



THE PAPER COLUMN

by Peter Huntoon

The Tragic Failure of the Cheyenne National Bank

At 11 o'clock, Friday, November 13, 1891, the Cheyenne National Bank, Wyoming, closed its doors. Cashier George L. Beard posted a notice stating "temporary suspension on account of insufficient funds to meet checks, caused by the run."¹

This closing would develop into Wyoming's first National Bank failure. In fact, this was the first National Bank in Wyoming to go out of business. Presented here is a brief account of this failure, and the tragic consequences for its young cashier George Beard, age 30, and its president John W. Collins. Interwoven in this tale is another character — David D. Dare — who, as an associate of Collins, would survive the failure but who would never return to the United States.

The Cast

John Collins, born near York, Pennsylvania, was a gifted entrepreneur who found himself seeking his fortune in the Wyoming Territory in the early 1880's. He first appeared as cashier of the Morton E. Post & Co. bank of Cheyenne in the fall of 1882.² Next he was listed as the first president of the First National Bank of Buffalo, W.T. (3299), which he helped found and which was chartered on February 2, 1885.³ Later in 1885 he organized the Cheyenne National Bank, charter 3416, along with principals Nathaniel R. Davis, F. E. Addoms, and E. R. Hurd.¹

The Cheyenne National Bank received charter 3416 on December 2, 1885, and opened for business on January 2, 1886.¹ Collins was its cashier, a post he held through 1887. He continued to serve as president of the First National Bank of Buffalo through 1889, when it appears that he sold his interests in that bank. During this period, he was consolidating his hold on the Cheyenne National. By 1889, he reorganized the ownership of the Cheyenne bank and installed himself as president, a position he held from then on forward.³

By the mid-1880's Collins was outgrowing Cheyenne, W.T., so he went to San Diego where, in the company of David Dare from Cheyenne, and "eastern" financial backers, he organized the California National Bank, charter 3828.⁴ He became its first president, and made Dare the cashier. This left the management of the Cheyenne National to its cashiers, first to F. E. Addoms from 1887 to 1889, and then after the 1889 reorganization to John Beard, then 28 years old.³

John Beard also came from the York, Pennsylvania area, his father serving as the cashier of the First National Bank of Wrightsville in 1891.⁴ His



George L. Beard, cashier of the Cheyenne National Bank, 1889 - 1891. Wyoming State Archives, Museums and Historical Department photo.

acquaintance with Collins was forged in 1882 when Collins was with Post & Company. Collins was in the East on business, and was also looking for additional help for the Post bank. At that time, Beard was serving as a bookkeeper at the Farmers National Bank of York.

Beard came highly recommended. After an initial short discussion about the Cheyenne opportunity, Collins offered Beard a job as teller in the Post bank. Beard, fired with enthusiasm for the western frontier, accepted and the two men returned together to Cheyenne.²

Beard was appointed as an assistant cashier upon the organization of the Cheyenne National Bank in 1885. He advanced to cashier with the financial reorganization of the bank in 1889. Since Collins was in San Diego, Beard ran the bank.⁴

Of Beard, the *Cheyenne Daily Ledger* wrote: "He was circumspect in his conduct ... he could feel the respect and even the consideration with which he was treated."⁴ "Beard was not a man of extravagant tastes except in one direction — that of dress. He had perhaps the largest and best selected wardrobe in the city."² "Among the possessions which Mr. Beard prized was a little trotting mare behind which he frequently rode."⁴

In contrast to Beard was the poised, dashing and very ambitious David D. Dare. Dare followed opportunity to

Cheyenne about 1874 and at first served as a postal clerk. In December of 1887, Dare married a beautiful woman — Florence "Della" Cronkleton — who added glamour to his style. Soon he became a leading Cheyenne photographer and by December, 1881, he had formed a partnership with Collins wherein they purchased a drug store. In 1883, Dare moved on to San Antonio, Texas, and opened an art store. He returned to Cheyenne in August of 1884, and his business association with Collins continued. In 1884, they bought a hardware store which Dare ran as he continued to build his estate. His legacy to Cheyenne was the Castle Dare, a stately stone mansion complete with turrets in the 1900 block of Ferguson, and furnished in a lavish Victorian style. This masterpiece of period construction was ruthlessly razed in 1963 to make way for a parking lot.⁵

About 1897, Dare left Cheyenne for San Diego. The former postal clerk, photographer, druggist, and hardware dealer suddenly appeared as the cashier of the California National, deeply enmeshed with his partner John W. Collins.

California Failure

The California National Bank was organized on what appears to have been a Collins - Dare shoestring amounting to little more than \$25,000 between them and other funds promoted from "easterners."⁵ The California National engaged in speculative ventures including an electric street car system.¹ However, it grew to be highly respected, reflecting the personal esteem accorded Collins through his confident and energetic promotion of his bank and its community interests.⁶ However, the bank was apparently being looted by Collins and possibly Dare. The day of reckoning arrived on November 12, 1891, when the bank failed to open after defaulting on the payment of a \$10,000 sight draft presented the previous day.^{4, 6} Dare, now vice-president of the bank,⁴ had recently left for Europe with his wife on the pretext of his health.⁶

Beard received a wire from Collins at 2 o'clock Thursday afternoon, November 12, 1891, advising him of the San Diego closing. He immediately called a meeting with T. B. Hicks, president of the First National Bank; Henry G. Hay, cashier of the Stock Growers National Bank; and T. A. Kent, proprietor of Kent's Bank to assess the situation. They made a quick examination of the Cheyenne National books, determined it to be sound, and advised that it should open the following day.¹

Cheyenne Run

The Cheyenne National opened promptly at 10 o'clock on Friday but it soon filled with jittery depositors who had read of the San Diego failure in the morning paper. In little time a full-scale run was on and the \$35,000 in vault cash was exhausted. Beard was forced to close the doors. Comptroller of the Currency E. S. Lacy was notified, and a National Bank examiner, J. G. Griffiths of Omaha, was summoned.¹

The Cheyenne *Daily Leader* immediately came to the support of the Cheyenne National, and John Beard in particular. On Saturday the *Leader*¹ reported: "Mr. Beard, although a young man to occupy such a responsible position, had the respect and esteem of everybody in this community. His skill in conducting the affairs of the institution was everywhere recognized and under his management the bank had rapidly grown in prominence and popularity. The statement of the bank at the close of business hours on Thursday night shows at a glance the complete solvency of the institution ... We understand that Mr. Beard himself is involved to the extent of his personal possessions as endorser of Mr. Collins' paper which is held by the Cheyenne bank. He is therefore placed in the position of a man who, while in no way himself responsible for the suspension of the bank, is yet personally ruined by it."

Beard is Ruined

The town eagerly awaited the arrival of Examiner Griffiths. The *Leader*⁴ reported: "Mr. Beard had not slept a wink during the whole of Thursday night nor did he eat a morsel until Friday night. Throughout Friday he necessarily had some most trying interviews. He was particularly anxious to know just how the suspension was regarded, and closely questioned several of his associates and intimate friends as to whether there were any expressions of lack of confidence in him personally. Friday night, he afterward stated, he had been unable to sleep. He worked all day long Saturday in the bank, receiving callers, explaining the situation and giving assurances. Everything was then in readiness for the bank examiner ... A few friends suspected that Beard had not saved enough out of the bank to even meet his living expenses. T. B. Hicks of the First National spoke of the matter to him and Beard, reaching his hand into his pocket, pulled out two silver dollars and said: 'There is the extent of my earthly possessions now.' He was told that any money he might need would be ready for him at the First National at any time and to avail himself of it whenever he required it... The day after the failure he met J. D. Freeborn and told him he wanted the mare turned out into a pasture as he could no longer pay for keeping her in town. Mr. Freeborn advised him to let the matter rest for a little while until he saw how he was coming out, but Beard said solemnly: 'Jake, I wouldn't drive about town with that mare now for a million dollars.'"

Clearly Beard had the sympathy of the community, and although about \$318,000¹ in deposits and other dues were tied up in the suspended bank, the locals thought he was a victim of Collins' San Diego circumstances.

On Sunday morning, Examiner Griffiths arrived and spent several hours at the bank with Beard. Papers necessary to attach funds belonging to Collins, but under the power of Beard, as well as other documents were drawn up by Beard's attorney, A. C. Campbell. However, the papers were not acknowledged because it was Sunday. The three men agreed to meet at the bank the following morning at 8 o'clock. Beard appeared greatly relieved by Griffiths' presence, and Griffiths assured him that things would work out, and that he would personally help Beard find another position.

Griffiths remarked to the *Leader* that Beard was very cooperative about putting the financial facts at his disposal.⁴

Among the assets of the bank were approximately \$25,000 in Collins' personal notes, endorsed by Beard. In addition, the bank held \$45,000 in rediscounted paper from the California National, leaving the bank holding the bag for about \$70,000 in Collins' debts.⁴

The *Leader*⁴ reports the following conversation among Beard, Griffiths, and Campbell regarding the rediscounted paper.

"You should have protested to Mr. Collins."

"I did so."

"Then you should have resigned."

"I entered my resignation twice. I first wrote Mr. Collins a long letter. I told him that while I regarded him highly as a man, the present actions did not suite me and while I could afford to lose my money I could not afford to lose my honor. I then peremptorily resigned my position as cashier. I sent this letter to Mr. Collins, but received no reply. Later I addressed him another letter, again resigning my position. It was not answered. I told Morgan (another officer) of this and he said if I went he would go too. Now what was I to do? I couldn't walk out and leave the bank to run itself, but I had to stay with it and here I am."

It seems apparent that Beard was acting in good faith, but was a man of rather poor business judgment. Clearly the Collins promotional magic had worked, and Beard was stuck. However, the Cheyenne community did not write Beard off. The *Leader*⁴ relates the following offer of assistance. "Some time ago a servant girl employed in the city was in deep distress because a payment which she was unable to meet was coming due on 160 acres of land which she had bought in Nebraska. She did not know where to turn for the money. ...Mr. Beard placed his own personal note in the bank and loaned her the money. On Saturday his mail included a letter from this poor woman. She said she heard the bank was in trouble and she wished to offer him a deed to the 160 acres of land. It was all she had in the world, she said, but if it would do him any good she offered it to him freely and hoped that he would accept it with the same freedom."

Tragedy Strikes

Attorney Campbell arrived at the bank at 8 a.m. Monday, but Beard was not there. After some futile searching, he and two of Beard's friends went to the cashier's hotel room. Thoroughly convinced that something was wrong, they burst through his door where they were met with the pungent smell of powder. To their horror they found poor Beard dead from a self-inflicted gunshot wound through the brain.⁴

Things were not going well for Collins in San Diego. An audit of his bank showed a \$200,000 shortage. On December 18, 1891, the bank was placed in receivership with F. N. Pauley of Los Angeles acting as receiver. Collins was charged with embezzling \$200,000 and was

incarcerated at the Brewster Hotel under the surveillance of a U. S. marshall.⁵

On March 3, 1892, Collins was informed that he would have to go to jail unless he could raise his \$50,000 bond. He was alone in his misery. Dare was safely in Europe or beyond, Collins' wife and two children had recently drowned in a tragic boat mishap, and his business associates of San Diego had deserted him. After a downcast lunch, Collins followed Beard's lead and fatally shot himself in the head.⁵

Dare had made his escape. He moved throughout the Middle East engaging in various ventures from promoting railroads to selling rugs. He was sighted in Rome, Jerusalem, Alexandria, Cairo, Constantinople, and finally Athens. It was in the latter city that he engaged in the rug business. His movements avoided extradition. By 1901, Della had divorced him and returned to the states.⁵ When and how Dare died is



Brown Back specimen sheet for the Cheyenne National Bank, Wyoming Territory. No state or territorial notes are known from the bank. Smithsonian Institution photo.

uncertain. One rumor had it that he got in a minor tiff which ended in his death in a senseless western-style shootout.⁷

Postmortem

In retrospect Comptroller of the Currency Lacy wrote⁶ regarding the California National Bank: "Succinctly stated, the president of the bank (John Collins), in conjunction with one or more directors (David Dare), at the date of its organization inaugurated schemes or deals in the interest of themselves and the local community which involved large sums of money. The necessary loans were for a time obtained from the Eastern States, but as these matured and demand for payment was made recourse was had to this bank. The local boom collapsed before any of these enterprises (primarily the electric street cars) became paying investments. At length, the extreme danger to the bank became apparent to the management, and it appears that the president alone was forced to assume the attendant responsibility, and finally being unable to contend with the reduction in deposits and shrinkage in values suspension became inevitable... It became known ... upon thorough examination, that the entire capital and surplus of the bank had been lost."

With respect to the Cheyenne National, Lacy wrote:⁶ "The personal presence of the president (Collins), his correct manner of life, and his energetic attention to business are said to have given him the entire confidence of the community and enabled him to consummate questionable transactions without suspicion. From the first, the funds of the bank were diverted to his use. One common method was to purchase stocks of little or no value, sell them to irresponsible persons, taking notes in payment, which notes he caused to be discounted by this bank. He borrowed money in the Eastern States using this stock as collateral. When demand was made, he would pay the

loans with funds belonging to the bank realized upon accommodation paper obtained from his immediate friends. The cashier (Beard) became a large and irresponsible debtor, and together these officers misappropriated an amount equal to the entire capital of the bank. Many bad loans were made, business was unduly extended, and the management was reckless and extravagant."

The final statement on the condition of the Cheyenne National Bank is the fact that depositors ultimately received dividends amounting to 61 percent of their deposits. The bank was assigned National Bank receivership 167, and for years as this receivership was carried forward in the annual reports of the Comptroller of the Currency. Collins' and Beards' Cheyenne legacy was punctuated by the succinct statement: "Fraudulent management, excessive loans to officers and directors, and depreciation of securities." The circulating notes from the bank were not highly regarded and by 1916, only \$280 worth of the original \$33,050 circulation were still outstanding.³ Collins' California National Bank circulation was \$45,000 in 1891 but dwindled to only \$100 by 1916.³

LIST OF REFERENCES

1. The Cheyenne Daily Leader, November 14, 1891.
2. The Cheyenne Daily Leader, November 18, 1891.
3. U. S. Treasury Department, various dates, Annual Report of the Comptroller of the Currency: U. S. Government Printing Office.
4. The Cheyenne Daily Leader, November 17, 1891.
5. Barton, William H., 1979, *David D. Dare and the American Dream: Annals of Wyoming*: vol. 51, no. 2, p. 8-23.
6. U. S. Treasury Department, 1892, Annual Report of the Comptroller of the Currency: U. S. Government Printing Office, p. 67-69.
7. Barton, William H., 1981, personal communication.



\$20 Back Plate 204 - New Data

My article on late-finished \$20 small size back plate 204 (*Paper Money*, Vol. 100, p. 174-175) drew two very exciting responses.

1934 Hawaii 204 Mule

Mike Tauber, owner of the \$20 1934B 204 back plate B01496889* also has a Series of 1934 HAWAII 204 mule which bears serial L89374858A. This note was from the last \$20 HAWAII printing which was delivered to the Treasurer from the Bureau on July 18, 1944. Consequently, this rarity was printed early in the life of plate 204.

Second 1934B 204 FRN

One of my oldest paper money buddies and ardent competitor for rare mules, Marty Vink, wrote that he

used to own the following: \$20 1934B G12669216B with back plate 204. He let this one slip out of his sweaty hands before he fully appreciated its significance! With this note, we now know of two \$20 1934B 204 notes, each on a different district. Looks like they are common.

Known 204 Varieties

The known 204 varieties are now \$20 FRN 1934 mule, 1934 HAWAII mule, 1934A, 1934A HAWAII, and 1934B. Tauber's 1934 HAWAII mule is currently an unlisted item. This goes to show you that rarities await discovery by alert collectors.

Measurement Error

Frank Hutchins advised me that I have been using the wrong measurements for the micro and macro plate numbers in my last few articles on mules and the 204

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