commissioner, and a second copy with the prosecuting attorney.

**State Attys. Ask for Conference**

Pros. Atty. John M. Bragg has received a letter from Assistant Attorney Generals Edward G. Robinson and Roy Weightman asking for a conference with the Prosecuting Attorney immediately following receipt of a copy of the audit. Mr. Robinson and Mr. Weightman were assigned to assist in prosecuting the case after depositors in the closed bank filed petitions with Governor Caulfield asking that he request Attorney General Shartel to aid in an investigation.

**Not to Call Grand Jury**

It is understood the assistant Attorneys General feel that a grand jury investigation of the affairs of the bank will not be necessary, and it is not believed likely a grand jury will be called. It is believed the auditor's report will supply the basis for any criminal action that may be filed, and that the Prosecuting Attorney may proceed on his own affidavit.

Deputy Commissioner J.E. Cahill, in charge of liquidation, was here this week but declined to make any statement on the outcome of the audit.

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*Douglas County Herald*  
January 1, 1931

## **CALL DEPOSITORS MEET**

**To Be Held at Court House  
Here January 5  
Depositor's Committee Retains  
Atty. Tom Moore to Assist in Cases  
Developing Out of Bank Failure**

Depositors of the Bank of Ava have been called to meet at the court house in Ava on Monday, January 5, at 2 p.m. The decision to call a mass meeting of depositors was reached at a meeting of the depositors' committee held here Friday evening of last week.

Circulars calling attention to the meeting have been mailed out over the county, urging every depositor to be present if possible. Just what is to be taken up at the meeting has not been announced by the committee, other than that "matters of importance to all depositors" will be discussed.

It is also understood the depositor's committee has retained the services of Atty. Tom Moore of Ozark to assist in the prosecution of any cases that may develop from the bank failure. The retaining of a local attorney, it is understood, is in line with recommendations of Attorney General Shartel, who has assigned two deputies to assist in the matter.

*Douglas County Herald*  
January 15, 1931

## **EMBEZZLEMENT CHARGE**

**Mrs. Adams and Frank Turner  
Arrested Monday  
Have \$5,000 Bond Each for  
Appearance at Preliminary  
on Feb. 5<sup>th</sup> Before Justice A.C. Kice.**

Mrs. Sallie J. Adams, president, and F.H. Turner, vice-president of the Bank of Ava when it closed on October 24, were arrested here Monday (January 12, 1931) on charges of embezzlement and assenting to deposits while the bank was in a failing condition. Bond was fixed at \$5,000 each which was furnished by legal counsel and relatives of Mrs. Adams and Mr. Turner.

A preliminary hearing is to be held at 10 o'clock on Thursday, February 7 before Justice A.C. Kice of Ava. The preliminary likely will be held in the circuit court room, it was stated by Fred Stewart Jr., prosecuting attorney.

Mrs. Adams is charged with embezzling \$26,706.54, and Turner is charged with embezzling \$12,519.13 of the bank's funds. In addition, both were accused jointly of having assented to acceptance of deposits in the bank when they knew it was in a failing condition.

Two specific cases are cited in connection with the charge of assenting to deposits. The first joint charge is that they assented to acceptance of a deposit made by W. J. Brazeal on October 1; and the second one of about \$300 made by Mrs. Margaret Haskins on October 20.

The prosecution of Mrs. Adams and Turner will be conducted by Fred Stewart Jr., new prosecuting attorney here, Tom R. Moore of Ozark, employed as special prosecutor, Ed Robinson and Ray Weightman, assistant state attorneys general assigned to the case by Attorney General Stratton Shartel. The defense, so far as is known here, will be in the hands of the law firm of Stewart & Banta, assisted by Atty. N.J. Craig of Mansfield

The cases will be scheduled for trial in Douglas county circuit court, probably at the April term, according

to Mr. Stewart. However, a change of venue is expected, entailing further delay. It is not expected that any of the cases will ever be tried in this county.

### **Leader Gets Inside Story**

Although the audit of the bank, made by Morwood & Taylor, accountants of Springfield, has never been made public here, it appears that some of the information thus obtained has leaked out in Springfield, judging from recent newspaper reports in the Springfield Leader.

The following is quoted from the Leader of Monday evening, January 12:

"Mrs. Sallie Adams, president of the Bank of Ava, who in the past decade spent much of her husband's fortune in lavish entertainments at Ava and in Springfield and Kansas City, today was arrested upon charges of embezzling \$26,706.54 from her bank during the past three years.

"At the same time her brother, F.H. Turner, whom she made vice-president of the bank several years ago, was arrested upon charges of embezzling \$12,519 from the now closed bank during the same period.

"Behind some of the embezzlement charges against Turner, it was intimated, is the story of heavy plunging by him upon the grain market, with forged notes being put into the bank to obtain cash for a desperate effort to beat the market and save the failing bank. Turner gambled upon the grain market for a period of a year or more, it became known today, trading through a Springfield company."

The following is quoted from Tuesday's Springfield Leader:

### **"MRS. ADAMS HOTLY DENIES THEFT CHARGE**

" 'I am an honest woman! ' "

"Thus did Sallie Adams, woman bank president of Ava, cry out today

against criminal charges filed against her yesterday, and against descriptions of the lavishness of her private life.

“She is ‘absolutely innocent of wrong-doing in the bank,’ she declared, and stories of lavish entertainment given by her in recent ...{continued on page five of the Herald but is missing}

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*Douglas County Herald*  
January 29, 1931

## **TO OPPOSE BANKRUPTCY**

**Mrs. Adams Files Answer in  
Federal Court  
Contends That as Farmer She  
Cannot be Forced Into  
Bankruptcy—  
Hearing Set for April 6<sup>th</sup> in  
Springfield**

Mrs. Sallie J. Adams, former president of the closed Bank of Ava, against whom an involuntary petition in bankruptcy was filed January 5, filed her answer Wednesday with A.L. Arnold, clerk of the federal court in Springfield, where the petition was filed.

A hearing on the petition to decide the matter has been set for Monday, April 6, before federal judge Albert Reeves in Springfield.

Mrs. Adams alleges in her answer that she is within the exemptions specified in section 4-B of the bankruptcy, they cannot under the law be forced into bankruptcy by involuntary proceedings filed by others.

The defendant further sets out that one of the petitioners who filed the proceedings, George E. Johnson, is not a creditor in the manner and form as alleged and that his alleged demand is not provable against her. She states that the alleged note for \$750 under which his claim is filed

purporting to have been signed by Reynolds & Jenkins, was not in fact the note of Sallie J. Adams, and that she does not owe Johnson \$750 or any other sum.

The petition in the case was filed by Johnson who lives west of Ava, Mrs. D.H. Kay of Liberty, MO., and Estelle Hardie of Washington, D.C. In their petition they recite that the defendant is indebted to them and 26 others or firms, in a total amount of \$24,878.60.

### **Adams-Turner Preliminary Hearing Reset for February 6<sup>th</sup>**

The preliminary hearing for Mrs. Sallie J. Adams, president, and F.H. Turner, vice-president, of the closed Bank of Ava, charged with embezzlement and with assenting to the acceptance of deposits while the bank was in a failing condition, has been reset for Friday, February 6<sup>th</sup>.

Date of the preliminary was originally fixed for February 5<sup>th</sup>, but has been postponed in order not to interfere with the annual Clover and Prosperity Conference scheduled to be held here on the 5<sup>th</sup>.

The preliminary hearing will be held at 10:00 o'clock on Friday, February 6, at the court house before Justice A.C. Kice, according to Prosecuting Attorney Fred Stewart, Jr. Assistant Attorney General F.G. Robinson, Assigned to the case by Attorney General Shartel, and Atty. Tom R. Moore, employed by depositors as special prosecutor in the case, are expected to be present for the preliminary.

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*Douglas County Herald*  
February 19, 1931

## **GOES TO CIRCUIT COURT**

**Mrs. Adams and F.H. Turner  
Bound Over**

**Numerous Cases of Forgery  
Testified to by State Witnesses—  
Large Crowd Attend Hearing**

Mrs. Sallie J. Adams, former president of the closed Bank of Ava, and F.H. Turner, vice-president of the bank, were bound over to the April term of the Douglas county circuit court on charges of assenting to deposits while the bank was in a failing condition and on charges of embezzlement Wednesday, following a lengthy preliminary hearing before Justice A.C. Kice. Bonds were fixed at \$6000 each. The court room was filled to capacity throughout the trial. At one time Tues. Justice Kice called a recess through fear the building might collapse under the weight of the huge crowd. Efforts to clear the room were futile, however, and the hearing proceeded before a capacity throng of spectators.

Although the cases against Mrs. Adams and Turner will be scheduled for the April term of court here, it is generally expected the defendants will ask for a change of venue from this county.

Mrs. Adams is charged with having embezzled \$26,706 from the bank, and a similar complaint charges Turner with embezzling \$12,519. In addition they are charged jointly with having assented to acceptance of deposits when they knew the bank was in a failing condition.

### **Testify To Deposits**

Early in the hearing, W.J. Brazeal, farmer of west of Ava, testified that he deposited \$1,089 in

the bank October 1, and Mrs. Margaret Haskins of Ava, a widow, testified that she deposited \$301.13 in the bank October 20, three days before it closed. J.A.G. Reynolds, cashier, took her deposit, the testimony revealed. Mr. Reynolds committed suicide shortly after the bank failed.

### **Deny Making Notes**

Several witnesses took the stand to deny making notes found in the bank's assets following the failure.

One of the most important witnesses was William Fleetwood, whose notes for \$5000 were found in the bank when it closed. He told of receiving \$5 for the execution of a fraudulent deed of trust to 120 acres of rough land which the bank officials had deeded to him for the occasion.

Fleetwood said A. Spangle met him on the street one day and asked if he would like to make some easy money. "Yes," Fleetwood said he told Spangle. Later they went to the Bank of Ava where Turner prepared five \$1000 notes, a deed, and a deed of trust. The bank officers then deeded Fleetwood 120 acres of land, according to the testimony, and in return Fleetwood gave them a deed of trust on the land, secured by the five \$1000 notes. Fleetwood said he received \$5 for his part in the transaction, but was promised more. Evidence from the records was later produced tending to show that Mrs. Adams got the \$5000 from the Fleetwood notes.

Another similar case was that of Roy C. Wilson of Ozark county. Wilson testified that the name attached to notes totaling \$5500 found in the bank resembled his signature, but he could not remember even having signed the notes. Likewise, a deed of trust bears a signature which "looks like" his, but he denied all knowledge of it. All efforts of

attorneys to clear up Wilson's testimony failed. He just couldn't remember anything about it, and said he did not know any of the former bankers.

J.A. Mathis, farmer of near Cross Roads, told of signing a note when he planned to buy some cattle and mailed it to the bank without filling in the amount. This was done, he said, so the bank officials could fill in whatever amount was necessary to cover his checks when they came in. He never bought the cattle, however, and gave the note no more thought until after the bank closed, when he found out the note had been filled in for \$3910 and was being held by a St. Louis bank. Mathis had marked the note with a small cross for identification, he said, and therefore knew it was the same note.

William Call, a tenant on a farm, which belonged to J.A.G. Reynolds, said that he knew nothing about the note for \$2,080 bearing his signature until Mr. Reynolds told him a few days before he killed himself, that "we used your name on a note."

T.E. Dobyms, also a tenant of Reynolds, testified that he knew nothing about two notes to which his signature was attached, until after the bank closed.

Jeff Prine, who lives on a farm belonging to Mrs. Adams, testified that he never signed a \$1,100 note of his which was found in the bank. However he said, he gave her authority to "use his name," on the note.

Testimony was also introduced to show that F.F. Andrews had given ten \$1000 notes found in the bank, secured by a deed of trust to a piece of land deeded him by Mrs. Adams. Witnesses also testified that the land in question was not worth to exceed \$2000. Bank records were produced to show that these notes had been used to replace an \$8000 note signed by

Frank H. Turner and his wife. Andrews was ill and unable to testify.

### **Cahill Testifies**

J.E. Cahill, deputy finance commissioner in charge of the liquidation, testified as to the condition of affairs at the bank when taken over by the finance department; also regarding missing "cash items" and other securities to the amount of about \$36,000 taken from the bank the day before it closed. These items he said were charged out of the surplus fund on the bank's records. The "cash items" he said, were later returned, but a number of notes were not returned.

Miss Ethel Sell, who is assisting with the work in liquidating the bank, identified the notes and signatures which formed the basis for the state's evidence.

Truman H. Richards, bank examiner, testified to about the same line of facts as set forth in question. He testified that many of the notes he considered worthless.

### **No Defense Witnesses**

Attorneys for the defense did not offer any witnesses and did not cross examine all of the state witnesses. The prosecution was represented by Fred Stewart, Jr., prosecuting attorney, Tom R. Moore, special attorney employed by depositors, E.G. Robinson and Ray Weightman, assistant attorneys general. Most of the examination of witnesses was conducted by Mr. Robinson. The defendants were represented by Attys. Lz Banta, Fred Stewart, Sr., former circuit judge, and N.J. Craig of Mansfield.

### **Transcript of Testimony**

The Herald has arranged to give a transcript of the testimony as given in the preliminary, but owing to the length will have to continue this part



of the story over into next weeks issue and possibly longer.

{NOTE: word-for-word transcripts of the testimony were printed in the Herald over a period beginning on February 19, 1931, and ending on April 16, 1931.}

{AUTHOR'S NOTES: Workers in the Bank of Ava mentioned in the testimonies—Clinton Gaston (from May '28 until Oct '30), Josephine Ellison (Mrs. Adams' niece). Sybil Gaston. Florence Adams (age 23 in 1930).}

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*Douglas County Herald*  
April 9, 1931

**CIRCUIT COURT  
CONVENES  
Here Monday, April 13**

The regular April session of the Douglas county circuit court will convene here next Monday, April 13. The docket for the coming term is unusually long, due to several new cases filed just recently in connection with liquidation of the Bank of Ava. The session is expected to last throughout most of the week.

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*Douglas County Herald*  
April 16, 1931

**BANK CASE TO STONE  
COUNTY**

**Will be Docketed at Galena in  
October  
Defendants Swear Against Trial in  
Douglas, Ozark and Taney Counties**

Charges against Sallie J. Adams and F.H. Turner, president and vice-president of the defunct Bank of Ava, will be tried in the Stone county circuit court at Galena in October of this year, should the cases be tried as now scheduled. Judge Gibson, in

circuit court here this week, granted change of venue to Stone county after the defendants had filed affidavits alleging they could not get fair trials in Douglas, Ozark or Taney counties.

The two former bank officials are charged on four counts of embezzlement and assenting to deposits while the bank was in a failing condition. They gave bond in court for appearance in Stone county at the October term.

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*Douglas County Herald*  
May 7, 1931

**MRS. ADAMS  
BANKRUPT  
Withdraws Protest Against  
Involuntary Proceedings  
Proceedings Against Two  
Daughters Dismissed In  
Compromise In Federal Court in  
Springfield.**

Mrs. Sallie J. Adams, president of the Bank of Ava when it closed last October, has been adjudged a bankrupt following withdrawal of her protest against the involuntary proceedings instituted against her in January by three creditors.

Mrs. Adams at first resisted the bankruptcy action on the grounds that she was engaged in farming, and the case was set for a hearing in Springfield last Monday before Judge Orin Patterson, appointed by federal judge, Albert L. Reeves as master to hear the arguments and report.

Numerous witnesses were summoned in the case and appeared for the hearing in Springfield Monday. None were used, however, when attorneys for Mrs. Adams informed Patterson that they were withdrawing their answer to the petition. A schedule of her assets and liabilities is to be filed in federal court within the next few days.

Bankruptcy proceedings instituted against Mrs. Adams' two daughters, Mrs. Elinor Kavanaugh and Miss Florence Adams, were dropped, it is understood, following an agreement reached by attorneys on each side. The three creditors whose names appeared on the bankruptcy petition against Mrs. Adams are Geo. E. Johnson, Ava; Mrs. D.H. Kay of Liberty, MO; and Estellie Hardie of Washington, D.C. who filed claims totaling \$1778.78. Other notes enumerated in the petition, however, totaled \$24,878.66.

*Douglas County Herald*  
July 23, 1931

**SELL BANK BUILDING**

The building occupied by the Bank of Ava has been contracted to A. A. Adams and R. L. Story, it was announced here this week, for a consideration of \$4,600. The sale was made by J. E. Cahill, deputy finance commissioner.

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*Douglas County Herald*  
September 10, 1931

**JUDGE STEWART  
STRICKEN ILL IN  
COURT**

Judge Fred Stewart became suddenly ill Tuesday evening while attending court in Ozark. For a time his condition was serious, but he gradually revived and returned to his home here today.

Judge Stewart had just completed argument of a case in court late in the afternoon when the illness came upon him. At first he thought it merely weakness from physical and mental strain and went to a restaurant for something to eat. Shortly after eating he collapsed entirely. The trouble is believed to have been caused by indigestion.

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*Douglas County Herald*  
September 17, 1931

## **JUDGE STEWART ABLE TO BE DOWN TOWN TODAY**

Former circuit judge, Fred Stewart, who was stricken suddenly ill while attending circuit court at Ozark last week, was able to come to town today for the first time since his illness, now diagnosed as a light paralytic stroke.

Judge Stewart was returned to his home here last week, and has been confined to his bed most of the time. A number of law suits scheduled for trial in circuit court here next week, in which he is employed as attorney, likely will be continued on the docket, as it is practically certain his physicians will not allow him to do any work at present.

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*Douglas County Herald*  
October 8, 1931

## **BANK TRIAL RESET FOR NOVEMBER 30 IN GALENA**

The trial of Mrs. Sallie J. Adams and her brother, F.H. Turner, growing out of the failure of the Bank of Ava, was scheduled for a hearing in the Stone county circuit court at Galena this week, but has been reset for November 30, according to Prosecuting Attorney Fred Stewart, Jr. The continuance was granted, it is understood, because of the physical condition of former circuit judge, Fred Stewart, Sr., counsel for the defendants. Judge Stewart has not fully recovered from a recent stroke, suffered while attending court at Ozark, Christian county.

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*Douglas County Herald*  
December 3, 1931

## **BANK CASES CONTINUED TO MARCH TERM, STONE COUNTY**

The criminal charges against Sallie J. Adams, former president, and F.H. Turner, vice-president, of the now defunct Bank of Ava, set for a hearing in the Stone county circuit court at Galena this week, have been continued to the regular March term of the Stone county court. They are charged with receiving deposits while the bank was in a failing condition also with imbezzlement (sic).

The cases were sent to Stone county on change of venue from Douglas county.

Agreement to the continuance was reached here on Thursday of last week at a conference between attorneys representing both sides. The continuance, it is understood, was on account of the health of former circuit judge, Fred Stewart, of counsel for the defendants. Judge Stewart has not fully recovered from a light stroke, suffered late in the summer.

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*Douglas County Herald*  
December 24, 1931

## **JUDGE STEWART PASSES**

**End Comes Peacefully After Ten  
Days Illness**

**Funeral Services Today, Followed  
by Burial in Goodhope Cemetery—  
Masonic Lodge in Charge.**

Funeral services for Judge Fred Stewart, 57, whose death occurred at his home here at 12:30 Tuesday afternoon, will be conducted today. The body was taken to the home of Clarence Clinkingbeard, local undertaker, Tuesday night, and was

returned to the Stewart home at 9 a.m. Wednesday morning. At 10 o'clock today, it was removed to the General Baptist church to lie in state until 1 p.m. The body was again returned to the home at 1 p.m., to permit short funeral services by Rev. G.A. Wells of Republic, Mo., in the presence of Mrs. Stewart who is confined to the home with an attack of pneumonia. Burial followed at the Goodhope cemetery, ten miles west of Ava, in charge of the Masonic lodge, of which he was a member.

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*Douglas County Herald*  
February 11, 1932

## **STORY HARDWARE CO. TO MOVE TO BANK BUILDING**

The R. L. Story & Sons Hardware Company is making arrangements to move into the Bank of Ava building just as soon as the building can be remodeled. Work on the building is scheduled to start today, Mr. Story said. The Douglas County Abstract Co., it is understood, has bought the vault equipment and will use the material in a new vault to be constructed in the adjoining building to the west. The vault of the bank building is to be torn out and the interior of the building otherwise remodeled to make it suitable for a store.

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*Douglas County Herald*  
February 11, 1932

## **SELLS BANK FIXTURES**

J. E. Cahill, deputy finance commissioner in charge of liquidation of the **Bank of Ava** was here Wednesday and conducted an auction sale of the fixtures and other equipment of the bank. The bank fixtures and the big safe were sold at sacrifice prices there being little demand for such equipment. However, smaller items brought fairly good prices.

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*Douglas County Herald*  
February 25, 1932

The **Bank of Ava** building owned by Luther Story and Allen Adams is being remodeled and redecorated this week. The interior work will be finished this week and the Story Hardware stock of goods will be moved over Sunday and will be opened in the new location Monday morning.

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*Douglas County Herald*  
March 17, 1932

## **BANK TRIALS MONDAY** **Adams-Turner Cases to be Heard** **at Galena**

**Criminal Cases Expected to be**  
**Tried This Time—Charge Will Be**  
**On Assenting to Deposits.**

Criminal charges against Mrs. Sallie J. Adams, former president, and F.H. Turner, former vice-president of the defunct Bank of Ava, will be called in circuit court at Galena next Monday. Court is in session at Galena this week, and the bank cases have been set for Monday morning. The cases were sent to Stone county on change of venue.

According to Prosecuting Attorney Fred Stewart, Jr., Mrs. Adams and Turner, who are charged with assenting to deposits while the bank was in a failing condition, also with embezzlement, will go to trial on the former charge—that of assenting to deposits. Counsel for both sides are expected to announce ready for trial when the cases are called, and a long string of witnesses both from the state and defense have been subpoenaed to be present at Galena Monday morning.

Young Stewart will be assisted in the prosecution by two assist attorneys general, E.G. Robinson and Ray Weightman, and Tom R. Moore of Ozark, who was employed by depositors of the closed bank. The dependants will be represented by Attys. Lz Banta of Ava, N.J. Craig of Mansfield, C.H. Jackson of Mtn. Grove, Sam Ware of Springfield, and Judge Thornburry of Galena.

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*Douglas County Herald*  
March 17, 1932

## **BANK OF AVA PAYS** **FIRST DIVIDEND, 10** **PCT.**

Dividend checks totaling \$35,169.31 are being distributed by J.E. Cahill, special deputy finance commissioner in charge of liquidation of the Bank of Ava, to depositors of the closed bank. The dividend represents a 10 percent payment of the bank's obligations, and is the first declared since the bank closed in October, 1930.

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*Douglas County Herald*  
March 24, 1932

## **ADAMS-TURNER CASES** **CONTINUED TO** **MAY 2ND**

The criminal cases against Sallie J. Adams and F.H. Turner, president and vice-president, respectively, of the closed Bank of Ava, were again continued when called in the Stone county circuit court at Galena, Monday. The continuance was granted according to reports, because of the illness of G.W. Thornberry of Galena, one of the defense attorneys. The cases are now set for a hearing at Galena on May 2<sup>nd</sup>.

This was the second time sickness of attorneys has resulted in delays of the trials. The state vigorously opposed Monday's continuance, on ground that long delays already had occurred in the cases, but the defense was successful in its demand. Mr. Thornberry collapsed at the court house in Galena last week and was said to be weak and ill. His wife has double pneumonia and his daughter also has pneumonia.

Representing the state at the hearing were Fred Stewart, Jr., prosecuting attorney of Douglas county, Tom Moore of Ozark, and E.G. Robinson, assistant state attorney-general. For the defense were Sam Wear of Springfield, Lz Banta of Ava, N.J. Craig of Mansfield, and C.H. Jackson of Mountain Grove.

A long string of witnesses from Ava and vicinity have been subpoenaed in the cases, and many of them were present in Galena Monday morning. Others were awaiting telephone calls to advise them as to just when they might be called to testify.

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*Douglas County Herald*  
March 31, 1932

## **DOUGLAS COUNTY ABSTRACT COMPANY INTO NEW HOME.**

The Douglas County Abstract Company was moved this week into its new home, first door west of the **Bank of Ava** building. The building has been completely remodeled, a fire proof vault installed, new hardwood floor, new front, and is being decorated this week. J. H. Robinett, who has charge of the records of the Bank of Ava, and abstract company, also will have space in the new building. The building vacated by the abstract company will be occupied by the Cox barber shop.

*Douglas County Herald*  
May 5, 1932

## **MRS. S.J. ADAMS IS ACQUITTED Defense Switches Blame to Deceased Cashier—Important Bank Records Disappear Since Preliminary Hearing Was Held**

Mrs. S.J. Adams was acquitted on charges of embezzlement, at the conclusion of her two-days trial in the Stone county circuit court early this week. The verdict of acquittal was returned by the jury at about 8:30 Wednesday morning.

A battery of attorneys employed to defend Mrs. Adams had fought the case stubbornly through two days, basing their defense largely on the testimony of the defendant that her banking transactions were done at the advice of J.A.G. Reynolds, former cashier, on whom she said she relied absolutely, because her husband told her to do so. The Bank of Ava

account, she said, was used by Mr. Reynolds but she didn't know how. She told attorneys she did not understand the workings of the account, but said she knew her money came from it. She had believed her property was valuable enough to secure all her loans from the bank, she said.

### **Bank Records Missing**

Most of the following account of the proceedings of the trial was taken from the Springfield Press, which paper was represented by a reporter in attendance at the trial:

Court attaches were startled Tuesday by testimony of the three state attorneys that part of the records of the closed bank had disappeared since the preliminary trial of Mrs. Adams.

The attorneys, Tom Moore of Ozark, employed by depositors; E.G. Robison of Jefferson City, assistant state attorney general; and Fred Stewart, prosecuting attorney of Douglas county, testified that the records were among the state's exhibits at the preliminary trial and since have disappeared.

The attorneys asserted the lost records included the last ledger sheet of Mrs. Adams' account, a deposit slip showing a deposit of \$1,432.41 to Mrs. Adams' account, an important factor in the trial; and several cash items, said to be checks made by Mrs. Adams and entered as cash in the bank's account.

J.H. Robinett, liquidator, in whose custody the records have been since the preliminary trial, testified he had the records at the time of the preliminary, but that they could not be found now. He said he searched for them at the request of state's attorneys but had been unable to find them. Although the records were in his custody, it was said they were more or less available to the public.

State attorneys waded through a mass of technical information at a night session Monday and again on Tuesday morning. Clyde Morwood of Springfield, public accountant, testified to technical items in connection with the records. During this part of the testimony one of the jurors went to sleep.

Beside Mrs. Adams throughout the trial was her brother, F.H. Turner, former vice-president of the bank, who faces charges of embezzlement and assenting to deposits while the bank was in a failing condition, and who will be tried later. Also with her were her two daughters and E.W. Campbell of Los Angeles, Calif., an attorney and close friend of Mrs. Adams.

Both Mrs. Adams and her daughters were smartly dressed and seemed cheerful but slightly nervous as the state neared the end of its evidence.

### **Morwood Traces Notes**

Mr. Morwood traced notes, which the state contended are worthless and which allegedly were placed in the bank as resources, and the amount credited to Mrs. Adams. The notes the state contended, were charged out of the surplus account of the bank before it was closed. State attorneys alleged that Mrs. Adams had obtained approximately \$17,000 in about three years from the bank. Mr. Morwood testified to withdrawals from the bank equivalent to the amount of overdrafts of Mrs. Adams' account.

Total indebtedness of Mrs. Adams' family to the bank was placed at approximately \$58,000, the amount of alleged notes of the family in the notes. Mr. Wear, defense attorney, attempted to show that Mrs. Adams had not committed any crime in drawing from the surplus account of the bank because, he contended, she

had permission of bank officers to do so. He attempted to show that J.A.G. Reynolds had given her permission to do so.

Defense attorneys brought out that the daily deposit book does not show the alleged \$1,482.41 entry made by Mrs. Adams coincident with the Fleetwood and Spangle transaction. State's attorneys, however, contended that this entry is shown on the deposit slip which is among the missing records, and that they marked it at the preliminary trial.

### **Paid to Sign Note**

Mr. Robison read alleged withdrawals of Mrs. Adams from the bank's surplus account which are said to have been credited to the account of Mrs. Adams and her relatives.

William Fleetwood, important state witness, was not present when the case was called, and the Stone county sheriff was ordered to bring him to court. Officers came here Tuesday and got Fleetwood.

Fleetwood testified that Ace Spangle, who apparently has disappeared and cannot be located to testify, gave him a warranty deed to 120 acres of land, and that, for the sum of \$5 he signed a note for \$5,000 and a deed of trust for \$5,000 to secure the note. He testified he had no money but signed the note because he was paid \$5 to do so.

The purchase price of the land was set at \$9,000 but nothing was ever said about the additional \$4,000, Fleetwood testified. The note, the state contended, was turned over to Mrs. Adams and was placed in the bank as an asset. Three Douglas county farmers testified that the value of the land ranged from \$1 to \$1.50 per acre.

Harrison Vaughn, one of the jurors questioned J.E. Cahill, deputy finance commissioner, about a property statement of Mr. Spangle at

the time the alleged \$5,000 note was given. This property statement, Mr. Cahill said, had been found in a St. Louis bank, where it had been sent with other collateral, and listed a large amount of property as belonging to Spangle, but creditors have been unable to collect on it, Mr. Cahill said.

Mr. Vaughn also asked Cahill if officers of a bank had a right to charge anything out of the bank. Mr. Cahill replied they did not have that right unless they had permission of the board of directors.

### **Says Mrs. Adams Misled**

Sam Wear, defense attorney, outlined the line of defense in this opening statement to the jury.

Picturing Mrs. Adams as an honest and distressed woman, misled by a man whom her husband had told her, on his deathbed, to trust, Mr. Wear outlined the line of defense.

Testimony will show, he said, that Mrs. Adams believed that her husband had left her a large fortune, that she could easily repay any loans she had got from the bank, and that she did not know the bank was in a failing condition.

"At no time did Mrs. Adams attempt to defraud the Bank of Ava," he said. "She was indebted to the bank, it is true, but no differently from any other customer. Mr. Reynolds was for a long time a close friend of her husband. As Mr. Adams lay on his deathbed, he told his wife to ask the judgment and accept the advice of Mr. Reynolds. And that she did."

"Testimony will show," Mr. Wear continued, "that Mr. Reynolds told her Ace Spangle was all right and suggested that Mrs. Adams deed property to him to sell for her. Spangle came to Ava in a Cadillac car, wearing diamonds, and made an impression as a good salesman. Mrs. Adams deeded him 120 acres to sell for her, and that was long before the

bank closed. Mr. Spangle, to show his good faith in intending to sell the property, made the \$5,000 note which is in the records."

Wear referred to a note which the state contended was worthless and was signed by William Fleetwood and turned into the bank's assets coincident with Mrs. Adams' alleged deposit of \$1,432.41 to her own account. He said the defense will prove that Mrs. Adams didn't even know Fleetwood and that she did not get \$1,432.41 from the deal and that amount was not deposited to her credit. Mrs. Adams needed money, Mr. Wear told the jury, and Mr. Reynolds told her she could borrow money on the Spangle notes.

"Any notes charged off the bank's account on the last day before it closed cannot be Mrs. Adams' responsibility, because she was not there then," the lawyer said.

### **Juror Fall Asleep**

One juror fell asleep during the lengthy examination regarding several ledgers and deposit slips and had to be awakened by order of the court.

Clinton Gaston, former bank employee, the first state witness, testified that on the day the bank closed, Mrs. Adams was in the bank virtually all morning. About 11:30 o'clock, he said, he accompanied Mrs. Adams and a daughter to Springfield. When they returned they went to the bank and found several persons there putting away the ledgers, he said.

The name of J.A.G. Reynolds was injected into the case by Mr. Wear in cross-examination of Gaston. He continued to bring Reynolds name into the case by asking questions apparently designed to show that Reynolds controlled matters of the bank.

He asked if Reynolds wasn't "boss" at the bank and Gaston replied that he couldn't say that he was but

that he was around more than the other employees.

### **Cahill Describes Conference**

J.E. Cahill, regional bank liquidator, testified that he had a conference with Mr. Reynolds, Mrs. Adams and Truman Richards, bank examiner, in which it was discussed whether anything had been taken from the bank's surplus account.

"Did you obtain any statement from her about what had been taken?" asked Mr. Robison.

"I did"

Mr. Cahill said he had taken a memorandum of the items.

"This conversation was held in the bank," he testified. "It would be hard for me to remember just which ones game me which of these items I noted."

Introduction of the items was strenuously opposed by the defense. Mr. Cahill was permitted to testify regarding several he said he was positive Mrs. Adams had enumerated.

"She said she knew the surplus fund had been reduced by taking out certain assets," he said. I can remember only two items positively. The Sallie J. Adams cash items, totaling \$3,638.60, she explained represented checks and the D.F. Votaw note. The \$1,234.95 represented an overdraft."

### **Carried As Cash**

Mrs. Adams explained the cash items, he said, by saying that these were checks she had issued and had been paid by the bank and carried in the drawer as cash.

Mr. Cahill testified that the overdraft had been charged to the surplus account. Records did not show, he said, an authorization by the board of directors for withdrawal of the surplus.

Mrs. Adams said, he testified, that she did not know where some of the cash items were. She said that

\$36,146.04 had been taken from the surplus account, Mr. Cahill testified.

Clyde Morwood of the firm of Morwood & Taylor, Springfield accountants, traced the A. Spangle note for \$5,000 through the records. He said the note was entered April 9, 1930, as an asset to the bank and on the same day Mrs. Adams' personal account received a deposit of \$5,000. The day before the bank was closed, he said, it was charged out of the surplus funds.

### **Other Cases Continued**

Other charges against Mrs. Adams and F.H. Turner were continued to the October term of the Stone county circuit court.

All the cases were sent to Stone county on change of venue, and had been continued several times because of the illness of defense attorneys.

The defense was represented by Sam Wear and Nat Benton of Springfield, N.J. Craig of Mansfield, Lz Banta of Ava and G.W. Thornberry of Galena. The state was represented by Prosecutor Stewart, Assistant Attorney General Robinson of Jefferson City and Tom Moore of Ozark.

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*Douglas County Herald*  
**May 26, 1932**  
**June 2 Last Day to File**

The list of county Republican candidates as carried in the announcement column of the Herald is as follows:

For Prosecuting Attorney – Fred Stewart, Geo. B. Wilson.

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*Douglas County Herald*  
**June 2, 1932**  
**Neil J. Clarke in Race for Pros. Atty.**

*Douglas County Herald*  
**June 9, 1932**

**John M. Bragg Files for Prosecuting Atty.**

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*Douglas County Herald*  
**June 16, 1932**

### **LONG LIST CANDIDATES Republican Candidates Are:**

For Prosecuting Attorney – John M. Bragg, Neil J. Clarke and Geo. B. Wilson

{Author's note: Fred Stewart's name disappears from list of candidates(?)}

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*Douglas County Herald*

**November 10, 1932**  
**John Bragg wins race for Prosecuting Attorney**

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*Douglas County Herald*  
**December 8, 1932**

### **BANK CASES DISMISSED**

**Mrs. Adams and F.H. Turner Free on All Charges**

**Charges of Embezzlement and Assenting to Deposits Dismissed by Fred Stewart, Pros. Atty.**

The announcement came from Galena, Stone county, last week of the dismissal of all criminal charges against Sallie J. Adams, president, and F.H. Turner, vice-president of the defunct Bank of Ava. The cases were dismissed and ordered stricken from the docket by Fred Stewart, prosecuting attorney of Douglas county.

Charges of receiving deposits when aware the bank was in a failing condition, pending against both Mrs. Adams and Turner, were dismissed, and a charge of embezzlement against Turner was also dropped.

Mrs. Adams was acquitted in a trial at Galena last May on a charge of embezzling more than \$35,000 of the bank's funds.

That was the only criminal case to be tried in connection with the bank failure.

That trial was conducted on behalf of the prosecution largely by E.G. Robison, an assistant attorney general, and by Tom Moore of Ozark, who was employed by depositors as special counsel in the criminal cases.

Following failure to obtain a conviction in this case, it soon became apparent the Attorney General's department would not assist in any of the cases to follow, and a positive announcement to this effect became known some time ago.

Prosecuting Attorney Stewart made the announcement at that time that all the cases would be tried, and it is known that attorney Moore was in favor of trying the remaining cases.

It is not known here just why Prosecuting Attorney Stewart decided to dismiss the charges at this time. He is now practicing law in Springfield and has turned over the duties of his office here to John M. Bragg, prosecuting attorney-elect. The cases against Mrs. Adams and Turner were to have been tried at Galena in October, and would not have been up again, for trial until in March 1933. Stewart's term as prosecuting attorney expires January 1, 1933.

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*Douglas County Herald*  
March 9, 1939

### **FORMER AVA BANKER DIES AT WICHITA, KAN.**

Word of the death of Frank H. Turner, former vice-president of the old Bank of Ava, was received in Ava early today. Mr. Turner died at his home in Wichita, Kansas, Wednesday night of a heart and kidney ailment. He was to be buried Friday in Wellington, Kansas. Mr. Turner left Ava after the Bank of Ava closed in 1929 (actually 1930). He was a brother of Mrs. Sallie Jo Adams of Jefferson City, also formerly of Ava.

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*Douglas County Herald*  
November 23, 1939

### **BANK OF AVA ASSETS SELL FOR \$1086.50**

**Remaining Assets of Bank of Ava  
Totaling \$129,818.24 Sold At  
Auction**

Remaining assets of the Bank of Ava, in liquidation since its failure in 1929, were sold at the courthouse door here Tuesday afternoon for a total of \$1086.50. Richard Johnson, special deputy finance commissioner, in charge of the bank, conducted the sale.

Notes, overdrafts and cash items totaling \$129,818.24 were sold to V.H. Fricke, St. Louis lawyer, for \$881.00. A diamond ring went to Gus Wampler, Campbell, Mo., for \$41.

A twenty-acre tract of land in Sec. 11, Twp. 25, Rng. 15, Douglas County, was sold to N.C. Hix, Abernathy, Texas, for \$45.00.

Lots 14, 15, 16, 17, Central subdivision, City of Ava, went to Ransie Gaston of Ava, for \$27.50, and a tract of 160 acres, near Goodhope, Douglas County, was purchased by Joe Shipman of Ozark, for \$92.00.

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*Douglas County Herald*  
February 29, 1940

### **BANK OF AVA PAYS ITS FINAL DIVIDEND**

**Checks This Week for 3.7 Percent  
Make Total of 17.3 Percent to  
Depositors**

Final dividend checks to depositors of the Bank of Ava were mailed this week by special deputy finance commissioner, Richard Johnson. Printed slips inclosed (sic) with each check explained that the payment represents 3.7 percent of the deposit or claim against the bank.

Remaining assets of the bank were sold here recently at auction, and the present payment winds up liquidation of the bank's assets.

Two previous dividends have been paid by liquidating officers, one for 10 percent and one for 5 percent, making a total of 17.7 percent to depositors and other holding claims against the bank.

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*Douglas County Herald*  
March 21, 1940

### **Advertisement: A Plea—**

We do not wish to file suits against persons owing notes to the Bank of Ava, if we can possibly avoid it. So as to give every person, who desires to avoid legal action and extra expense, another opportunity to make payment out of court, Mr. Frank J. Unger will be at the Ozark Hotel in Ava, Mo., Mar 25, 26, 27, 28, and 29. On March 30 suits will be filed against those who have not paid.

To avoid suit we respectfully urge all concerned to see Mr. Unger before March 29.

LEE, FRICKE, & LEE,  
722 Chestnut Street  
St. Louis, Missouri

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