

EIGHT OF COUNTY'S OUTSTANDING MEN BEING GIVEN TRIAL

Charged With Conspiracy and Misapplication of Transylvania County Funds

LARGE NUMBER OF ATTORNEYS IN CASE

Judge H. Hoyle Sink and Haywood County Jury Hearing the Case

Trial of eight of Transylvania county's most prominent and outstanding citizens on charges of conspiracy to misapply and misapplication of county funds, which started Wednesday morning of last week, was still in progress Wednesday night of this week, the state still offering evidence. More than one hundred records, papers and instruments have been offered by the state as exhibits in the trial, consisting of minute books of the county commissioners, and other county papers and records; bank books and bank statements, cancelled checks and notes.

The defendants are Thos. H. Shipman, president of the Brevard Banking company; Jos. S. Silversteen, vice president of the bank and chairman of the board; J. H. Pickelsimer, chairman of the board of county commissioners in that term beginning on the first Monday in December, 1928, ending December 1, 1930; and board members C. R. McNeely, A. M. White, S. R. Owen and W. L. Talley; and Ralph R. Fisher, county attorney in that administration.

These defendants are charged with conspiring to issue and sell tax anticipation note in the sum of one hundred thousand dollars last September. The charge against the defendants asserts that this note was sold for the purpose of helping the Brevard Banking company, which, the state claims in the indictment, was insolvent at the time the note was issued, or about to become insolvent. Indictments were returned at the April term of court by the grand jury, which body at the same time returned another indictment against the board of county commissioners charging them with failure to obtain sufficient security from the bank to guarantee safety of the county's deposits.

The same grand jury returned an indictment against Thos. H. Shipman, charging misapplication and embezzlement of \$21,000 and this was to have been heard at this term of court, but indications are now that the case will not be heard at this time, as the term ends Saturday night and it is said the present case will not be disposed of before Friday or Saturday.

The same grand jury returned a true bill against Sheriff T. E. Patton, charging the sheriff with obtaining money from the Brevard Bank through use of forged bills of lading. The solicitor took a nol pro in this case last week, when discovery was made that the grand jury for the present court had been irregularly drawn. The solicitor was convinced he said that the state could not proceed against Patton on the indictment returned at the April term, and was obtaining a new bill for the present grand jury when it was discovered that members of that jury had been irregularly drawn, hence the nol pro.

Judge H. Hoyle Sink, one of the most highly respected judges in the state, is holding court, having been designated for this work by Governor O. Max Gardner, who ordered this regular August civil term of court changed to a mixed term for the purpose of hearing the bank cases.

Solicitor J. Will Pless is appearing for the state, assisted by Felix Alley, of Waynesville, for private prosecution, and Pat Kimzey, attorney for the liquidating agent of the Brevard bank, and Attorney Taylor, of Raleigh, chief counsel for the bank commissioner.

Shipman is represented by J. Bat Smathers of Asheville, and Jake F. Newell, of Charlotte.

Silversteen is represented by Newt Moody, of Murphy, and Wm. E. Breese and T. C. Galloway, of the Brevard bar.

Fisher and the commissioners are represented by Lewis P. Hamlin, Brevard lawyer, as chief counsel, assisted by G. Lyle Jones, Asheville; McKinley Edwards, Bryson City; F. D. Hamrick, Rutherfordton; R. B. Overton, Canton, D. L. English and A. F. Mitchell, Brevard.

The jury hearing the case is from Haywood county, the solicitor having asked for a jury from another county. George Maxwell is jury officer, and they are living at the Waltermire hotel. Sheriff Patton and Deputy Tom Wood are officers of the court. A. Emerson Eve and Mrs. Lassie Kelly Cunningham are court reporters.

MANY CAMP BOYS MAKING CANOE TRIPS TO ASHEVILLE

Every other day during the past week has seen a large group of camp boys from near Brevard, canoeing down the French Broad to Asheville. From 50 to 100 boys make the trip at a time, and return to Brevard on transportation furnished by Siniard Transfer company.

STATE HAS PRESENTED VAST AMOUNT OF EVIDENCE IN TRIAL OF FORMER COUNTY OFFICIALS AND BANKERS DURING HEARING

First State Witness Took Stand on Thursday Morning of Last Week—More Than Hundred Paper Evidences Admitted—County Records and Bank Records Used in Trial—W. W. Woodley, Jr., State's Principal Witness—State Expected To Complete Its Testimony Today—Defense Profited by Much State Evidence Brought Out on Cross Examination.

Solicitor J. Will Pless, Jr., announced Wednesday night that the state probably would rest Thursday morning in the trial of two former bankers, the former board of county commissioners and the former county attorney, charged with conspiracy and misapplication of county funds. Numerous witnesses have been used by the state, and many records and books of the Brevard bank and the county of Transylvania have been introduced by the state in its effort to prove the charges against the eight men.

The case was begun on Wednesday morning of last week, the first day being taken up with selection of jury from a special venire of 125 men brought from Haywood county. The state began its evidence Thursday morning—one week ago—and may conclude its evidence this Thursday. It is not known whether the defense will offer any evidence.

Wednesday's evidence by state witnesses was declared by many to be of great value to the defense, this evidence being brought out by G. Lyle Jones on cross examination of state witnesses.

The Brevard News is giving the evidence in the case, from the first witness to time court adjourned Wednesday evening, in substance and as best it could be taken. For convenience, this evidence is in sequence, beginning with the first witness.

Opening Session.

Miss Luana Clayton, clerk to the liquidating agent and former employe of the Brevard Banking company, was first witness called to the stand. Purpose of her testimony was to certify that certain books and records were books and records of the Brevard Banking company. Counsel for defense, in the interest of time, announced that all such books and records as were there and purporting to be books and records of the bank would be admitted as such. Miss Clayton did not then testify.

Register of Deeds Galloway on Stand
Jess A. Galloway, present register of deeds, was then called to the stand and identified certain books as being minute books and records of the register of deeds office which he received from Ira D. Galloway who was register of deeds for four years ending December first, 1930, when Jess A. Galloway took office. Mr. Jess Galloway then in identifying one book in which the minutes of the meetings of the county commissioners were kept said that he "had watched that book closely" ever since he took office. He swore to the signatures of Ira D. Galloway, J. H. Pickelsimer, C. R. McNeely and Ralph R. Fisher, appearing upon several documents, among them being the formal statement said to have been written by the chief financial officer of the county, C. R. McNeely, in setting forth to the county commissioners the necessity of borrowing \$100,000 in anticipation of taxes, and the resolutions and actions necessary in ordering the sale of the note. J. Will Pless, Jr., conducted the direct examination.

Jones Directs Cross Examination
Register of Deeds Galloway was then turned over to the counsel for defense on cross examination, which was conducted by G. Lyle Jones. Mr. Galloway had stated on direct examination that some of the pages in the minutes book kept by Ira Galloway were blank, that is, pages blank between successive meetings. Mr. Jones asked the witness if there were not blank pages in his own book of minute records; witness admitted there were, but explained that he had left a number of blank pages between the records kept by the former register of deeds and where he started making entries, and had marked these pages out with red ink. He couldn't remember just how many pages were left blank, as the records kept by Ira Galloway, former register and clerk to the board, in the back of the book, and started keeping his new work in the front of the book. The books showed that pages 303 to 319 were blank, and on the first page after that was entered the record of the action of the present board of county commissioners in extending a \$75,000 county note on December 12, 1931.

On re-direct examination Mr. Galloway identified S-Ledger, pages 11, 26 and 37, swearing to the signature of J. H. Pickelsimer appearing on these pages.

On re-cross examination Mr. Jones asked Galloway when the board to which he is clerk went into office.

"December first, 1930," witness answered.

"Your board kept its county finances in the Brevard bank, didn't it?"

"Yes," witness continued answering the questions, saying he didn't know whether or not the county could get its money out, and said he made his last deposit in the Brevard Bank on December 15, 1930, day the bank closed its doors.

Woodley on Stand
W. W. Woodley, Jr., liquidating agent for the Brevard Banking company, was the next witness, taking the stand Thursday morning for the first time. Mr. Pless leading direct examination, brought from witness facts concerning the witness. Came to Brevard on January 13, 1931, having been appointed as liquidating agent by John Mitchell, then chief state bank examiner. Came from Elizabeth City, his home, where he was connected with the Savings Bank and Trust company. Has had charge of all records of Brevard Bank since taking charge in January; has made tabulations as to the funds of Transylvania county in the bank from July 1, 1930 to December 15, 1930, these tabulations having been made up from bank ledger sheets. Asked as to total amount of county's deposits in the bank on July, 1930, objection was made and sustained. Ledger sheets of bank records were then introduced and marked as exhibits, numbered, of the state's evidence, as follows:

Ledger sheet of the county health and poor fund, April 4, to Dec. 1, 1930.

Ledger sheet of the county debt service fund, May 31 to Dec. 1, 1930.

Ledger sheet county general fund, April to December 1, 1930.

And many other ledger sheets of various funds showing amounts on deposit at given dates between April and December 15. Sheets from ledger of certificates of deposit, and page 132 of certificate of deposit ledger was offered for purpose of showing amounts of outstanding county funds on November 28.

The certificate of deposit ledger was also used to show the county sinking fund account on Oct. 1, 1930, which was \$31,756.31.

Reading from tabulations, the witness gave the total county deposits in the Brevard bank at given dates from July first to December, 1930, as follows:

July 1, \$632,940.42; August 1, \$624,473.90; Sept. 1, \$627,296.13; Sept. 17, \$602,249.81; Oct. 1, \$512,337.38; Nov. 1, \$518,178.62; Nov. 24, \$567,283.28; Nov. 28, \$472,887.14; Nov. 29, \$579,187.86; Dec. 15, \$501,145.80.

Effort was made by Solicitor Pless to ascertain the condition of the Brevard Banking company, as the witness saw it by asking what efforts had been made to collect the notes due the bank. Witness told of writing three and four letters to each note maker, and calling in person upon many of them, and of writing to all those whose notes are held by the Chase National Bank, when defense objected to reference to notes held by Chase National Bank, whereupon the solicitor asked witness in what capacity he had been summoned to appear as a witness, replied as "trustee for the Chase National Bank," and subpoena was offered. Objection sustained.

In practically every introduction of various records and exhibits the defense objected and exceptions taken. Witness declared he had seen J. H. Pickelsimer write his signature and knew the same. Then the hundred thousand dollar note was introduced, being in Mr. Woodley's possession, made up of ten ten-thousand dollar notes, signed, witness said, by J. H. Pickelsimer, C. R. McNeely, Ira D. Galloway and Ralph R. Fisher. Solicitor then made effort to introduce page from ledger book certificates of deposits to show account of W. L. Couch, Treasurer, as of Nov. 24, 1930, whereupon G. Lyle Jones for the commissioners and Fisher raised objection and asserted that he wanted the evidence confined to the charges in the bill of indictment, that is, as to conspiracy and to misapply the funds of the county, and that stuff being wrung in about the condition of the bank, or this fund, or that fund, had nothing to do with the case. The solicitor, after stating that it required the recording and assembling of many cumulative acts to prove the act of conspiracy, took another course and left the original question, stating that he would come back to that later.

Bagwell on Stand
M. B. Bagwell was called to the stand while Woodley was looking up some county records, and stated that he was a member of the grand jury at the April term when the indictment against the county officials and the bank officials was returned. Bagwell said that he met McNeely on the streets soon after indictment had been returned and McNeely asked him why they found the true bill. Bagwell told him that it was all they could do according to the law and evidence. McNeely told him, Bagwell said, that the commissioners borrowed the money to save the bank.

Cross Examination
Fred Hamrick drove mercilessly into the witness on cross examination.

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FORMER BREVARD GIRL DIED MONDAY

News was received in Brevard Monday evening of the death that day of Mrs. Fred C. Cooper, formerly Miss O'Dell Nicholson, of Brevard. Death came to the young woman in the hospital at Dalton, Ga., after an operation Monday afternoon. The deceased was 28 years of age and had been married a little over one year. Mrs. Cooper spent the summer here and in Asheville, where she attended summer school, and had returned to her home at Cohutta, Ga., where she and her husband were engaged in teaching school.

Funeral services were held Wednesday and burial made in the cemetery at Cohutta, many relatives and friends in Brevard attending the rites.

O'Dell Nicholson, known to hundreds of people of this county where she was born and had lived all her life until her marriage, was one of the most highly respected and best loved young women of the community. She was a daughter of Milan Nicholson, who survives, and leaves two sisters and a brother. One sister married Roy E. Cooper, of Cohutta, and lives there. The other sister, Miss Mary Nicholson, lives with her father in Brevard. The brother, J. M. Nicholson, also lives in Brevard.

LARGE CROWD HEARS NEWELL'S ADDRESS

Many people heard the Hon. Jake F. Newell, Charlotte lawyer and leading layman, deliver an inspiring and most instructive address at the Methodist church last Sunday evening. Mr. Newell is here as a member of the defense counsel for Thos. H. Shipman, and when his friends learned that he was to be in Brevard over Sunday they urgently requested him to deliver his famous address on "Palestine, and Its Evidences of the Bible." The Charlotte man spent many months in Palestine two years ago, and his address is builded upon evidences there of things so accurately described in the Bible.

Many summer visitors, people from the county and members of other churches attended the services and heard Mr. Newell.

BIBLE CONFERENCE STARTS AUGUST 16

The Annual Bible Conference for the Western District will be held August 16 to 30 at the Grove Street Gospel church in Hendersonville, according to the announcement made by Rev. R. V. Miller, pastor of the Grove Street church.

The sessions will be held every day from 10 to 12 A. M. and at 8 P. M. The first week, Dr. Harry A. Thompson will speak on the Book of Daniel each morning at 11 o'clock. Rev. F. E. Robinson of Hamburg, N. Y., will have charge of the speaking at 10 A. M. and 8 P. M. throughout the entire first week.

Rev. H. A. Ironside, pastor of the Moody church in Chicago will deliver messages twice a day, beginning Sunday, August 23 and continuing through the second week. Mr. Ironside was a speaker in the Bible conference held in Brevard two weeks ago, and people here express desire to attend these services so they may be permitted again to hear the splendid addresses Rev. Ironside presents.

It is hoped that a representative group from Brevard will attend these services.

Music will be conducted by J. S. Sargent and others.

CHAMBER OF COMMERCE TO MEET THIS THURSDAY

Regular meeting of the Chamber of Commerce will be held in the Commerce rooms Thursday night at 8 o'clock. All members are urged to be present as matters of importance are to be brought up.

DR. THOMPSON TO PREACH AT PRESBYTERIAN CHURCH

Dr. Toliver Thompson, of Union Seminary, Richmond, Va., and outstanding minister of the Southern Presbyterian church, will speak at the Brevard-Davidson River church Sunday morning at 11 o'clock.

KIWANIS CLUB TO HEAR DR. HUGH R. MURCHISON

Dr. Hugh R. Murchison, Professor of Religious Education at University of South Carolina, will be the speaker at the Brevard Kiwanis club this Thursday at noon. Dr. Murchison, father of Mrs. R. L. Alexander, is one of Brevard's greatest boosters in South Carolina and his coming to Brevard each summer is always looked forward to with great pleasure by his many friends here.

SCOUT LEADERS RETURN

Misses Bertie Ballard, Willie Aiken and Mrs. Ina Rustin, of Penrose, returned Monday from Camp Juliette Lowe, where they have been taking training in scout leadership.

FLOWER SHOW TO BE EVENT OF THE WEEK

Final plans have been perfected for Brevard's annual flower show, sponsored by the Woman's Bureau, which event will be staged next Wednesday, August 19, at the Chamber of Commerce rooms on Main street. The display will open at 3 o'clock in the afternoon and will continue through the evening until 10 o'clock. A silver offering will be taken at the door.

Many varieties of home grown flowers, potted plants and wild flowers are expected to be on display, exhibiting in an elaborate manner the success of Brevard and Transylvania county's flower growers. Valuable prizes of bulbs, plants and shrubbery have been donated by out of town firms and by many of Brevard's successful flower raisers.

It is requested by the committee in charge that all exhibits be marked with its proper name and also with the name of the owner, to avoid any confusion in listing. A musical program will be featured during the afternoon and evening event.

Prizes will be offered to the following classes of cut flowers:

DISTINCTIVE VARIETY—(1) The most artistic arrangement of two or more kinds; (2) The greatest number of different varieties in one exhibit.

DAHLIAS—(a) Best collection; (b) Single specimen. (c) Assortment small dahlias.

GLADIOLUS—(a) Collection; (b) Single specimen; (c) Greatest number of kinds.

ZENIAS—(a) Basket, bowl or vase of large zenias; (b) Basket, bowl or vase of small zenias.

MARGOLDS, SNAPDRAGONS, ASTERS, ROSES, DELPHINIUM, VERBENAS, PHLOX, PETUNIAS, PINKS, STOCKS, ANEMONAE.

Following classes of Potted Plants:

Most beautiful potted plant of any kind; most beautiful blooming plant; most beautiful foliage plant; most beautiful fern; the most unusual plant; large leaf begonia; small leaf begonia.

Sweepstakes prize will go to the person exhibiting in the greatest number of classes. Exhibits are invited of other flowers or plants not mentioned in the above list.

Following classes of Wild Flowers: (a) Greatest number; (b) Best arrangement.

Exhibits will not be admitted later than noon Wednesday.

REV. PAUL HARTSELL NAMED MODERATOR

Rev. Paul Hartsell was elected moderator of the Transylvania Baptist association at the afternoon session which began Wednesday at Gladly Branch church, with Rev. I. N. Kuykendall as host. Sessions were held Wednesday and will continue throughout Thursday. An unusually large crowd was in attendance, the church being filled to capacity, and splendid interest is manifest in affairs of the associational work. Mrs. Gallamore was elected clerk.

Among the out-of-town speakers were the following:

Rev. McMillan, from Mills Home, Thomasville Orphanage; Perry Morgan, representing promotion program for the co-operative program; Dr. Jackson, Hendersonville, representing Fruitland Institute, and Mr. Page, of The Biblical Recorder.

Many matters of interest to the church work will be taken up at the Thursday sessions.

NEGRO QUARTETS TO BE HEARD HERE MONDAY

The local chapter of the Eastern Star will present at the high school auditorium next Monday evening, Aug. 17, at 8:30 the Dixie Quartet from Forest City and the Brevard Silver Lee Quartet and the Brevard colored String Orchestra in a program of spirituals and popular music.

These colored quartets are very popular throughout the Western part of the state because of their numerous entertainments in these towns. The Hamburg is a regular feature over station WWNC and has a wide radio audience. A quartet of negro women is also expected to give some numbers.

The balcony of the auditorium will be open to negroes.

Admission will be ten and 25 cents. While the programme is practically completed, anyone desiring a special number may communicate with Isaac Bailey.

BAZAAR AND SILVER TEA

St. Philips Guild will hold a bazaar, silver tea and ice cream supper on the court house lawn Saturday, beginning at 5 o'clock. A program will be given at 8 o'clock in the evening, including tap and costume dancing, sleight of hand performance, and other interesting features.

MASONS MEET FRIDAY NIGHT

Regular communication of Dunn's Rock Masonic Lodge will be held this Friday evening. Visiting brethren cordially invited to attend.

KIZER'S EVIDENCE SHOWS CONDITION OF COUNTY FINANCE

G. Lyle Jones, Defense Counsel, Brings Out Information Favorable to Defense

USE CHART PREPARED BY STATE IN EXAMINATION

J. Mac Allison on Stand—Defense Pleased With Last Day's Testimony

Evidence produced Wednesday in the trial of the former commissioners, county attorney and bankers charged with conspiracy and misapplication, was pronounced by many to be full explanation of the condition of the county last September when a tax anticipation note for \$100,000 was sold. Mr. Kizer, who took the stand Tuesday noon as a state witness, read from county records and explained figures on the chart prepared by the state, showing, under cross examination Wednesday, condition of the various funds.

Kizer was back on stand Wednesday morning, and told of transfer of \$57,855 from the certificate of deposit of \$278,000—the refunding bond issue—on Oct. 1, and stated that a note of \$75,000 was paid by check issued Sept. 30. Mr. Kizer was reading from county records in giving his evidence. Showed where Roland Owen, clerk of the court up to last December, was paid by check dated Nov. 29, in the sum of \$204.16, order accompanying check showing it to be for recording copy and indexing tax sales certificates upon which final judgment had been taken as of that date. Another check was introduced, which witness said was check issued to Roland Owen, clerk of the court, dated Nov. 26, in like amount as other check, and witness said, bore same code number, although explanation on voucher was different.

Jones Takes Witness

G. Lyle Jones, counsel for defense, took witness for cross examination, and first brought from witness that the two \$75,000 notes which were due Sept. 15 and Dec. 15, last year, were tax anticipation notes issued by a preceding board, and came down to the board now on trial in the form of one note for \$150,000. This note was later divided into two \$75,000 notes, one of which was paid by the defendant board on Sept. 15. Mr. Kizer stated on Sept. 1, 1930, the county had on deposit the total sum of \$627,296.13. Then explained various funds of the county, as follows: Debt service fund is set aside to pay bonded debt and interest; general fund is for operating expenses of the county.

Then Mr. Kizer showed amounts in these various county funds on Sept. 1, 1930, and the amount each fund owed on debt service fund, as follows:

Health and poor fund, \$765.27, and owed debt service fund \$5,000.

School fund had \$72,230.71, and owed debt service fund \$75,000.

Road fund had \$13,410.23, and owed debt service fund \$23,000.

The above amounts being due on the \$150,000 note.

Mr. Kizer then explained that the \$278,000 certificate of deposit was proceeds from a refunding bond issue sold under a special act, and could not be used for any other purpose except that for which it was sold.

Mr. Jones then brought from Mr. Kizer the information that the \$57,855 transferred from the \$278,000 fund to the checking fund of the debt service fund was for replacement of vouchers that had been paid from the debt service fund that were obligations coming under the purposes of the \$278,000 issue. Next brought out that school sinking fund of \$31,756.16 could not be used for operating expenses.

Mr. Jones then asked Mr. Kizer to subtract from total county deposits the sum of \$278,000—in the certificate of deposit account, and state the difference. This was shown by Mr. Kizer to leave \$349,296.13. Then Mr. Kizer subtracted the \$150,000 tax anticipation notes handed down from preceding board to the board now on trial, and this was shown to be \$299,296.13. Then the school sinking fund of \$31,756.16 was taken from the last remainder, and that left \$167,539.97. Then the interest obligation for the fiscal year of \$87,691.18, and \$11,000 in bond payments other than that included in the \$278,000, and a railroad refunding bond of \$25,000, and \$45,000 allocation of the \$150,000 note, all added together, witness showed, amounted to \$168,691.18. Then Mr. Jones asked witness to subtract \$136,183.58, amount shown in the debt service balance, from the \$167,539.97, balance shown by making previous subtractions. This was shown to leave a balance of \$31,356.39.

Mr. Jones used the chart prepared by the state, containing state's own figures, in having Mr. Kizer, state's witness, bring out these balances which were pronounced most satisfactory and pleasing to the defense, which, defense, claims, shows clearly the necessity for issuing the tax anticipation note.

Afternoon Session

J. Mac Allison, bank director, took stand and testified that he was present with Shipman and Silversteen in McNeely's office during last

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