not at that time any lawful power to increase said stock, and has not now any such power, except with regard to $3,000,000 of capital stock, which was authorized to be issued by act of May 4, 1864, for the cancellation of certain bonds, and 54 1-10 shares under authority of acts passed April 11 and March 14, 1865, and excepting also the power conferred by section nine of the General Railroad law of this State. The complaint then goes on to recite the unlawful issue of 58,000 shares to Daniel Drew in May, 1866, which was the primary cause of the controversy of last year and the proceedings of Frank Work against the company and Drew in the spring of 1868; the nominal sale after the commencement of the Work suit of $5,000,000 of stock to David Groesbeck, which stock was thrown upon the market February 19, 1868; that about March 3, 1868, Fisk, Gould & Drew made another issue and pretended sale of $5,000,000 of convertible bonds to said Drew; but the conversion of these bonds was then prevented by an action instituted against the company and its directors by the Attorney General; that notwithstanding that suit and injunction, Fisk, Gould and Drew, in combination with the then President of the company, caused a further issue of $10,000,000 of stock, which was also put upon the market. The subsequent suits of Richard Schell and the appointment of a receiver of the proceeds of this last issue of $10,000,000 and the orders made by the Supreme Court of New York city and county, holding such issue to be illegal, are set forth in detail, together with the subsequent compromise by Schell and others of all the suits; and further, that at the time of that discontinuance and settlement the common stock of the company consisted of 342,600 shares, in addition to preferred stock representing $8,536,910; that this common stock so outstanding and theretofore (July 2, 1868,) consisted of 146,143 issued prior to 1867, and the validity of which was not contested; 58,000 shares issued to Drew in May, 1866, which had been contested on the ground of its illegality; 13,910 shares issued in February, 1868, as a pretended commission of the stock of the Buffalo, Bradford and Pittsburg Railroad Company, the validity of which was contested, and 100,000 shares issued in February and March, 1868, the invalidity and illegality of which was determined before Judge Sutherland.

The bill then proceeds to set out the combination of Fisk, Gould & Lane to obtain for themselves the control of the company by virtue of their being members and a majority of the Executive Committee of the Board of Directors, and the use of the funds of the company to further their private speculations; their procurement of the resignation by Eldridge of his office as president upon the payment to him of a large sum of money, and the purchase of $5,000,000 of bonds of the Boston, Hartford and Erie Railroad Company, of which Eldridge was also president; the resignation in July, 1868, of Daniel Drew as treasurer and the appointment in his stead of Gould, and the payment by Drew to Gould of $4,000,000, the balance of Drew's account as treasurer, together with the further sum of $540,000 in settlement of certain claims of the company against Drew, arising out of the issue of stock to him in May, 1866, and $600,000, the sum of Drew's indebtedness to the company; that this $4,000,000 was part of the proceeds of the issue of $10,000,000 of stock in February and March, 1868; that after such payments Gould sold $1,000,000 of sterling bonds at 105 per cent, realizing therefrom upwards of $1,000,000; that out of these gross amounts received by Gould he paid to Eldridge, on account of the purchase of Boston, Hartford and Erie bonds, the sum of $2,000,000 and gave the acceptances of the company for about $2,000,000 more; that in July and August, 1868, Gould, Fisk and Lane made preparations to preserve their retention of office at the annual election in October, 1868, by securing "proxies" for voting purposes, and also caused to be issued a certificate for 200,000 shares, or $20,000,000, to be issued as a pretended conversion of further convertible bonds, but that this certificate (or certificates) was made expressly to be converted into stock for the controlling of the election; that these directors, contrary to usual custom, also caused the stock transfer books to be closed sixty, instead of thirty, days before the election to prevent transfers of stock being made, and gave no notice of the intention so to close the books; that by reason of such devices the defendants named, with others, were elected to the offices of directors; that Fisk, Gould and Lane have obtained by various devices the entire control of the affairs and property of the company and are permitted to exercise such control by the other directors, no meeting of the board having been held since the election; that the Committee on Accounts has been abolished by the Executive Committee and Fisk appointed comptroller of the company, auditing and allowing all accounts against the corporation; that Gould, Fisk and Lane render no account of their transactions to the other directors and refuse to permit them to examine their books; that shortly before the election of the present board a further illegal issue of $3,000,000 of stock was made, and that since the election, notwithstanding the orders of the Supreme Court, they have contrived to make other fraudulent and illegal issues amounting to about $26,000,000, the aggregate common stock now outstanding amounting to $60,000,000 besides the preferred stock and the $30,000,000 issued for the purposes of the election; that all these issues were made secretly and reduced the market value of the stock from about eighty-five to thirty-five; that the stock was issued under the pretext of being used for the conversion of bonds, but that said convertible bonds were made as a contrivance for issuing the stock, and not for money borrowed under proper authority; that the moneys, being the proceeds of the sale of the stock so issued and the current earnings of the company, are received by and remain under the control of Fisk and Gould; that Fisk and Gould are stockbrokers and use this vast fund for the purpose of depressing or relaxing the money market as their individual interests suggest; that their funds amount to an aggregated balance of about $18,000,000, and are in the hands of Fisk and Gould, not being deposited in the treasury of the company, or with any bank or moneyed institution; that they have concealed portions thereof and removed other portions beyond the jurisdiction of this court; that about $3,000,000 of these funds have been removed to Canada; that neither Fisk nor Gould is possessed of sufficient pecuniary responsibility; that they have made large purchases of real estate in New York and New Jersey with portions of said funds, including Pike's Opera House, out of which transactions they are to receive bonuses of over $1,000,000 for their individual benefit and advantage; that none of these transactions have been submitted to or approved by the Board of Directors; that the company is largely indebted and in imminent danger of insolvency, and under their management will become insolvent; that in consequence of many *bona fide* holders having purchased and otherwise negotiated said illegal shares of stock heavy liabilities are incurred by the company in favor of said *bona fide* holders; that at the time of the election of said Fisk, Gould and Lane as directors of said company in October, 1867, and down to the month of February, 1868, the liabilities of the said company for debt, stock and leases were $64,000,000 or thereabouts, made up as follows, viz.:—

Mortgage bonds	$18,000,000
Sterling bonds	4,000,000
Leases of other roads	11,000,000
Common stock	16,674,300
Preferred stock	8,936,910
Stock issued to Daniel Drew	5,800,000
Total	$63,911,210

That since said election of said Fisk, Gould and Lane as such directors, and chiefly through their operations, the said liabilities have since January, 1868, been increased $30,000,000 and upwards, and are now as follows:—

Mortgage bonds	$18,000,000
Sterling bonds	5,000,000
Leases of other roads	11,000,000
Common stock	60,000,000
Preferred stock	8,536,910
Making a total of	$103,236,910

—in addition to the $20,000,000 of stock issued for the purposes of the October election, 1868, and exclusive of leases of other roads for which Fisk, Gould and Lane have contracted to a very large amount, and of debts and obligations which they have incurred on the part of said company for the purchase of bonds of the Boston, Hartford and Erie Railroad Company and in the purchase of real estate and other property. That there has been received by the Erie Railway Company, or its officers, or by Fisk, Gould and Lane, or one of them, during the past year, an enormous amount of money, viz.:—From the earnings of the road about $5,000,000; from the sale of $10,000,000 of stock in February and March, 1868, $1,250,000; from Daniel Drew, on the settlement aforesaid with him, over $1,000,000; from the sale of sterling bonds in July or August, 1868, over $1,000,000; from sales of 30,000 shares of stock issued between July and October, 1868, over $2,000,000; from the sales of $20,000,000 of stock issued since the election in October, 1868, about $12,000,000, making a total of $38,250,000 and upwards; yet the said Jay Gould and his confederates pretend that further issues of stock of said company will be necessary to enable it to meet its obligations. That various stockholders of the company have commenced suit for the protection of their interests and the interests of the company against these frauds and violations of trust by the defendants named, and obtained the appointment of a receiver; but that these defendants, by counter suits which were collusive, and other proceedings, have embarrassed and prevented said receiver from taking possession of the property of the company, and have procured the appointment in said collusive suits of Jay Gould as receiver; that Gould claims to be in possession as such receiver, and that plaintiff apprehends that the funds, books and securities of the company will be, unless restrained, removed beyond the jurisdiction of this court.

The prayer of the complaint is that the present board of directors be removed from their respective offices, and that Jay Gould be removed from his offices as president and treasurer, and that they be forthwith suspended and otherwise as ordered by

THE INJUNCTION.

*The People of the State of New York vs. The Erie Railway Company, Jay Gould, James Fisk, Jr., Frederick A. Lane, Alex. S. Diven, J. C. Bancroft Davis, Wm. M. Tweed, Peter B. Sweeny, Daniel S. Miller, Jr., Homer Ramsdell, John Hickson, George M. Groves, John Gannon, Charles G. Stenz, O. W. Chapman, Henry Greene