

The Grand National Bank Robbery

by Ronald L. Horstman

Northwest corner of Grand & Olive, St. Louis, 1890, with Beers Hotel building into which the Grand Avenue Bank later moved.

The Human Dimension in National Currency

(The following article originally appeared in the April 1980 *Bulletin* of the Missouri Historical Society and is reprinted here by permission of the Society.)

The area around Grand and Olive has undergone many changes since the founding of St. Louis. This land with its gentle rolling hills of prairie grass and woods was known as "Prairie des Noyers" to its early settlers. In 1850 Grand Avenue was dedicated as an 80 foot wide thoroughfare by the county court and in 1855 the city's western boundaries were extended 660 feet outside this street. The year of 1875 found the area blooming with large country homes and small farms, but the northwest corner of Grand and Olive remained undisturbed until Mrs. Harriet Beers, a local baker's widow, constructed a Victorian style five-story brick hotel on it in the early 1880s. Early in this century, as the population expanded west, this location became a center of business and the first floor of the hotel was converted to commercial locations. The Grand Avenue Bank, which had opened in 1905 at the corner of Grand and Easton, moved into one of these remodeled sites at 505 North Grand in 1922.

In 1921, Edward Mays, a tall lean gentleman from Leslie, Arkansas, arrived in this city and entered the local banking field with his involvement in the organization of the National City Bank #11989. Shortly after the opening of this bank, Mays and Benjamin F. Edwards, president of the National City Bank, purchased control of the New Market Bank located at Sarah and Olive and in 1922 converted this bank to the Missouri National Bank #12220. After several years of successful operation Mays convinced George Clarkson, president of the Grand Avenue Bank, and its other officers and directors that a merger of these two banking institutions would be of benefit to all concerned.

On June 8, 1925, the Grand Avenue National Bank opened for business at 505 North Grand in the facilities formerly occupied by the Grand Avenue Bank and operated under the national bank charter number #12220 issued to the Missouri National Bank. The title of this new financial institution was shortened to the Grand National Bank on November 24, 1925. George



An early drive-up window in the alley behind the Grand National Bank located in the Continental Life Insurance Co. building.

Clarkson was named president of this bank and remained in that position until replaced by Flavel G. Redwine in 1929. In 1930 Edward Mays assumed the presidency and remained in control until the bank's demise. Grand National and the Continental Life Insurance Company became closely allied, with many of its directors serving both companies and Mays serving as president of both.

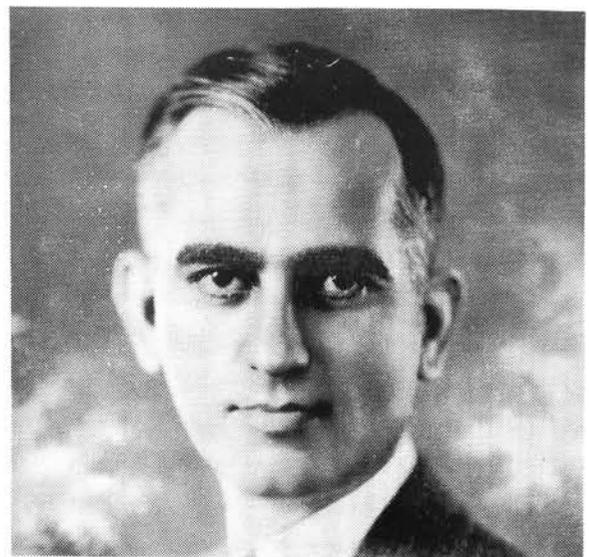
The Continental Life Insurance Company had just completed construction of its twenty-three-story



First home of the Grand National Bank of St. Louis at 505 N. Grand, with signs in windows announcing the pending move to new quarters.

skyscraper fronting one hundred feet on the north side of Olive just west of Grand at a cost of \$2,177,000.00. The white terra cotta and stone building, at 3617 Olive, was crowned with a red beacon twelve feet high and six feet in diameter costing \$10,000.00. This light, located 357 feet above street level, was visible for fifty to one hundred miles depending upon weather conditions. The upper three floors, comprising eighteen rooms, were to be occupied by the company's president, Mays, making this the highest residence in the St. Louis area. On the twenty-first floor of this building was an elegant reception area with a bronze-railed staircase leading to the upper floors, and a massive crystal and bronze chandelier. To the right was the fountain room with a large pool of goldfish. The walls were covered with murals of scenes depicting May's native Arkansas painted by Frank Nuderscher, a well-known St. Louis artist. Native Arkansas flagstone covered the floor. Next to the fountain room was a study with a fireplace and walls covered with oak panels, some of which formed doors to secret compartments. A breakfast room, living and dining areas, and a kitchen completed this floor. The next floor was occupied by six bedrooms and three bathrooms. The top floor was given over entirely to a party area, forty feet by fifty feet, its walls covered by rough bark Arkansas timber. The elevator machinery was located behind one wall, causing an unpleasant noise when the elevators were in use. Completely surrounding this party room was an outdoor roof garden. Ed Mays was to pay the sum of \$1,000.00 per month as rent for this penthouse but shortly before the completion of the building his salary as president of the Continental Life Insurance Company was raised from \$15,000.00 a year to \$25,000.00 a year. Other features of the building included an underground parking area for 50 cars and a private one-man elevator from the basement parking area to the bank offices on the first floor.

The bank was to occupy the first and second floors complete with a drive-up facility in the alley behind the



Edward Mays, president of the Grand National Bank.



Scene on Monday, May 26, 1930, as people waited in line to check the fate of their safe deposit boxes in the Grand National Bank.

building. The third, fourth, and fifth floors were to be occupied by the insurance company. Plans were prepared to move the bank's seventeen-ton vault door from its location at 505 North Grand to the new two-story vault in the Continental Life Building. The moving of this vault door and the series of events connected with it lead to this story of the largest and most successful bank robbery ever committed in the St. Louis area.

With the removal of the seventeen-ton door a temporary substitute was fabricated of light-gauge metal to protect the contents of the now vulnerable bank vault. As added protection, Captain Albert B. Wetzel of the Laclede Avenue Police Station assigned two uniformed police officers on eight-hour shifts around the clock to guard the vault after banking hours. On Friday, May 23, Gifford Herbert, cashier, notified Captain Wetzel the bank no longer wished to impose upon the police department and would hereafter furnish their private watchman to look after the vault and its contents.

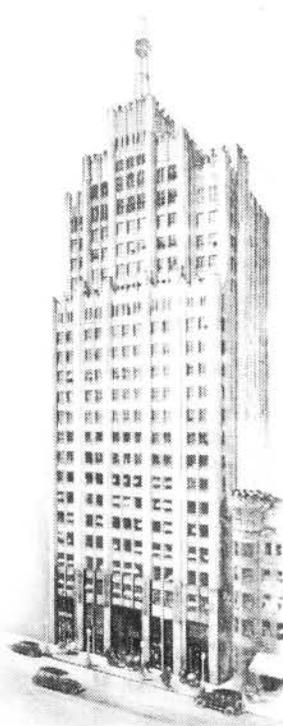
On Sunday morning May 25, 1930, John Seufert, a private watchman, completed his last rounds of the bank and left for home. At 7:10 that morning Benjamin Stozier, a black porter, entered the bank to perform his usual Sunday morning cleaning chores, only to be greeted by five masked men in the process of doing their own cleaning inside the vault. Stozier was seized, bound, gagged, and placed in the supply closet. A short time later, William Britton, Safe Deposit Manager, was changing streetcars at Grand and Olive and entered the bank to secure a pack of cigarettes from his desk. Britton was also bound and gagged. By 11:00 a.m. one hundred sixty-one safe deposit boxes had been pulled from the wall and pried open, and enough loot removed to fill two large suitcases. This loot, totaling nearly \$1,000,000.00 in cash, jewelry, and securities, was removed from the bank by way of a rear door, in the first local bank robbery since 1926.

Everything appeared calm outside on Grand Avenue

as people passed on their way to and from church until shortly after noon, when Britton managed to free one hand, draw a knife from his pocket, and cut his bonds to telephone the police. Within a short time the area was filled with law officers, curiosity seekers, and bank customers. At this time Mays was being notified, in Chicago, of the robbery.

Newspaper headlines the following morning announced the robbery of the Grand National Bank and by 8:30 a.m. more than 150 customers had gathered at the bank's front door. By 9:30 this number had swelled to 300 and the line extended north one block to Washington Avenue. Police maintained a single line past the Fox Theatre, admitting ten people at a time into the bank lobby. Anticipating heavy withdrawals, the bank officials reminded customers that they reserved the right to require thirty to sixty days' notice of withdrawal, depending on the type of account, and in several instances invoked this requirement.

Police investigation disclosed that the front door of the bank had been entered with a key and that explosives had been used to remove the combination lock from the light-weight vault door. Tools found later in the supply closet showed that a long punch was used to knock off the lock and that the blast had been set off only to confuse the police. After entry had been gained to the vault, rows of safe deposit boxes had been turned



The Continental Life Building
HOME OF Grand National Bank
St. Louis

Second home of the Grand National Bank
of St. Louis.

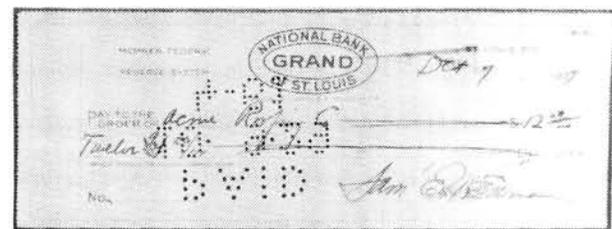
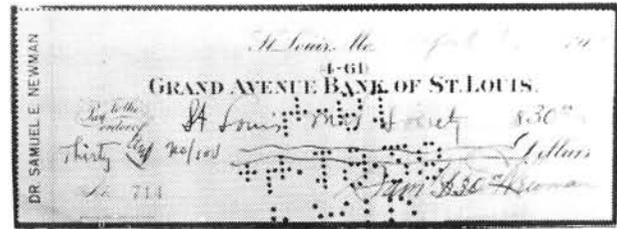
around and the light gauge metal back removed. The department's record book had been left out on the desk allowing the robbers to determine ownership of each box and empty the boxes selectively. After Mays arrived in town and examined the damage he contended that the thieves had entered the building through a hole in the basement wall leading to the Beers Hotel next door. This hole had been made earlier for the insulation of heating pipes, Police, however, stuck to their original theory that the robbers had had inside help. Of the loot taken, \$14,000.00 was the daily bank receipts which were kept in the tellers' boxes. The bank carried \$150,000.00 of insurance covering only bank property. Many of the safe deposit box renters had not been aware that their \$5.00 per year boxes were not insured, and when informed of that fact, despite the statement of Mays that full restitution would be made, they threatened legal action.

By the end of the week withdrawals had reached \$739,000.00 and an additional sum of \$500,000.00 was requested and received from the Federal Reserve Bank. On Friday, June 6, William Britton and Gifford Herbert, the cashier who had requested the removal of the police guards, were arrested and after being questioned were released after posting \$50,000.00 bond each. On Monday, June 9, Herbert resigned and Britton was fired. Joe Ledbetter, an assistant vice-president, was named cashier. Several weeks later both men were cleared of all charges, but Mays was overruled by the bank directors in his efforts to reinstate these two men whom he described as old friends from Arkansas.

The attention given to the bank because of the robbery brought to light the fact that a syndicate had been formed, called the Vandevanter Securities Co., to gain control of the Grand National Bank. The syndicate was headed by Benjamin G. Brinkman and several ranking officers of the First National Bank in St. Louis. This group was able to acquire forty-eight per cent of the bank's stock before Mays marshalled his forces and brought the remaining shares under his control to resist the takeover. The "First National Crowd" as Mays referred to them, desiring to enter into the thriving banking field around Grand and Olive, then purchased controlling interest in the Vandevanter National Bank at 3552 Olive.

The bank offered a reward of \$25,000.00 for information leading to the arrest and conviction of the robbers, but nothing occurred until July 12, when Henry Bostleman, a former convict, attempted to deposit \$2,500.00 in the Hamilton State Bank at Delmar and Laurel. Such a large deposit by a known criminal aroused suspicion, and in his deposit were four bills and a \$2.50 gold coin positively identified by the tellers of the Grand National Bank as having been taken in the robbery. Bostleman was arrested and later released as police officers were unable to further connect him with the robbery.

Several law suits were instituted by former customers charging officials with neglect in caring for the customers' assets.



Checks on the Grand Avenue Bank (1916, 1918) and the Grand National Bank (1929).



Large size National Currency of the Grand National Bank (no signatures on top note; W. C. Johnson, cashier, and Ed Mays, president, on center note; G. J. Herbert, cashier, and F. G. Redwine, president, on bottom note).

The next break in the case occurred in November when an unidentified individual contacted Edward Foristel, the lawyer for Benjamin Brinkman and the other minority stockholders, about purchasing the stolen securities. Foristel was assured that the securities were no longer in the hands of those that had stolen them. He recommended that the caller contact State Representative Joseph Lemmon, also an attorney, and request him to act as an intermediate in this matter. Foristel then notified Emmett M. Myers, vice president of the Fidelity and Deposit Co. of Maryland, about what had happened. This company had insured the Grand National Bank assets and paid the bank \$150,000.00 after the robbery. Myers had further promised to assist the bank in whatever manner was required to restore its stability, and after being assured by his company's lawyer that purchasing the stolen securities would not be unlawful, he retained Joseph Lemmon as the company's legal representative in the matter. Lemmon was contacted and was told to meet a man in a Chicago hotel lobby. This man assured Lemmon that the securities had long since passed out of the hands of the robbers and could be acquired for \$125,000.00. For his services Lemmon was to receive \$15,000.00. Arrangements were made and the securities were delivered to Myers at the First National Bank in St. Louis, where they were placed in a safe deposit box. Ed Mays had been previously informed of the negotiations and had agreed that the bank would pay the \$140,000.00 required for the return of \$822,000.00 worth of stolen securities.

After news of the ransom reached the public a police investigation ensued and several law suits were filed questioning the legality of the bank's purchasing the stolen securities. After several years of litigation, Lemmon, Myers, and the bank officials were finally judged to have acted in the public interest.

Most bank robbers would have avoided stealing bonds because of the problem of disposing of them on the open market. However, the Grand National Bank robbers evidently knew of the struggle for control of the bank and counted on this fact to provide a market for the stolen securities. The capital of the bank was only \$700,000.00, and its surplus was \$350,000.00, so a loss of \$1,000,000.00 placed both the majority and the minority stockholders in a rather precarious position. The nation was to see an increase in robberies for ransom in future years.

The next break in the case occurred when Henry Farrar was arrested in his room in the Jefferson Hotel after admitting to an undercover detective that he had acted as a lookout for the Grand National Bank robbers. Farrar stated that he had stationed himself at the corner of Grand and Olive and periodically telephoned, on a direct line, the parties in the bank to assure them that all was quiet on the streets outside. Farrar indicated that John (Buddy) Lugar, his nephew, was the gang leader and that the only other member of the gang that he could identify was Henry Bostleman, who was currently serving time in the Colorado State Penitentiary. How the stolen securities ended up in the

hands of the stranger in the Chicago hotel was not revealed. The Grand Jury returned a no true bill and all persons were released. Lugar's career came to a violent end many years later in East St. Louis where he was found dead with a bullet in the back of his head.

The Grand National Bank closed for the banking holiday on March 13, 1933, and after examination of its books and assets was placed in the hands of a conservator. A plan of reorganization was presented and approved by the Comptroller of the Currency but was later withdrawn when it was discovered that a loan from the Continental Life Insurance Company had to be cancelled. This company had been declared insolvent by the Missouri State Insurance Superintendent. Later investigation into the operations of the insurance company revealed that its employees had been encouraged to deposit at least ten per cent of their salary in accounts at the Grand National Bank and that later



Large size National Currency of the Grand Avenue National Bank signed by Ed Mays as president and W. C. Johnson as cashier.



Large size National Currency of the Missouri National Bank, merged into the Grand National Bank, and signed by Ed Mays as president.

Ed Mays had recommended that they exchange their deposits for stock in the Continental Life Insurance Co. Five employees had refused to go along with this scheme and were discharged several days later.

Several years were required to wind up the affairs of the bank, pay off the depositors, and settle claims of the boxholders. The assets of the insolvent Continental Life Insurance Co., including the building, were transferred to the Kansas City Life Insurance Co. in 1936. In 1937, Ed Mays returned to St. Louis and attempted to purchase the twenty-three story Continental Building but was unable to obtain a large mortgage commitment. Mays lived out his remaining years in Leslie, Arkansas, and died on October 20, 1951. The Beers Hotel was destroyed by fire on June 4, 1931, and a Woolworth store now occupies that corner. The Continental Building, closed and boarded up in 1979, stands now as a tall gray monument to five men, who fifty years ago stole a million dollars and got away.

(Information for this article is from contemporaneous accounts in the *St. Louis Globe-Democrat*. The author gratefully acknowledges the assistance of Leo January of the *Globe-Democrat*; Eric P. Newman, William Springmeyer, John P. Miller, and Mrs. Frances H. Stadler.)



Dealer Discovers Rare MPC

Dick Mark, paper money dealer, formerly of Clifton Park, N. Y. and now residing in Oak Ridge, Tenn., reports the discovery of a replacement \$5 Military Payment Certificate of series 591. This series was used by U. S. Military forces between May 26, 1961 and January 6, 1964, and the \$5 note is the third or fourth rarest note of the complete MPC series. This note is believed to be unique at the present time as this is the first \$5 replacement note to surface. Replacement notes were used to replace other notes which were defective during production, and can be recognized on MPC's by the absence of the suffix letter on the serial number. The discovery note grades VF to XF, but has the number 44 written in ink near the girl's portrait. Dick reports that the note is not for sale at the present time but it will be available for observation at his table at the International Paper Money Show in Memphis June 6 - 8, 1980.



Small size National Currency of Grand National Bank signed by G. J. Herbert, cashier, and F. G. Redwine, president.



Small size National Currency of Grand National Bank signed by Joe Ledbetter, cashier, and Ed Mays, president.

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