Denies a Deficit In Commonwealth Hotel Enterprise

C. C. Sherwood Charged With Circulation of Fake Statements Affecting Stock of Co-operative Company

Testimony was heard yesterday before Magistrate Simpson in the Commercial Frauds Court in the case of C. C. Sherwood, charged by the Commonwealth Hotel Construction Company with having circulated false statements which affected the stock of the company. The case was adjourned until next Friday, when it is expected that the taking of testimony will be completed.

Hugh McAtamney, assistant organizer of stockholders, was the first witness called by Assistant District Attorney Max Solomon. He testified that he had learned from Miss Bessie J. Fitzpatrick, of 760 Nostrand Avenue, Brooklyn, that Sherwood had sent her a letter asking if she would buy shares of the company at $60 each. She informed him, the witness said, that she called on Sherwood, who told her that the company was really bankrupt and had a deficit of $1,000,000, and advised her to buy bonds of another company, which he was then selling. McAtamney said that he called on Sherwood and that Sherwood said virtually the same thing to him.

Cross-examined by Attorney Nathaniel F. Schmidt, of 220 Broadway, representing Sherwood, the witness denied that Sherwood had offered to sell him ten shares in the company at any time.

The witness declared that the company was capitalized at $15,000,000 and that $3,000,000 had been subscribed; that land had been bought on Broadway between Fifty-fifth and Fifty-sixth streets; that excavating for the foundation was about three-quarters completed; denied that there was any $1,000,000 deficit, but on the contrary testified that the company had on hand approximately $3,000,000.

Lewis A. Abrams, who represents the Commonwealth company and who collected and compared figures on financial statements alleged to have been sent out by Sherwood with the figures which the company contends are correct, said it would be shown during the hearing that the figures used were "simply crazy." He said there was no doubt whatever that the company was not only solvent but actually had a large surplus of assets over liabilities. The property itself, the block bounded by Broadway, Seventh Avenue, Fifty-fifth and Fifty-sixth streets, which had been bought for between $3,000,000 and $4,000,000 in 1916, he said, could itself be sold at present for $8,000,000 if the company had any intention of liquidating its assets.

Day's New Issues

Metzler & Co., Inc., are offering to yield 4.30 per cent a new issue of $550,000 township of Lakewood, N. J., 4½ per cent school bonds, due 1923-1962.

It was reported locally that the Dominion Securities Corporation had been awarded yesterday at a bid of 101.871 a new issue of $3,000,000 City of Ottawa one to twenty-year 5½ per cent bonds.

George B. Gibbons & Co., Inc., are offering, to yield 4.15 to 4.10 per cent, a new issue of $400,000 Town of Deerpark, N. Y., 4½ per cent school bonds, due 1930-'69, and to yield 4.10 per cent a new issue of $50,000 White Plains, N. Y., registered 4½ per cent school bonds, due 1932-'56.

Bid and Asked

Following are the closing bid and asked quotations of stocks listed on the Stock Exchange in which there were no transactions yesterday:

	Bid.	Asked.		Bid.	Asked.
Ala Rum	17	18	do 2 pf	115	140
Alask G M	⅞	⅞	Lorill'd pf	116	122
Alb & Sus	194	200	Mack C pf	68¾	69
Alleg West	100½	—	Mac T 2 pf	88	91
All A Cables	119	120	Mag Cop	32⅞	33
Alli Real	71	—	Malson pf	96	97
Amal Sug	88½	—	Man Sh pf	80	82
Am B Note	75	79¾	Man Beach	½	1½
Am Beet Sug	73½	85	Man Sh pf	110	—
do pf	111	112	Mar St Ry	6¼	8
Am C F pf	122	124	do pf	39	40
Am Chicle	88¾	89½	Mark Rock	15	17½
do pf	24	—	Max Mot	1¼	1½
Am Coal	35	44	do 1 pf ct.	1	—
Am H & L	14	14½	do 2 pf ct.	1	—
Am Ice pf	90½	91	May D S pf	115	122
Am M & G	½	½	Mich Cent	220	230
Am Mad pf	110½	114	Min S L new	9¼	9½
Am Rail pf	110	119	M S P S M	88	94
Am S pf A	98½	98¾	do pf	65	69
do pf	97	110	M Kan & T	12	12¾
Am Snuff pf	106	107	do pf	17	17
Am Tob pf	106¾	108½	Man Pow pf	109	111
Am W W 7 pf	88	90	Mor & Ess	79	82
Am Whol pf	87	92	Mullins B	19	20½
A Z & L pf	52	54	do pf	—	95
Ariz Arbor	19	21	Nash Mot	450	500
do pf	43	45	do pf	105	110
Art Metals	14½	15¾	Nash & Chat	115	125
As D G 1 pf	83	84	N Cit & Suff	58½	59½
As S pf	89	92	N Con & C	1¾	2
Atl Refs	1375	1420	N Eng & S pf	99	102
Atl Powd	99¾	105	Nat Lead	109	110
Auto Sal C	3	4	do pf	113	115
do pf	12	18	N C M pf	6	10
Bang Le	57	59	N C S L	101	102
do pf	90	100	N Y C & H	62	63
Barn'l Zo	57	59¾	N Y Dock pf	56	59¾
Bangk Bu	57	62	N Y Harlm	100	—
Bat Tob pf	116	126	N Y Ship	101¾	—
Beech Crk	10	—	N Y O & W	23¾	25½
B Nut P pf	107	—	N Y Ship	15	17
Beth Steel	72½	75	N Falls p pf	107	109
do 8s	112½	113	Norf & So	16	17¾
Pr Bms 8s	81 pf	79	Norf & W pf	78	79
do 2 pf	32	34	Nor Cent	71	—
Brown S pf	96	100	Nunnally	11¾	12
Brunswick	1½	2½	Ohio Fuel	57	59¾
Bty Silver	7	7¾	Oil Cit Sec	1	2
Burl Coat pf	—	94½	Oil Well Supply	7	7¼
Bu Elec	152	160	Otis Elev	10	10¾
do pf	102	104	do pf	102	104
Bu Steel	10½	15¾	Otis Steel	10½	10¾
do pf	53	55¾	do pf	53	55¾
Bush Term	2	3	Ow Bot pf	105	—
Cal Pet pf	94	97	Pac Coast	10	18
Can South	23	25	do 1 pf	37	43
Carw'n Hill	8	10	do 2 pf	16	30
Cent Leath	13½	15	Pac Mail	13½	15
Cert C 1 pf	90	—	Pac T & T	55	65
C S P M O p	106	109	Pank P & R	6	6½
C C C & St L	78	80	Penn Seab	62½	72
do pf	—	100¾	Penj J C pf	97	101
Cher & Ohio	70¾	—	Pere Marq	37	38
Chest P pf	97½	98	do pr pf	73¾	79
Col & S I pf	62¾	63	Phil Jen pf	89¾	94
do 2 pf	58	60	P Coal pf	100	101
Con Cig pf	81½	82½	Pitts Ft W	123	—
Con Ice	5	8	do pf	141	—
Con Gas Bal	—	119	Pitts St pf	84¾	88
Con Can pf	107	—	P & W V pf	81	96
Cox Carp	30	35	Pr Steel C pf	101	104
Duero C pf	73	75	Pr & Ry	45	46
Del H & S	67	—	Pull S pf	98	100
Det Mach	25	—	Rys Secu	70¾	72½
do pf	40	—	Ry Sil Spg	118½	120
Det U R R	70	—	do pf	115	125
Dia Match	105½	106	Reis Co	17½	18½
D S S & A	3	5	do 1 pf	37	45
do pf	5	7	Rem Rand 1 pf	69	95¾
Du P N deb	87¾	88½	Reus & Sar	124½	—
Durham H	67	—	Rey Tob	81	90
do pf	89	97	do pf	118½	119
Eas S pf	108	112	Sears R pf	109	112
Eitingon S	21½	30	Shell Tr	21¾	22
Em Bran	3	—	Sloss Shef	47	48½
do pf	50	56	do pf	77	81
Erie & Pitts	54½	—	S P R Sug	41	47
Fairbanks	15	16	do pf	94	99
Fisher B	110	125	Spicer M pf	90	94
Garen W	4	6	Stand Milling	125	127
Gen Am T	76½	77	do pf	95½	97
Gen Baking	120	—	Stern R S pf	102	104
do pf	110	115	Sup Sil pf	99	—
Gen Cig pf	106	107	Tem C P A	3¾	5¾
Gen Mot pf	84	84½	Tex & P T 3.320	55	—
Gen Pet	94	95½	T St L W cl	74	75
Gilliland pf	60	—	do pf ct	61	63½
Glidden pf	84¾	86	Transu W	52¾	56
Gray Drug	12½	15½	Tw Cy R Tr	60	61¾
Greene Cop	23½	24	Un Drug	37	38
Gr West	17	—	Und Type	14½	15½
Hale G W	105	—	do pf	111	118
do pf	97	—	Un Tank	115	118
Hel C L	17	19	do pf	110½	110¾
Int Hrp pf	68	73	U Alloy St	26	37
Int Har pf	117	118¾	U Cigar St	159	175
Int Pap pf	85	110	do pf	111	112
do pf stp	77	79	Un Drug	81	82
Jewel Tea	75	—	do 1 pf	48	49
Jones Cons	7	—	Un Ry Inv	12	14
K C P S pf	67	67½	U S Bag & P	38½	42
Kayo 1 pf	100	105	U S In Al pf	98¾	102
Kel Sp pf	81	83	U S S & R	41	41½
do 5 pf	90	92	do pf	44½	47¾
Kinney R pf	190	194	C S Tob	58	60
Kos Lea M	4	8	do pf	114	114½
do pf	115	—	V Bakit 1 pf	98	104
Kresge pf	115	—	Va Car Ch	27	27¾
Kress Co	125	128	Va I C C pf	82	84½
Kelly Gas	80	95	Va R & P pf	70	—
Lee & My	220	230	Wahl Co	21	22
do B	220	230	Wheel L E pf	22	23½
Lima Lo pf	110	115	Wilson pf	85	90
L Wine 1 pf	103¾	110	Woolworth	193	195
			Wor P pf A	86¾	94
			do pf B	63	69

Day's Dealings in Bonds

The Market

Despite the recent rather irregular movement of listed bonds, such new issues as have been offered have moved readily out through regular distribution channels into the hands of the investing public. Aggregate offerings have not been large and the good absorption with which they have met has prevented any accumulation on dealers' shelves, which continue bare. The way is clear for the Cuban, Argentine and Chilean loans, or such other issues as the bankers are able to prepare. Trading yesterday was fairly active, although interest in the United States government group, where prices were steady, was noticeably less. The first 3½s were still erratic after Thursday's flurry and sold down to around 101. Foreign government bonds experienced only slight changes, with French issues still wavering. In the corporation division of the list a firming up of the underlying rails was the feature.

Transactions

	Sales.	Yield.
Liberty 3½s, 1947	$461,000	3.37
do 1st 4¼s, 1947	83,000	4.36
do 2d 4¼s, 1942	536,000	4.32
do 3d 4¼s, 1928	426,000	4.40
do 4th 4¼s, 1938	623,000	4.32
Victory 4¾s, 1922	401,000	4.00
do 4¾s, call'd	3,749,000	4.31
U S Treas 4¼s, 1952	6,833,000	4.24

Quotations

	High.	Low.	Last.	Net chge.
Liberty 3½s	101.60	100.82	101.00	—1.00
do 1st 4¼s	99.18	99.06	99.16	+ .02
do 2d 4¼s	99.02	98.90	99.00	+ .04
do 3d 4¼s	99.24	99.16	99.22	+ .06
do 4th 4¼s	99.34	99.06	99.22	+ .06
Victory 4¾s	100.32	100.28	100.32	—
do 4¾s, call'd	100.18	100.06	100.18	+ .02
U S Treas 4¼s	100.12	100.06	100.12	+ .04

Bid and Asked Quotations

	Yesterday.	Thursday.
2½s, '37-'47	100.84@101.00	101.90@102.00
2d 4s, 1947	99.84@99.00	99.90@99.10
1st 4¼s, '32-'47	99.06@99.16	99.06@99.10
2d 4¼s, 1942	99.00@99.02	96.96@99.00
3d 4¼s, 1928	99.22@99.26	99.12@99.18
4th 4¼s, 1938	99.22@99.26	99.10@99.16
Vic 4¾s, '23	100.16@100.18	100.16@100.20
do 4¾s, call'd	100.28@100.30	100.22@100.26

Pre-war issues:

2s, reg. 1930	102⅛	@102¾	102⅛	@103¼
2s, coup, 1930	102⅛	@102¾	102⅛	@103¼
2s, reg. 1946	98½	@ 98¾	93½	@ 95¼
2s, coup, 1946	93½	@ 95½	93½	@ 95¼
4s, reg. 1925	104	@104½	104	@104¾
4s, coup, 1925	104	@104¾	104	@104¾
Pan 2s, reg. '36	102½	@103¼	102½	@103¼
Pan 2s, cou, '36	102½	@103¼	102½	@103¼
Pan 2s, reg. '38	102½	@103¼	102½	@103¼
Pan 2s, cou, '38	102½	@103¼	102½	@103¼
Pan 3s, reg. '61	91	@ 93½	91	@ 93½
Pan 3s, cou, '61	91	@ 93½	91	@ 93½
P I 4s, '34	91	@ 94	91	@ 94
P I 4s, '35	91	@ 94	91	@ 94
P I 4s, '36	91	@ 94	91	@ 94
D of C 3.65s	88½	@100½	98½	@100½

Foreign Govt. and Municipal Bonds (Interest to be added)

	Bid.	Asked.
Argentine 5-yr 7s	101½	101¾
do inter 5s, 1945	81½	82
Belgian 5-yr 6s	88½	90
do 7½s, 1945	108¼	108¾
do 8s, 1945	102	103¼
Bergen 8s, 1945	109	109½
Berne 8s, 1945	109½	112½
Bordeaux 6s, 1934	84¼	84¾
Brazil 8s, 1941	101¼	101½
Canada 5½s, 1929	101½	101¾
Chile 8s, 1941	104	104½
do 8s, 1926	102	102¼
do 25-yr 8s, 1946	103	104
Copenhagen 5½s, 1944	91½	92
Cuba extr 5s, 1944	96½	96¾
do extr 5s, ser A, 1914	99½	91
do extr 4½s, 1949	85	86
Czecho-Slovak 8s, 1951	93	93½
Denmark 8s, 1945	108½	110
do 6s, 1942	98¼	98½
Danish 8s, A, 1946	107½	108¼
do 8s, B, 1946	107½	108½
Dutch East Indies 6s, 1947	95	95¼
do 40-yr 6s, 1962	94½	94¾
Framerican Indus Devel	82½	83
France 7½s, 1941	95¾	95½
do 8s, 1945	99¾	99½
Italy 5-year 6½s	98¾	98½
Japan 4s, sterling loan, 1931	79¾	80¼
do 4½s, sterling loan, 1925	92½	92¾
do 2d series, 1925	92¾	92¾
Lyons 15-yr 6s, 1934	100¼	101
Marseilles 15-yr 6s, 1935	80¼	81
Mexico extr gold 4s, 1954	39¼	39½
do extr sterling 5s, 1945	51¾	52½
Mexico Irrigation 4½s, 1946	34	38
Netherlands	94½	94¾
Norway 8s, 1940	111½	112
Paris-Lyons-Med R R 6s	74	74½
Queensland 6s, 1947	101¼	102
do 7s, 1941	108	109
Rio de Janeiro 25-yr 8s, 1947	98½	99
San Paulo 8s, 1936	100	101
Seine 20-yr gold 7s, 1942	87½	88
Sweden 6s, 1939	103½	104½
Tokio 5s	69½	70½
United Kingdom 5½s, 1929	108¾	109
do 5½s, 1937	102½	102¾
Uruguay 8s, 1946	105	107
Zurich 8s, 1945	110	112

(Sales)

An Jurg Unit	1	99¼	6¼s ser A		
Magar Wks	6	99¾	1925		
6s 1947	1	99		1	95¾
5	80	5	99	1	96¼
Argentine G	3	99	K of Nether-	1	96¾
7s 1923			lands 6s 1972	6	94½
4	101⅝	16	99¾	1	94¾
1	101½	2	99	1	94¾
8	101⅝	17	99¼	3	94¾
1	101¾	12	99	8	94¾
Chinese Ry 5s	6	99¼	3	94¾	
1951	1	99	1	94¾	
1	63¾	4	99¼	1 C	95½
1	63½	6	99¼	2	96¼
5	63¾	11	99¼	14	94¾
1	63¾	5	99	5	94½
5	54	1	99¼	K of Norway	
Cy of Bergen	5	99	8s 1940		
8s 1945			Dut E Ind 6s	2	111¼
1	109½	1947		s f 6s 1952	
City of Berne	1	95		when issued	
8s 1945	4	95½	2	100¼	
1	110¾	10	95	1	100
City of Bord	s f 8s 1952		1	100	
6s 1934	trust rcts		1	100¼	
2	80¾	4	94½	2	100¾
2	81	1	94½	K of Sweden	
1	80¼	1	94½	6s 1939	
1	80¾	1	94¾	1	102¾
City of Copen-	9	94¾	1	103	
hagen 5½s	6	94¾	2	103¼	
1944	3	94¾	3	103	
1	91½	2	94¾	Par-Lyons-M	
3	92	65	94¾	6s 1958	
1	91½	8	94¼	7	73½
1	91¾	21	94¾	1	73¼
1	91½	Framerican		6	73¾
Cy of Greater	1	92¾	1	73¾	
Prague 7½s	3	92¾	6	73¾	
1946	5	77¾	1	73¾	
5	80	12	78	20	73¾
Argentine G	1	78¼	1	73	
3	99	1	78¼	R of Bolivia	
7s 1933	1	99¼	8s 1947		
4	101⅝	17	99¼	2	86
1	101¼	2	99	1	86
1	101⅝	1	99¼	2	96¼
1	101¾	11	99¼	14	96¼
Chinese Ry 5s	6	99¼	5	96¼	
1951	1	99¼	6	96¼	
1	63¾	4	99¼	Rep of Cuba	
1	63½	6	99¼	5s 1904	
5	63¾	1	99¼	1	96
1	63¾	3	99¼	1	96¼
5	54	1	99¼	4½s 1949	
Cy of Bergen	5	88	24	85	
8s 1945	1	99	8s 1926		
1	109½	7	99¼	10	102¾
City of Berne	1	109	3	102	
8s 1945	4	95½	1	102¼	
1	110¾	10	95	1	102¼
City of Bord	s f 6s 1952		1	100	
6s 1934	trust rcts		1	100¼	
2	80¾	4	94½	2	100¾
2	81	1	94½	K of Sweden	
1	80¼	1	94¼