

Barnett's Cipher Letters Form Last Link in Chain of Evidence Against Bankers

but as these contain references to various suspicious transactions they will be of great value in the investigation.

Facility admitting that the evidence against him has already overwhelmed his last hope of defending himself from any of the accusations that have been made against him, Brown effected practically no objection, turning over the incriminating documents to Cook, and instead of exhibiting any sign of apprehension as he did so his face glowed with plainly evident satisfaction.

BROWN REVISTS BANK
It was Brown's first visit to the offices of the bank since he was taken into custody several weeks ago. He secured permission from Judge Dunne yesterday morning to examine his safe deposit box in order to take out some life insurance policies on which the premiums were due, but with the understanding that Cook was to accompany him and give his consent before any papers were removed.

When Cook's eyes alighted on the handwriting of the letters he demanded them at once. He has been studying Barnett's handwriting for three weeks and has been engaged in working out a key to the cipher, in which some telegrams, already in his possession were written, and the contents of the letters in Brown's box was familiar.

"I want those letters of Barnett's," he demanded suddenly. "I think I'll take them along and look them over at my place."

Attorney Duffy entered a vigorous protest to the removal of the documents, but Cook silenced him by declaring that unless Brown would agree to hand over the letters at once he would not let Brown remove a single thing from the box and would at once get a search warrant and examine it himself. Duffy hesitated, but Brown consented without an objection.

GLAD TO GIVE THEM UP
"Take them," he said, and there was a smile of joyous satisfaction on his face that would not be rubbed off by all his endeavors to hide the existing enmity between himself and his former associate. It was the chance to even scores with Barnett and he grasped it eagerly.

Cook examined the 15 letters which he took from the box in the privacy of his own office, and with his key to Barnett's cipher code to assist him. He had little difficulty in deciphering any of the documents, though the most important letters were written largely in cipher and were signed with Barnett's assumed name, J. W. Roberts.

Most interesting of all the letters was one written by Barnett to Brown from the Waldorf-Astoria hotel in New York city on October 18, less than two weeks before the looted bank was forced to suspend. This letter was written partly in cipher and was signed J. W. Roberts, but the body of the message as well as the signature was in Barnett's own handwriting.

This letter went at length into a review of the crooked transactions which had been carried on to the work of the institution and after its officers had sapped every vestige of its fortune. A number of deals which had previously not been brought to light were revealed and detailed accounts were given of some which have only been suspected.

TELLS OF GUILTY FEAR
In writing this letter Barnett must have had supreme confidence that his authorship would never be revealed and that it could never be read by any one but Brown, for he wrote frankly of crimes known only to himself and Brown. His reason for putting such an admission on paper was apparently in the latter part of the letter, when he mentioned his fear of detection. Fearful of the disgrace which was then about to fall, and regretting too late the acts which he had committed, Barnett begged Brown to help devise some plan by which the bank could be saved and again put back on a sound and honest basis.

"Secrecy and deception will not always be necessary," he wrote. "Let us work to make the bank bear the light of day, so that executive meetings may be held, new men of strength selected as directors and the books kept correct."

After this admission of knowledge concerning the false entries made in the bank books, Barnett discussed the possibilities of saving the institution and expressed the premise that unless something was done quickly the blow would fall. He continued:

SEES DAY OF RECKONING
"The day will surely come when we will have to give accounts to the stock holders of the bank. We are losing precious time and may cause ourselves serious trouble if certain parties co-operate, the bank can be run like other institutions with an executive committee and a real board of directors, and its books can be examined by the bank commission without fear."
Continuing in this strain, Barnett spoke of the possibility of stemming the tide by new means, adding that one of the things which had already been of great assistance to the bank was the money received from the sale of the Colton estate securities. He did not tell where or by whom the missing securities were hypothesized, but his words at last sweep away all doubt, and in the manner in which they were disposed of.

The securities were sold in order that the proceeds might be used to stay, for a little time longer the impending disaster to the bank. Brown knew of the sale, Barnett knew of it, and from all the evidence it is practically certain that Barnett himself carried the papers to New York city and placed them on the market.

WEBB WILL PASS UPON LEGALITY OF THE PLAN

Bank Commission Is in Doubt as to Functions of Depositors

IS IN QUEER TANGLE

Oakland Institution's Reorganization May Receive Check

OAKLAND, Jan. 3.—Attorney General Webb and the bank commissioners will take up tomorrow the question of the legality of the proposed plan for the reorganization of the California bank. The entire scheme, from the acceptance of partial payments by the depositors to the abandonment of all stock by the stock holders in the former Collins institution, was gone over this afternoon by the depositors' committee with Commissioners Lynch and Sherer. Before the conference was over the situation had resolved itself into a question of the powers of the bank commission as against the control of the bank commission.

To establish the status of the special committee with regard to the responsibility it has in taking charge of the liabilities and in closing accounts, the meeting with the attorney general was arranged. It will take place in the rooms of the bank commission in San Francisco and will probably be followed by another meeting of commissioners here, at which the completion of accounts in the vaults of the California bank will be examined.

The legal question is peculiar. In that the plan for the reorganization requires the turning over of the bank's stock to the committee, the liquidation of the \$1,500,000 indebtedness of the depositors by the payment of 70 per cent on an installment basis, and the assumption of the bank stock by the depositors for the balance due of 30 per cent. In other banks, as in the Union National, which has already been reopened, the depositors' accounts are being paid up on the installment basis, but the California bank presents new phases in the reorganization of the stock and in the plan of a special committee at the head of affairs. Whether this committee has the power under the state law to assume the executive function in this case was too much of a nut for the two commissioners to crack, and the plan will succeed only if the attorney general gives the necessary sanction. Otherwise the California bank will go into the hands of a receiver.

The Ventura bank, which was also dominated a short time ago by Edward Collins under the name of William Collins & Sons, is keeping its doors closed, although a new bank has been organized. This new bank will, if opened, be operated under another name, and in it D. Edward Collins is said to have no interest and his brother only a small interest. Articles of incorporation have been secured and officers elected, and the institution is prepared to open in the old quarters.

The California bank of this city, from which Collins removed \$171,000 for the Ventura bank, is its heaviest creditor. If this bank goes into a receiver's hands, the Ventura bank will remain closed. If this bank opens, the Ventura bank will resume business, but without standing sponsor for the Collins loan. In that case, the only part of the loan recoverable will be that covered by the securities with which Collins consummated the transaction. Much of the security deposited by Collins as the Ventura banker in the local house consists of bank stock of the institution making the loan.

It is not likely that this will materially affect the reorganization of the California bank, legal status of the committee being confirmed by the attorney general, for the committee, in making ready for the reopening has discounted the entire Ventura loan as a complete loss, and is still able to figure on meeting the depositors' demands.

ELLIS' BRIDE SAYS HE FEARED STRANGE MAN

Coroner's Jury Finds Fresno Rancher Was Slain by Unknown Persons

SPECIAL DISPATCH TO THE CALL
MOUNT VERNON, Ill., Jan. 3.—The coroner's jury late this afternoon returned a verdict that David B. Ellis, owner of a home and fruit ranch at Fresno, Cal., came to his death as a result of two bullet wounds inflicted by a pistol in the hands of a person or persons unknown. One bullet penetrated his left temple and the other was lodged just below the heart. His body was found in the weeds beside the railroad track a mile west of here. An insurance policy for \$5,000 issued last October, and containing a clause making it void if the owner committed suicide within a year, was found in his pocket.

Ellis' St. Louis bride, a widow aged 45, with a 29 year old unmarried daughter, who lived with them, arrived today. She was hysterical, saying Ellis, after leaving her in St. Louis Monday, wrote her from Mount Vernon that he was afraid of a strange man who was following him.

Ellis sold a grocery in St. Louis recently and went to Mount Vernon, it was said, to buy another. He failed to close a deal there he was to take his family to his fruit ranch near Fresno. Ellis took a ride on a Louisville and Nashville handcar with men from Mount Vernon, it is said, but no arrests have been made.

"ONLY OBEYED ORDERS," IS DEFENSE OF STORRS

Admits He Acknowledged Making False Entries in Bank's Books

SUDDENLY SHUTS UP

Volubility Decreases After Caution by Other Employees

H. L. Storrs, confidential agent of J. Dalzell Brown in the California safe deposit and trust company, admitted yesterday the substance of the story published in The Call that he had falsified entries in the books of the corporation. He tried to avoid the stigma with which the penal code stamped such practices by saying that what ever he did was at the behest of his superiors.

Storrs showed great perturbation when questioned at the bank. At first he seemed willing to discuss the matter, but after conferring with H. J. Robertson, he withdrew and broke down. "Whatever I did I did under orders," declared young Storrs.

"Of J. Dalzell Brown and J. Dalzell Robertson," he was asked. "Of course," replied Storrs briefly, backing out of the conversation. "When I was asked about the matter," he continued, "I did not at first deny the point and then break down under questioning. They just put three or four questions to me and I told all about it."

Storrs was referring to his cross examination by Assistant District Attorney William Hoff Cook and handwriting expert, Theodore Kytka, who discovered the false entries. Kytka, in going over Storrs' books, found that nearly \$1,000,000 had been falsely added to the accounts. It took a microscopic examination to reveal the crime, but when it was apparent Storrs was promptly confronted with the facts and admitted them.

In the bank Storrs was selected by Brown to have charge of important books, the contents of which only Brown, Robertson, who is in every sense a fugitive from law, and Storrs had intimate knowledge. The bank's staff was shifted that this arrangement might be made.

At the bank yesterday the clerical staff made an effort to protect Storrs' name, but none would deny the general truth of the report that Storrs had been accused by Cook and Kytka of altering the records.

PLEADING IS POSTPONED

Attorney Hiram W. Johnson yesterday had the case of J. Dalzell Brown to plead, postponed to January 8, the date on which his fellow prisoner, Barnett, will plead.

SENATOR FORAKER BOLTS STATE ORGANIZATION

Becomes Independent Candidate for President Against Taft

SPECIAL DISPATCH TO THE CALL
CINCINNATI, Jan. 3.—Senator Foraker this afternoon promulgated a formal declaration of independence as the republican state central committee as voted in its call yesterday for state convention primaries. He thus bolts the state organization and appears as an independent, republican candidate for president against Taft.

Two ways are now open to him. A rump convention can be called to name independent delegates to the Chicago convention, or he can carry the fight to the state legislature and try to have the Huffman direct primary law so amended as to practically rescind the call of the committee.

PLAN TO REORGANIZE, BUT ALSO SELECT RECEIVERS

Stock Holders Give Up All Hope, but Depositors Still Are Sanguine

HOLD LONG SESSION

Committees Again Meet to Discuss All Possibilities

At an executive session of the committees of the stock holders and the depositors' organizations of the defunct California safe deposit and trust company last night plans for a rehabilitation of the institution were gone over at length and all possible ways of putting the bank back on its feet were discussed. The subject was thrashed out from every standpoint and several names were suggested for the position of receiver in case it is found inadvisable to attempt to rehabilitate the institution.

Judge Ralph C. Harrison, lately selected by the depositors' committee as chief counsel for the organization, was present at the meeting and was given active charge of all legal ends of the matter. He discussed the subject of possible rehabilitation with the members of the two committees and will take whatever action may later be decided upon.

Considerable difference of opinion as to the feasibility of a rehabilitation plan developed among the stock holders and depositors, and as a result the meeting dragged along for four hours and a half and was enlivened by several heated arguments. The stock holders have about given up hope of again putting the bank on a sound basis, while a number of the depositors declare that the receivership must be fought to the end and that every other plan must be tried before a receiver is appointed. In spite of this a list of names was gone over, and several were selected for submission to Judge Coffey as eligible for the appointment in case he determines to order such a move.

MRS. WAGNER ACCUSED BY GIRL'S BETROTHED

Continued from Page 1, Column 1

O'Donnell, who had attended her before, last week O'Donnell advised her to go to Mrs. Wagner, Friday morning at 10 o'clock I met her at Folsom and Sixteenth street, and together we went to the Wagner place.

I did not know then that an operation was to be performed. I paid Mrs. Wagner \$25, and after spending a while there I left. Saturday when I returned Edna and Mrs. Wagner told me what had been done. I stayed with the girl from that time on. Wednesday morning at 3 o'clock she died in my arms.

Tuesday night I went to Edna's home, 518 Divisadero street, at her request. She wanted to find out if her folks were worrying about her. When she died Mrs. Wagner told me to leave the city.

It is the opinion of the police that Mrs. Wagner furnished the youth with money to settle his affairs with the Weisbach company and get out of the way, but in this matter he would not speak.

According to the story originally told by Mrs. Wagner, and which she reiterated last night, the couple came to her place Sunday night and she gave the girl no illegal treatment. She intimated that the youth did not know of the girl's death and had promised to return to the house Wednesday, and when he did not appear she stated that he had deserted the dying girl. This Beckett hotly refuted.

BECKETT IS HANDSOME
Beckett is a mild appearing youth, with handsome features of the small type, and is of slight build. He was dressed in a slightly worn suit. He talked in a pleasant voice and was reticent when discussing his own affairs. He said, however, that his father, now dead, had been a county treasurer in Kansas, and that his mother and two married sisters lived in Quincy, Ill., as has already been published.

Beckett denies that he has been out of the city since the time of the girl's death. He would not say where he had spent his time, but stated that he was about Fillmore street, and that he did not have "an address." When asked if he had seen the brothers of the Needham girl since the tragedy he said he had not, but added that he had read in The Call that they intended to kill him.

STEARNS GARTERS HE GAVE SWEETHEART CHRISTMAS

Youth Turns Burglar to Regain Possent and the Girl Sends for the Police

SPECIAL DISPATCH TO THE CALL
SACRAMENTO, Jan. 3.—Because his sweetheart, Miss Agnes Kellher of 611 K street, refused to return him a pair of jeweled garters which he had given her as a Christmas token, George Green turned amateur burglar, entered the room of the girl and stole the trinkets. Miss Kellher returned to her apartments about midnight last night and found everything in disorder.

She at once rang up the police station and reported that burglars had entered during her absence. Then she started to take an inventory of her belongings to determine what the thieves had taken. A sum of money she had left in one drawer was in a purse on the floor and all her jewelry and clothing, with the exception of her garters, were accounted for.

When the detectives arrived Miss Kellher stated that she did not need their services and blushing explained that a fitted lover had returned during her absence and taken a pair of garters which he had given her at Christmas time.

DEATH IS CAUSED BY DRUG
NEW YORK, Jan. 3.—Mrs. John Van Ness Roberts, well known in New York society, died tonight from the effects of a drug which had been prescribed for a weak heart. Her husband, it is said, died in Germany five years ago.

GAMBLERS IN FEAR OF NEW CHIEF OF POLICE

Reform Mayor Has Selected Their Worst Enemy to Aid Him

WILL PURIFY CITY

Wide Open Doors Soon to Bear "To Let" Signs of Vacancy

SPECIAL DISPATCH TO THE CALL
SACRAMENTO, Jan. 3.—With the announcement of Mayor Elect Clinton L. White today that John E. Sullivan has been asked by him to accept the office of chief of police, and that he has consented, there is general wailing and gnashing of teeth among the gambling element of this city.

There has been considerable guessing as to who would be the appointee of the Lincoln-Roosevelt league mayor. Nearly every man of any prominence has been quoted in the newspapers as being out for the office now occupied by Chief Deemy. It was the most important appointment to be made by the new mayor, for the reason that the district south of Seventh street has been operating for the past two years in a wide open fashion.

Sullivan was chief of police for four years and during his time gambling was practically unknown. He is a man of irreproachable character and one who does not hesitate to prosecute his bosom friend if he is a violator of the law. Sullivan has already declared that he will again enforce the law vigorously, and all of the gambling joints have notified their patrons that this month will see their doors closed. Henry Elliott has been selected by White to succeed R. C. Irvine as superintendent of streets, and Charles H. Holmes, formerly deputy county clerk, will be the mayor's clerk.

ENGINEER PREVENTS ACCIDENT

BERKELEY, Jan. 3.—The presence of mind of Engineer Edgar of the Berkeley local saved the life of an unidentified man in a buggy who was conversing with a policeman in the middle of the railroad track at Allston way and Shattuck avenue today. At the approach of the train the buggy was driven on the tracks toward the locomotive. Engineer Edgar reversed the brakes in time to prevent a fatal accident.

ROSENTHAL'S

Superior Shoes Below Cost

Stock taking finds us with a surplus of \$200,000 worth of finest footwear, consisting of the newest styles in the most celebrated makes, such as Rosenthal's are famous for. We must dispose of this grand over-stock of elegant footwear during the next 60 days to make room for Spring goods to come. To do this we have cut prices to absolute cost, and even below cost on many lines. Never before have such price concessions on fine shoes. The reduced prices are especially attractive when you consider that shoes as good as these renowned makes cannot be bought elsewhere at any price. All goods reduced in price sold FOR CASH ONLY. Prices Are Uniform at All Our Four Stores. See window displays for details of the great values we offer. Here are a few:

Men's Shoes	
\$3.50--Men's Single and Double Sole Shoes; 25 styles	Now \$2.85
\$4.00--Men's Gun Metal Calf Button Shoes	Now \$2.95
\$5.00--Seiz' Men's Double Sole Gun Metal Calf Bluchers	Now \$3.90
\$6.50--Hanan & Son's Vici Kid and Box Calf Men's Lace	Now \$5.25
\$7.00--Hanan & Son's Double Sole Box Calf Bluchers	Now \$5.75
\$8.00--Gun Metal Calf Men's Lace, double sole, calf lined	Now \$5.50
Ladies' Shoes	
\$2.50--Ladies' Gibson Ties, patent vamp, dull back, Cuban heel	Now \$1.95
\$2.50--Ladies' Patent Leather or Gun Metal Calf Bluchers	Now \$2.15
\$3.50--Ladies' Gun Metal Calf Button Shoes	Now \$2.85
\$5.00--Ladies' Gum Metal Calf Lace or Button	Now \$4.35
\$6.00--Laird, Schober & Co.'s Vici Kid Lace Shoes	Now \$4.50
\$6.50 and \$7.50--Gray and Brown Cloth Top, latest novelties	Now \$5.50
\$8.00--Hanan & Son's Patent Leather, Black Cloth Top Button	Now \$5.50
Specials in Juvenile Shoes	
Boys' Satin Calf Lace Shoes--	
Sizes 9 to 2	\$1.25
Sizes 2½ to 5½	\$1.50
Children's Vici Kid or Gun Metal Calf Lace Shoes--	
Sizes 8½ to 10½	\$1.25
Sizes 11 to 2	\$1.50

Over 125 salesmen in attendance to serve our patrons promptly and perfectly.

ROSENTHAL'S (INC.)

SAN FRANCISCO'S BEST SHOE STORES

1100 Van Ness Avenue
Corner Geary Street

1518-1530 Fillmore Street
Near O'Farrell

OAKLAND STORE---469-471 12th Street, Bacon Block

135 Montgomery Street
Near Bush (Men's Shoes Only)