

IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT
OF GEORGIA.
IN EQUITY.

To the Judge of the District Court of the United States
for the Northern District of Georgia:

T. C. Bobbitt, O. H. Cheek, Mrs. W. S. Phillips,
R. F. Garner and S. L. Veal, citizens and residents of the
County of Laurens, State of Georgia, suing in behalf of
themselves and other parties similarly situated, bring this
their bill of complaint against the Federal Reserve Bank of
Atlanta, a Federal Reserve Bank organized under the Federal
Reserve Act of the Congress of the United States, a citizen
and resident of the County of Fulton, State of Georgia, and
against H. W. Whitman, as Receiver of the First National Bank
of Dublin, Georgia, of the County of Laurens, State of Georgia,
and a citizen and resident of said County of Laurens, State
of Georgia, and thereupon complaining say:

1.

Your petitioners were depositors and creditors of the
First National Bank of Dublin at the time it failed and went
into liquidation on September 24, 1928, as hereafter stated
and during the time of the acts herein complained of.

2.

That the said First National Bank of Dublin was here-
tofore the owner and in possession of real estate in Laurens

County, Georgia, fully set out and described in a certain deed, hereafter referred to as deed No. 1, and recorded in Deed Book 60, page 66 at seq. records of Laurens County, Georgia, briefly referred to as follows:

Deed No. 1. 16 acres in Dublin, Georgia, having seven new dwelling houses thereon, 163 acres in 12th Land District of said County, the Northern one-half of Lot No. 162, 88 acres of the Southwestern part of lot No. 164, the Northeast half of lot No. 137 in the same district and County, one-half of lot No. 222 in the 17th Land District, lots 57, 74 and the Southwest half of 75 in the town of Rentz, lot No. 11 in Block G, Syndicate Land Lot survey of Bellevue Park, Dublin, Georgia, a one-half undivided interest in one-half of lot No. 50 and $96\frac{1}{2}$ acres of lot No. 49 in the Second Land District, a one-half undivided interest in parts of lots Nos. 64 and 47 in the Second Land District, a one-half undivided interest in 75 acres of lot 48 in the same district, a one-half undivided interest in the Burney survey No. 1 in lot No. 107 in the Second Land District, $62\frac{1}{2}$ acres in lot 77 in the same district, $2\frac{1}{4}$ acres in lot 64 of the same district, lot No. 10 in Block G, of the map of Bellevue Park, Dublin, Georgia, $91\frac{1}{4}$ acres of lot 44 in the Second district, $101\frac{1}{4}$ acres of lot No. 74, 50 acres of No. 66 in the same district, another 50 acres in lot No. 66, Eastern one-half of lot 21, containing $101\frac{1}{4}$ acres in the First District, a tract on the North side of Academy Avenue, Dublin, Georgia, known as the Thomas Peters, Jr. residence, 75 acres parts of lots 212, 213 in the First Land District, 121 acres

in lots 129, and 167 in the First district, tract located on Washington Street, Dublin, Georgia, known as the J. O. Johnson home place, one-half of that parcel of land in the 1338th district, containing $202\frac{1}{8}$ acres, known as the Warren Wilkes lands and 743 acres in the same district known as the J. Neil McLeod lands, that tract in the 52nd District containing 207 acres, lot No. 67 in Block 5 of the Grier Survey of the F. R. Hudson property, Dublin, Georgia, 140 acres in the 52nd District conveyed to Mrs. Virginia Moore by Beacham and Pritchett, 3 acres in the said district known as the J. Ira Moore Place, the Oconee Investment Company lands on the Oconee River, the Southwest corner of Block 33 of the Pew Survey of Dublin, Georgia, situated on Franklin and Jackson Streets, fronting 65 feet on Jackson Street and running back an equal width on Franklin Street a distance of 55 feet, a tract on the South East corner of Jefferson Street and Cleveland Avenue running East on Cleveland Avenue 165 yds., a lot 100 feet by 500 feet on Bellevue Avenue known as the T. H. Smith place, lot No. 5 of the J. T. White property in Dublin, Georgia, 10 acres on Telfair Street, a one-half undivided interest in the Patillo Property on North side of Gaines Street, Dublin, Georgia, a one-half undivided interest in the livery stable property situate on the West side of Laurens Street, Dublin, Georgia, one-fourth of an acre on Telfair Street known as the Mrs. Sue Tillery lot, section No. 1 of lot No. 277 in the 17th land district, containing 52.77 acres, part of lot No. 65, Dublin, Georgia, on Jackson and Bainbridge

Streets, four-fifths undivided interest in a tract of 170 acres in the 1338th district known as the R. T. Beacham Old Place.

Also certain real estate fully described in a deed hereafter referred to as Deed No. 2, recorded in Book 61, page 363, records of Laurens Superior Court, briefly referred to as follows:

Deed No. 2. Part of lot No. 38 fronting on Jackson Street 54 feet and running back 187 feet, Dublin, Georgia, and a tract on the river road containing 196 acres, bounded on the North by Mrs. Rebecca Johnson, East by Oconee River, South by J. B. Burch, West by River Road.

Also certain real estate more fully described in a deed hereafter referred to as Deed No. 3, recorded in Book 61, page 421 et. seq., records of Laurens Superior Court, briefly referred to as follows:

Deed No. 3. A portion of lot 55 in Block 38 lying between the City Hall and the Street and Powel property whereon is located the business of the Marshall-Peacock Company, Chevrolet dealers, Dublin, Georgia, and a tract on the Northwest side of the Court House Square and on the Northwest corner of Jackson and Jefferson Streets, Dublin, Georgia, known as part of lot No. 59 in Block 42 known as the Henry building, and a tract in Dublin, Georgia, whereon is located the brick building known as the Parr & Wood Furniture Company's place of business, fronting 23 feet on Jackson Street and running back an equal width of 200 feet, and improved property in

Dublin, Georgia, known as Nos. 211, 213 on the North side of Jackson Street, fronting 55 feet on that Street and running back an even width 380 feet, and a tract fronting on Court House Square, Dublin, Georgia and being lot 9 in Block 39, of the Guyton Survey, said lot facing Jackson Street 30 feet and having a uniform depth of 124.3 feet, and that improved property in Dublin known as Nos. 201, 203, and 205 Jackson Street, being lot at the Northwest corner of Jackson and Laurens Streets, fronting 75 feet on Jackson Street and running back of even width 115 feet.

Also certain real estate more fully described in a deed hereafter referred to as Deed No. 4, recorded in Book 61, page 144, records of Laurens Superior Court and briefly referred to as follows:

Deed No. 4. Tract of $7\frac{1}{4}$ acres in Dublin, Georgia, bounded on the East by the Dublin Public School and Washington Street, South by Hudson Street, West by Mrs. Robinson and J. W. Scarborough, North by Autry, Higgins and Foster.

Also certain real estate more fully described in a deed hereafter referred to as Deed No. 5, recorded in Book 61, page 312, records of Laurens Superior Court and briefly referred to as follows:

Deed No. 5. Tract fronting 70 feet on the North side of Johnson Street and running back 180 feet, and a lot fronting 70 feet on the South side of Johnson Street, and a lot fronting 50 ft. on the North side of Gaines Street, and a lot fronting

170 feet on North Jefferson Street, with a depth of 244 feet, and lot No. 5 of a plat of record in Book 24, page 431, and lot No. 6 of the same plat and survey, and a lot at the Southwest corner of Decatur Street and Williams Street, and a lot in the shape of a right angle parallelogram 50 x 100 feet on Decatur Street.

Also certain real estate more fully described in a deed hereafter referred to as Deed No. 6, recorded in Book 61, page 123, records of Laurens Superior Court and briefly referred to as follows:

Deed No. 6. A tract on the South side of Gaines Street, fronting Gaines Street 64 feet and extending back 205 feet.

Also certain real estate more fully described in a deed hereafter referred to as Deed No. 7, recorded in Book 61, page 423, records of Laurens Superior Court, and briefly referred to as follows:

Deed No. 7. Described as lot 55, Cadwell, Georgia, fronting Dexter and Burch Streets, except the part occupied by the Cadwell Banking Company.

Also certain real estate more fully described in a deed hereafter referred to as Deed No. 8, recorded in Book 61, page 576, records of Laurens Superior Court, and briefly referred to as follows:

Deed No. 8. A tract of land situated on the Southwest corner of Jefferson and Madison Streets, Dublin, Georgia, known as the First National Bank Building.

Also certain real estate more fully described in a deed hereafter referred to as Deed No. 9, recorded in Book 60, page 481, records of Laurens Superior Court, and briefly referred to as follows:

Deed No. 9. Two lots in the City of Dublin, known as lots 154 and 156 in Block 46 of the Arthur Pew Survey, located on Jackson and Laurens Streets, and City lots 3, 4, 5 and 6 in Block 122, and a lot on the East side of Jefferson Street, fronting 57 feet on that street and 500 acres of land in the 52nd district, known as the Brantly home place.

Said property is fully described by metes and bounds in the deeds referred to and in a certain legal advertisement hereafter referred to which petitioners will offer to the court to more particularly identify and locate said property, inasmuch a more particular description in this petition would make it very voluminous.

Petitioners show that the property described in the preceding paragraphs was sold to the Southern Realty Company by the First National Bank, this Company giving its notes for the same and a security deed over the property for the purchase price. The Southern Realty Company was a corporation organized for the sole purpose of holding real estate belonging to the First National Bank. It had no assets other than the said real estate purchased from said bank except capital stock of \$5000. The security deeds given by the Southern Realty Company were properly recorded on the records of Laurens Superior Court.

The said First National Bank transferred, conveyed and assigned the aforementioned deeds and the land therein described to the said Federal Reserve Bank on the dates and for the purposes hereafter given. The assignments being substantially in the following form: For value received the undersigned, First National Bank of Dublin, Georgia, has transferred, conveyed, set over and assigned, granted and sold unto the Federal Reserve Bank of Atlanta all and singular its right, title and interest in and to the within and attached deed to secure debt, together with all rights of the undersigned arising under and by virtue of said deed. The undersigned does also grant, bargain, sell and convey the lands and its interest therein.

The First National Bank purported to make the assignment and conveyance to the Federal Reserve Bank to the lands described in Deed No. 1 on May 31, 1927, and purported to be conveyed along with two notes secured by said deed executed by the Southern Realty Company to the First National Bank, both of said notes having been dated April 28, 1927 and due December 31, 1927, one of said notes for the principal sum of \$280,705.16, and the other for the principal sum of \$11,520.00.

The First National Bank purported to transfer and convey deed No. 2 and the land therein described to the Federal Reserve Bank on June 26, 1928 and the note purported to be secured by said deed executed by the Southern Realty Company to the First National Bank for \$24,790.00, dated May 4, 1928, due November 4, 1928.

The First National Bank purported to transfer and convey deed No. 3 and the property therein described to the Federal Reserve Bank on June 29, 1928 and the two notes secured by deed executed by the Southern Realty Company to the First National Bank aggregating the principal sum of \$392,364.66 due on December 31, 1928.

The First National Bank purported to transfer and convey deed No. 4 and the land therein described to the Federal Reserve Bank on August 31, 1928, and the note secured by said deed executed by the Southern Realty Company to the First National Bank of Dublin for \$9,787.75 due September 19, 1928.

The First National Bank purported to transfer and convey deed No. 5 and the property therein described to the Federal Reserve Bank on June 26, 1928 and the note secured by said deed executed by the Southern Realty Company to the First National Bank of Dublin for the principal sum of \$4,300.00 due on October 1, 1928.

The First National Bank purported to transfer and convey deed No. 6 and the land therein described to the Federal Reserve Bank on August 31, 1928 and the notes secured by said deed executed by the Southern Realty Company to the First National Bank for the principal sum of \$2,175.00 due on June 28, 1928.

The First National Bank purported to transfer and convey deed No. 7 and the land therein described to the Federal Reserve Bank on September 13, 1928, and the note secured by said deed executed by the Southern Realty Company to the First National

Bank for the principal sum of \$3,000.00 due December 31, 1928.

The First National Bank purported to transfer and convey deed No. 8 and the land therein described to the Federal Reserve Bank on August 29, 1928, and the notes secured by said deed executed by the Southern Realty Company to the First National Bank for the principal sum of \$175,000.00, due December 31, 1928.

The First National Bank purported to transfer and convey deed No. 9 and the land therein described to the Federal Reserve Bank on December 5, 1927, and the note secured by said deed executed by the Southern Realty Company to the First National Bank for the principal sum of \$150,000.00 due May 30, 1928.

3.

The said First National Bank was a national banking association with a capital stock of \$200,000.00 heretofore engaged in business and having a place of business in Dublin, Georgia, and on September 24th, 1928, being insolvent it closed and discontinued business and was taken in charge by the National Bank Examiner who continued in charge until a receiver was appointed and took charge. H. W. Whitman took charge as receiver and is now in charge of the affairs of the said First National Bank and it is on account of the transactions - between the said First National Bank and the Federal Reserve Bank with reference to the aforesaid securities and real estate and other security collateral that petitioners complain as they herein show the court.

4.

That sometime during the year 1927 the First National Bank organized and caused to be organized a corporation known as the Southern Realty Company with the object of this corporation to take over and hold the real estate belonging to the First National Bank and upon its organization the First National Bank purported to sell this corporation the said real estate, making it a warranty deed and received back from it a deed to secure debt for the purchase price and no money actually changed hands in the transaction. The Southern Realty Company was from its inception and continue to be a corporation merely holding this real estate without any other assets except capital stock of \$5000. than that which was acquired by this purchase of real estate. The active officers of the First National Bank were also the active officers of the Southern Realty Company and there was no actual change in the possession of this real estate other than nominal. The possession and management of the same continued in the same manner and tenants of the property paying their rent in the same way as they had when the property belonged to the First National Bank but the receipts were entered on the books in the name of the Southern Realty Company but to all intents and purposes the property continued the property of the First National Bank and as assets of that bank.

5.

Petitioners show that though the said Federal Reserve Bank was transferee and holder of the real estate set out in paragraph two, that it did not have the transfers and conveyances recorded in the Clerk's office of Laurens Superior Court, the County in which said property was located, until after said First National Bank had closed and was taken in charge by the Receiver, all said transfers and conveyances being recorded at various dates after the receiver had taken charge of said bank and good faith requiring the recording of said conveyances, they were purposely and willfully withheld from record and though they were taken at a time when the First National Bank was insolvent and so known to both of the banks, as will be more fully shown herein, and therebynotice to existing and subsequent creditors of the First Bank, in order that said First National Bank might have a fictitious credit to which it was not entitled.

6.

Petitioners show that at the time the Federal Reserve Bank received these securities the First National Bank was in a weak financial condition but the same was not known to petitioners but was known to said Federal Reserve Bank and said Federal Reserve Bank knew that if the public and customers of said First National Bank knew this vast amount of

collateral was transferred to and held by the said Federal Reserve Bank, the record of which would have given such notice to the public and customers of the bank, that the customers of said First National Bank both present and prospective ones would have immediately ceased to do business with the bank and ceased making any deposits in said bank and your petitioners and other similarly situated would have been saved loss and damage thereby, Nevertheless on account of they not having this notice and not having knowledge of the condition of the bank they would have acquired by said notice they did continue to make deposits in said bank right up until the day of its closing, the common creditors of said bank thereby loosing a larger amount as will be later shown.

7.

Petitioners further show that as early as December 5th, 1927, when the First National Bank transferred and conveyed to the Federal Reserve Bank the security described in deed number nine a debt secured thereby made by the Southern Realty Company for \$150,000.00 due May 30th, 1928, both banks knew this debt could not be paid at maturity and was not paid at maturity. Both banks knew that the Southern Realty Company had no assets whatever other than the property conveyed as security and that upon maturity of the debt it would necessarily have to be renewed both by the Southern Realty Com-

pany and the First National Bank. Both banks further knew that not only could the Southern Realty Company not pay this debt at maturity but that the First National Bank who was endorser on the paper could not pay it at maturity. Likewise, on May 31, 1927, when said First National Bank transferred and conveyed to the Federal Reserve Bank the security described in deed number one, the debt secured by said deed being two notes dated April 28th, 1927, and due December 31st, 1927, one of said notes being for the principal sum of \$280,705.16, the other one for the principal sum of \$11,520.00, both of said banks knew for the reason herein given that the Southern Realty Company could not pay this debt when it became due and did not pay it and the First National Bank was not able to pay it after it became due, that they knew that a renewal of the same was merely a postponement of the time of final reckoning. Nevertheless the said Federal Reserve Bank continued to acquire and receive security of the First National Bank by taking transfers and conveyances of same on June 26, 1928; June 29, 1928; August 29, 1928; August 31, 1928 and September 13th, 1928, as have been more fully setforth above. The result was that the Federal Reserve Bank became possessor of all the real estate holdings of the First National Bank representing securities in excess of one million dollars leaving none of the real estate own by the First National Bank in its hand. It did likewise take other security from said bank, And whether the sureties of the real estate was taken for a bona fide debt or not, nevertheless the taking over and holding of same and con-

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cealing this fact from the customers of the bank misled them and the withholding of same from record was done for the purpose of concealing this knowledge from the petitioners and other creditors similarly situated and for the purpose of misleading and did mislead them, and such purpose was in law fraud on petitioners.

8.

Petitioners further show that the taking of this large amount of securities was not usual and customary transaction on the part of the Federal Reserve Bank with a bank of the size and condition of the First National Bank and was not taken with a view of same being rediscounted by the Federal Reserve Bank and paid in due course, but with the purpose and intent of the Federal Reserve Bank acquiring all the security and having same at the time that the First National Bank should fail in order that the Federal Reserve Bank might be a creditor preferred above other creditors, and the Federal Reserve Bank knowing that at the time had the transfers been known by the public that then the customers of the First National Bank would discontinue their business with it and for this and other reasons herein setforth the conveyances were fraudulent and as to petitioners null and void; that the Federal Reserve Bank should not be allowed to hold said conveyances but they should be returned to the receiver for administering and prorating of the funds received on same among all creditors.

9.

Petitioners show that early in the summer of 1928 both the Federal Reserve Bank and the First National Bank had acquired knowledge that the First National Bank was in a weak financial condition and that the debt held by the Federal Reserve Bank and executed by the Southern Realty Company and endorsed by the First National Bank which had become due on December 31st, 1927, and on May 30th, 1928, as herein shown was not paid at maturity by either the maker or endorser and could not be paid by either and were renewed before the date of maturity in order to keep same from becoming due and remaining unpaid, but nevertheless the holding of such debt by the Federal Reserve Bank at the date of maturity and the inability of either party at the regular date of maturity of same to pay same was in fact an act of insolvency on the part of the First National Bank and after the commission of such acts of insolvency and in contemplation of insolvency the First National Bank transferred and conveyed a large portion or the whole of these securities to the Federal Reserve Bank to further secure the Federal Reserve Bank for a debt or debts then owing the Federal Reserve Bank by the First National Bank and in violation of Section 5242 of the revised statute of the United States regulating the business of National banks and such was done with a view of preventing an application of the assets in the manner prescribed by law and or with view to preference of the Federal

Reserve Bank to other creditors. Petitioners can not say what portion of these securities or real estate was transferred for an existing debt but allege that a portion of them were, and especially those transfers made near the period of the closing of the bank. Petitioners are not able to obtain full information on this point as information on same is with held by the receiver of the First National Bank and representative of the Federal Reserve Bank in charge of its business at Dublin, Georgia. Petitioners do allege that a very little, if any, present consideration passed from the Federal Reserve Bank to the First National Bank in the period from June 30th to the day of the closing of the bank, and yet during this period and after the commission of the acts of insolvency herein referred to and in contemplation of insolvency and in violation of the statute and with the purpose above recited, a vast amount of other security passed from the First National Bank to the Federal Reserve Bank. Petitioners show that at the close of business on June 30th, 1928, the condition of the First National Bank as represented to the Comptroller of the Currency and as published shows loans and discounts of \$1,489,966.01, bills payable including all obligations representing borrowed money of \$47,000.00 notes and bills rediscounted were \$506,624.15, which would indicate that at that time the First National Bank had unpledged assets of eight or nine hundred thousand dollars, Petitioners believe that this report correctly reflected the condition of the First National

Bank at that date, nevertheless at the date of the closing of the bank the Federal Reserve Bank held assets of the First National Bank of the vast value of approximately \$1,200,000.00 for the purpose of securing an indebtedness of approximately \$565,000.00. Petitioners believe and allege on account of facts published and other facts herein setforth a great deal of these assets were transferred and conveyed to the Federal Reserve Bank during this period and contrary to law as above setforth. Petitioners can not specify in detail just what notes, collateral or other assets were transferred during this period in as much as such information is withheld by the authorities of the two banks and by the Comptroller's Office. They can allege however and believe they can prove that including in this vast amount of assets transferred including some of the real estate above referred to was \$30,000.00 in liberty bonds of the value of ## \$30,000.00 transferred to secure an existing indebtedness in violation of the law above setforth. At the time of the close of the First National Bank the unpledged assets of the bank only amount to approximately \$363,000.00. Petitioners believe that no transfers or conveyances were made to any other bank or parties during this period other than the Federal Reserve Bank in as much as practically all of the business transactions with any other bank by the First National Bank was done with the Federal Reserve Bank.

10.

Petitioners further show as additional evidence of the

condition of the First National Bank and of the knowledge of it on the part of the Federal Reserve Bank and of the purposes and schemes on the part of both banks to prefer the Federal Reserve Bank and to defraud petitioners that the latter part of June or the first of July, 1928, the Federal Reserve Bank selected a man to be in the active charge of the First National Bank and required of the First National Bank that he be placed in charge of the office of said bank, and this party, H. S. Day, was on July 6th of that year elected Vice-President and cashier of the First National Bank by the directors of that bank and placed in active charge of the bank and he was in effect, petitioners allege and believe, a representative and agent of the Federal Reserve Bank in charge of the First National Bank after that date, and part of his duties was to protect the interest of the Federal Reserve Bank and to see that the most valuable parts of the assets of the First National Bank were transferred and conveyed to the Federal Reserve Bank and the transfers and conveyances above referred to under date of August 29th, 1928, August 31, 1928, and September 13th, 1928, were executed on the part of the bank by H. S. Day, as Vice-President and cashier, and J. E. Freeman as Vice-President. It did in fact appear that at the close of said bank as above stated the only assets unpledged remaining to the First National Bank consisted of approximately \$363,000.00, much of which was of doubtful value and a great portion of which was

classified by the receiver as worthless and a great deal as doubtful and a small portion good. It was known at the time that H. S. Day took charge of the bank that among the assets was a debt owed by the Dublin Creamery of \$105,000.00 which was entirely worthless and this asset was left among the assets of the First National Bank along with much other of similar character, while the valuable assets had gone to the Federal Reserve Bank.

11.

Petitioners show as further evidence of the way that they were misled and as a part of the scheme to take advantage of them and defraud them, that on its assuming the charge of the First National Bank by the said H. S. Day, the First National Bank issued a public statement which was published in the Courier Herald, a newspaper published and circulating in Laurens County, stating that he considered this bank and section had a great future and he intended to make this bank his life work and the statement coming from the bank that the bank had grown so that the present executive force needed well trained banking help under modern banking conditions now existing with the Federal Reserve Bank and that H. S. Day came very highly recommended by the National Bank Examiner of this district. This statement purported to be issued by F. G. Corker, President of the First National Bank, but petitioners allege and believe that this statement was inspired by the officers of the Federal Reserve Bank and they suggested the announcement and it was made

with knowledge on their part that such statement at least in substance would be made and petitioners show that the statement was calculated to mislead and did mislead the customers of the First National Bank and existing and subsequent creditors, and petitioners give this as a further reason why the conduct on the part of the Federal Reserve Bank in reference to withholding from record the sureties on the real estate held by them was fraud on them and null and void as to them as it amounted to holding out of the First National Bank by the Federal Reserve Bank as a sound institution when in fact it was not and it knew that it was not, and that the Federal Reserve Bank then held the most valuable parts of the assets and contemplated securing more of such assets and that the future of the First National Bank was entirely in the hands of the Federal Reserve Bank and at anytime they refused to carry and further extend financial help to the First National Bank or to extend the maturity dates of its obligations that it held that the First National Bank would be compelled to close its doors.

Petitioners further show that the First National Bank since it closed has proven to be absolutely insolvent and it can not and will not pay but a small proportion of its indebtedness and after a year in liquidation it has paid one dividend of five per cent and that within the last ten days.

Petitioners show that there were a great number of depositors

in the First National Bank whose aggregate deposits amounted to approximately \$800,000.00 and a great many of them were creditors, existing and subsequent, to the acts herein complained of and which they claim were fraud and null and void as to them, and petitioners bring this petition on behalf of themselves and other depositors and creditors who are similarly situated.

14.

Petitioners further show that they are denied access to the books and records of the First National Bank so as to possibly more specifically set forth their cause of complaint and to make proof of same and that if such condition continue they be granted an order by this court if need for it arises, an order requiring the receiver of the First National Bank to allow them access to and an inspection of the records of the bank as may be reasonable at such time and under such direction of the court as the court deems proper.

15.

Petitioners further show that they have requested the Comptroller of the Currency, the receiver of the First National Bank and the First National Bank to bring this action and they have failed and refused to do so. And petitioners further show that it was a needless thing on their part to make such request inasmuch as they knew that there was no likelihood of its being done, that apparently there is the fullest co-operation between these parties and the Federal Reserve Bank. And the Receiver

and Comptroller General apparently entertain no idea of calling on the Federal Reserve Bank to account and to surrender any of the assets or to refrain from the acts complained of.

16.

Petitioners further show that the Federal Reserve Bank is advertising all of the real estate herein referred to, to sell at public sale ^{on} Tuesday, December 3rd, 1929, under a power of sale contained in said deed, and petitioners show that for the reasons set forth that said bank should not be allowed to make said sale and change the status of said property until this complaint is heard. Petitioners show that most of this property is very valuable and consist of some of the choicest business property in the City of Dublin, and one piece of property is the First National Bank Building, a banking and office building six stories high and a building equipped at a large expense and is the same property referred to in the transfer to the Federal Reserve Bank of August 29th, 1928.

17.

Petitioners believe that the sale of the property under all the circumstances would not bring a fair value at this time and the Federal Reserve Bank proposes to sell all of this property in separate parcels and thereafter to sell same as a whole and under such circumstances the Federal Reserve Bank by reason of the amount involved would be the only purchaser and almost at their own price and petitioners show that they are without remedy ex-

cept in a court of equity.

WHEREFORE, expressly waving discovery from the defendants but praying that they be required to make answer hereto but not under oath, plaintiffs pray that they be granted such relief as may be appropriate in the premises, and as a part of such relief for the court to (a) adjudge and decree that all transfers and conveyances herein referred to from the First National Bank to the Federal Reserve Bank be declared null and void and fraudulent as to petitioners, and that said securities on said real estate be returned to the Receiver of the First National Bank to be administered by him for the benefit of all the creditors of the bank, (b) that petitioners and such others as may make themselves party plaintiffs to this action recover of the Federal Reserve Bank for use of all the creditors of said bank such notes, collaterals and other assets as may be found to have been transferred to the Federal Reserve Bank in violation of the provisions of law as contained in Section 5242 of the revised statute which transfers were null and void for the reasons herein set forth, and that same be administered by the receiver of the bank for the benefit of the creditors of the bank and that an accounting be had between the parties to determine what assets were themselves transferred in violation of the law, (c) that the court restrain the said Federal Reserve Bank from selling the real estate or changing the status of same until the further order of this court, (d) that subpoena may issue requiring the Federal Reserve Bank of Atlanta and the said H. W. Whitman, as Receiver, to make an answer but not under oath to the allegations of this complaint.

C. C. Crockett
Attorney for the plaintiffs.

GEORGIA , LAURENS COUNTY

Personally appeared O. H. Cheek and _____
who on oath say that the facts stated in said bill are true ex-
cept insofar as stated on information and belief and as to all
such excepted matters deponents are informed and believe same to
be true.

(Signed) _____ O. H. Cheek _____

Sworn to and subscribed before
me this 30 day of Nov. 1929

(Signed) E. S. Baldwin Clerk
Superior Court Lau. Co. Ga.

The within petition is sanctioned and ordered filed. Let
the defendants show cause before me in Atlanta, Ga., at 10A.M.
Dec. 7, 1929, why the injunction should not issue as prayed.
Let service be made forthwith on the defendants. This Dec. 2,
1929.

(signed) Saml H. Sibley
U. S. Judge.

DISTRICT COURT OF THE UNITED STATES OF AMERICA
NORTHERN DISTRICT OF GEORGIA

ATLANTA DIVISION

T. C. BOBBITT, O. H. CHEEK, MRS. W. S.)

PHILLIPS, R. F. GARNER and S. L. VEAL)

Complainants.)

vs.)

FEDERAL RESERVE BANK OF ATLANTA and)
H. W. WHITMAN, AS RECEIVER FIRST NATIONAL)
BANK OF DUBLIN, GEORGIA.)

Defendants

IN EQUITY

No. 5 5 0

THE PRESIDENT OF THE UNITED STATES OF AMERICA

TO FEDERAL RESERVE BANK OF ATLANTA and H. W. WHITMAN AS RECEIVER OF THE
FIRST NATIONAL BANK OF DUBLIN, GEORGIA - - - - -

FOR CERTAIN CAUSES offered before the Judge of the District
Court of the United States for the Northern District of Georgia,
IN EQUITY, you, and each of you - - - - -

- - - - - , are hereby commanded to be and
appear and to cause to be filed and entered for you in the Clerks'
Office of the said Court, in the City of ATLANTA Georgia, within
twenty days from the day of the date hereof, an answer or other de-
fense to those things which shall then and there be objected to you
by the bill of complaint of T. C. BABBIT, O. H. CHEEK, MRS. W. S.
PHILLIPS, R. F. GARNER and S. L. VEAL - - - - -

and to do further, and receive what the said Court shall have consider-
ed in this behalf, and this you may in nowise omit, under penalty of

judgment being pronounced against you by default.

WITNESS, the Honorable SAMUEL H. SIBLEY, Judge of the
District Court of the United States for the Northern
District of Georgia, this 3rd day of December - - -,
in the year of our Lord one thousand nine hundred and
twenty nine - - - - -

(Signed) O. C. Fuller, Clerk

By - - - - - , Deputy Clerk.

MEMORANDUM,- The defendants - - - are - - - - -
required to file their answer or other defense in the suit
above stated, in the CLERK'S OFFICE, on or before the twentieth day
after service of this Writ of Subpoena, excluding the day thereof,
otherwise the bill may be taken pro confesso.

The defendant need not appear personally but may appear by
Solicitor.

O. C. Fuller, Clerk