

Specimens of Unreported National Bank Notes of Rhyolite & Carson City in the Smithsonian Collections

An update on "The Nevada Sixteen Banks and Their Mining Camps"

By M. Owen Warns, NLG

WHEN my book of the above title was published by SPMC in 1974, I was unable to provide illustrations of National Currency issued by The First National Banks of Rhyolite and Carson City, Nevada. Even today, no notes on these banks are known. However, we now are able to illustrate the specimen notes on these banks held by the Division of Numismatics, Smithsonian Institution, Washington, D.C., through the courtesy of the Curators, the recently-deceased Dr. V. Clain-Stefanelli and Mrs. Elvira Stefanelli.

Interested readers are referred to the "Nevada Sixteen" book for historical background, topographical photographs and reproductions of documents pertinent to the Rhyolite and Carson City banks. A brief summary is included here to orient those not acquainted with the syngraphics of Nevada.

The First National Bank of Rhyolite

Oscar J. Smith and his brother Bert L. Smith were president and vice-president respectively, with Frank H. Stickney as cashier, throughout the brief three-year life span of this bank. The Smiths originally engaged in sheep and cattle herding in the Elko area. Oscar became president of The First National Bank of Elko, serving from 1905 to 1908. He was instrumental in establishing The First National Bank of Rhyolite in 1907. Previously the Smiths were active in mining interests of the Bullfrog-Rhyolite Mining District. It soon became evident that their unproductive ventures overextended the limits of their ready cash resources. Accordingly, a National Bank examiner was sent from the Treasury Department to ascertain their bank's condition. His report, dated March 23, 1910, declared the bank to be insolvent due to the mismanagement of the bank's funds by its officers.

In the U.S. Treasury Department notice dated April 18, 1910, Comptroller of the Currency Lawrence O. Murray assessed the officers and stockholders the sum of \$50,000, the amount of the bank's capitalization. In the directive, the Comptroller was both firm and purposeful; he set the date of restitution for May 2, 1910, just 38 days after the bank went into receivership.

Rhyolite—The Queen City of the Bonanza Road

A glorious year for Rhyolite was 1907! The construction of the city began after the 1904 discovery of the famous Bullfrog mine by Eddie Cross in the Amargosa Desert hills of southern Nevada. The area became known as the Bullfrog-Rhyolite Mining District; it produced the richest ore since the days of the fabulous Comstock, which itself began a decline in the 1870s that lasted through the '90s. According to a U.S. Geological Survey Report, "The discovery of the Bullfrog mine in 1904 created a chain reaction that altered the State of Nevada and rocked the nation."

As the Bullfrog-Rhyolite Mining District developed, Bullfrog, because of its geographic features, was passed over as the

center of business activity in favor of Rhyolite. Golden Street, the main thoroughfare, stretched from the top of the rise at the west down two miles to the Bottle House to the east. Arising in a flurry of construction down both sides of the street were a drug store, Porter's General Store, a bakery, a buggy-feed-livery stable, a jewelry store, and many saloons and dance halls. Other buildings housed a two-story stone school, a jail, the telephone and telegraph office, three different newspapers, a doctor's office, a miner's meeting hall, a first-rate hotel, the proverbial red light district, and three banks—the John S. Cook Bank, the First National Bank, and The Bullfrog Bank & Trust Company. Nothing seemed to be missing except water and electric power, and they were brought in across the state line from California.

John T. Overbury, construction engineer for the Tonopah & Goldfield Railroad, who supervised the building of the Rhyolite railroad yards and its famed passenger station, was one of the first to join the get-rich-quick movement by completing the three-story Overbury stone building bearing his name. The First National Bank of Rhyolite occupied the right half of the first floor, with a jewelry and novelty store in the left half.

Yes, this was 1907, a year of marked progress, the year when Charles M. Schwab, the Carnegie Steel magnet, stepped down from his deluxe, private observation car at Rhyolite's elaborate "Dearborn Street Station of the West" to his waiting chauffeured Pope-Toledo rental driven down from Tonopah and was whisked off to Rhyolite's finest hotel, the Southern. Later in the day Schwab toured his profitable gold producer, the Montgomery-Shoshone mine which he had bought for five million dollars. Yes, indeed, 1907 was a glorious year for Rhyolite and the First National Bank.

The First National Bank of Carson City

This writer recalls on several occasions over the years discussions with the noted National Bank Note specialist, William A. Philpott, Jr. He had assembled a collection of Third Charter notes from each of the state capitals but needed only a note from Nevada's capital city to complete his set. Nary a Carson City has been seen at this writing.

The First National Bank of Carson City, Nevada, charter 9242, was the ninth chartered during the 1903-1909 period in Nevada. Frank Golden, president of The Nye & Ormsby County Bank, and its officers recognized the popularity and prestige the National Banks offered. So they decided to close their Carson City branch bank and convert to National status. The Nye & Ormsby County Bank was capitalized for half a million dollars. It was the largest bank in the state, with branches in Tonopah, Wonder, Goldfield, Reno and Carson City. The First National Bank of Carson City had a life of only two years and fifty-eight days.

THE FIRST NATIONAL BANK OF RHYOLITE, NEVADA

- organized on May 14, 1907 with a capital of \$50,000.
- placed in receivership on Mar. 23, 1910; capital of \$50,000.
- reason for failure: defalcation of officers



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Specimen notes on The First National Bank of Rhyolite—red seal at top, date back at bottom. Note plate maker's/finisher's initials on lower note; also, the round Bureau of Engraving and Printing "Specimen" handstamp on both notes.

THIRD CHARTER RED SEALS NOTES ISSUED

Circulation Issued—

— Third Charter Red Seals

5- 5- 5- 5 plate = \$ 8,040, worth; 402 sheets, serials 1 to 402
 10- 10- 10- 10 plate = \$16,720, worth; 418 sheets, serials 1 to 418

THIRD CHARTER DATE-BACK NOTES ISSUED

— Third Charter 1902-1908 Backs

5- 5- 5- 5 plate = \$ 4,040, worth; 202 sheets, serials 1 to 202
 10- 10- 10- 10 plate = 1,840 worth; 46 sheets, serials 1 to 46

— Total amount of circulation issued - \$30,640.

— Amount outstanding at close - \$12,500.

— Amount outstanding in 1915 - \$ 295.

— Officers

— President

— Cashier

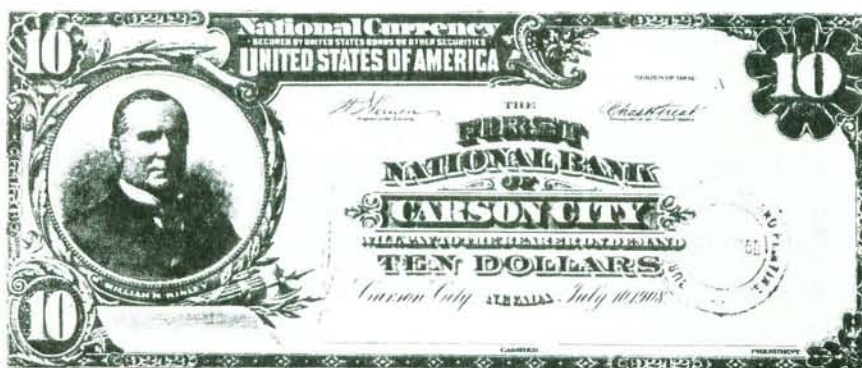
— Oscar J. Smith (1907-09 reports) — F.H. Stickney (1907-1909 reports)

THE FIRST NATIONAL BANK OF
CARSON CITY, NEVADA

1 1902-1908



1 1902-1908



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Date back specimens on The First National Bank of Carson City with the Bureau of Engraving and Printing "Specimen" handstamp.

ONLY THIRD CHARTER 1902-1908 DATE-BACK
NOTES WERE ISSUED

- 5- 5- 5- 5 plate = \$ 6,100, worth; 305 sheets, serials 1 to 305
- 10- 10- 10- 10 plate = \$11,200, worth; 224 sheets, serials 1 to 224
- Total amount of circulation issued - \$17,300.
- Amount outstanding at close - \$12,500.
- Amount outstanding in Oct., 1911 - \$3,105.
- first notes sent to the bank on Nov. 18, 1908
- last notes sent to the bank on Jan. 20, 1910
- Officers in various annual reports
- President — Cashiers
- James A. Raycraft (1909-10 reports) — H.G. Marsh (1909 report)
- A.T. Hoffman (1909 report)

Lee McClung, Treasurer of the United States, on February 4, 1911 sent a U.S. Treasury check for the rounded sum of \$12,500 to cover a shipment of notes the bank had previously made to the retirement redemption account for credit. It was certainly possible and likely that included in the

shipment was a sizeable amount of the Carson City Nationals. This would have contributed significantly to the scarcity of the Carson City notes. Other factors to be considered in this scarcity were the meager amount of circulating notes issued and the limited scope of the bank's business trading area.

No. 8686

ASSESSMENT UPON SHAREHOLDERS

TREASURY DEPARTMENT

OFFICE OF THE

COMPTROLLER OF THE CURRENCY

IN THE MATTER OF

The First National Bank

OF

RHYOLITE, NEV.

WASHINGTON, D. C., April 18, 1910.

TO ALL WHOM IT MAY CONCERN:

WHEREAS, Upon a proper accounting by the Receiver heretofore appointed to collect the assets of THE FIRST NATIONAL BANK OF RHYOLITE, NEVADA, and upon a valuation of the uncollected assets remaining in his hands, it appears to my satisfaction that in order to pay the debts of such association it is necessary to enforce the individual liability of the stockholders therefor to the extent hereinafter mentioned, as prescribed by Sections 5151 and 5234 of the Revised Statutes of the United States:

NOW, THEREFORE, by virtue of the authority vested in me by law, I do hereby make an assessment and requisition upon shareholders of the said THE FIRST NATIONAL BANK OF RHYOLITE for Fifty Thousand Dollars, to be paid by them ratably, on or before the second day of May, 1910; and I hereby make demand upon each and every one of them for One Hundred Dollars upon each and every share of the capital stock of said association held or owned by them, respectively, at the time of its failure; and I hereby direct Thomas M. Thornton, the Receiver heretofore appointed, to take all necessary proceedings, by suit or otherwise, to enforce to that extent the said individual liability of the said shareholders.

IN WITNESS WHEREOF, I have hereunto set my hand and caused my seal of office to be affixed to these presents, at the City of Washington, in the District of Columbia, this eighteenth day of April, A. D. 1910.

LAWRENCE O. MURRAY,
Comptroller of the Currency.

[SEAL]



National Archives

Assessment instrument sent out by the Comptroller of the Currency to the officers, directors and the shareholders of the First National Bank of Rhyolite to raise the required funds needed to meet the bank's obligations.

Form 2423.—Chief Clerk.
Ed. June 29-40—1,000.

NOTICE OF VOLUNTARY LIQUIDATION.

Treasury Department,
OFFICE OF THE
COMPTROLLER OF THE CURRENCY,

Washington, D. C., Nov. 21, 1910

The Chief Clerk,

Sir:

You are advised that The First National Bank of Carson City, Nevada, No. 9242, has gone into voluntary liquidation by resolution of its stockholders dated Nov. 15, 1910, to take effect Nov. 15, 1910.

Respectfully,

E. H. Quinn
Acting Chief, Organization Division.

**Strides Made Since 1970 in Reporting Nevada's
Rare Third Charter National Bank Notes**

Still very much alive is the challenge to uncover a note or notes of The First National Banks of Rhyolite and Carson City. The search for these has been sustained over recent years with the result that notes from four other unknown charters were reported during the early 1970s, some 60 years after they had been issued. They are all Third Charter notes, as follows:

Charter 8530, The Nevada First National Bank of Tonopah, \$5 Blue Seal

Charter 9078, The First National Bank of Goldfield, \$5, Red Seal

Charter 9452, The McGill National Bank of McGill, \$20, Blue Seal

Charter 9578, The Copper National Bank of East Ely, \$10, Blue Seal

The surfacing of the above notes has served as a stimulus for the continuing search for other unreported notes. As a result, three more important additional notes have been recorded since 1978, i.e.:

Charter 8424, The Nixon National Bank of Reno, \$100, Date Back

(See *Paper Money* No. 78, December 1978)

Charter 8530, The Nevada First National Bank of Tonopah, \$5, Red Seal

(See *Paper Money* No. 88, August 1980)

Charter 9452, The McGill National Bank of McGill, \$10, Blue Seal

(See *Paper Money* No. 91, January 1981)

Acknowledgements

The author's sincere thanks are extended to the following: Jerome Walton; Louis Van Belkum; and Nell Murbarger, author of *Ghosts of The Glory Trail*.

Other Sources Consulted

- Reports of the Comptroller of The Currency, Washington, D.C.
- Nevada State Historical Society, University of Nevada, Reno, Nevada.
- Reports of the U.S. Treasury Department, Fiscal Service, Washington, D.C.
- National Archives, Fiscal Department, Washington, D.C.
- Library of Congress, Washington, D.C.