

BROKERS ARRESTED; 6,550 SHARES GONE

W. B. Hotchkin and J. S. Stoppani Accused by Creditor as Inquiry Is Going On.

THREE ACCOUNTS FOR FIRM

Chief Clerk Says Partners Speculated and He Never Struck Balance in Thirteen Years.

Two of the clerks employed by the bankrupt stock brokerage house of Stoppani & Hotchkin who were examined last night at 149 Broadway by Leon Lauterstein, attorney for the assignee, gave testimony that there were 6,550 shares of the approximate value of \$300,000 missing, and that one of the accounts about which there had been much inquiry, No. 30, was a speculative account of the firm. The creditors will be asked to meet A. S. Gilbert, the assignee, at the Broadway Central Hotel next Tuesday, and it is expected that he will report to them there is only between \$120 and \$1,500 to be divided among them.

Earlier in the day Col. Walter B. Hotchkin and Joseph S. Stoppani, the members of the firm, were arrested on a charge of grand larceny, and were arraigned in the Butler Street Court in Brooklyn. The complaint was made by John F. Smith of 141 North Third Street, Greenpoint, who deposited with the firm on May 1 two Steel bonds and a check for \$3,000 to purchase thirty Steel shares and thirty B. R. T. This was one of the accounts investigated at the examination of the clerks, and it was asserted then that Smith had nothing to show for his investment. Magistrate Voorhees held the stock brokers in \$2,000 bail each for a hearing on June 18.

Wolfgang Walter, chief clerk of the firm, was the first to be questioned. He had been in charge of the books for thirteen years, but said that he had never struck a balance and had never known whether the firm was making or losing money. He admitted that there were 6,550 shares of the value of about \$300,000 missing, which he could not account for, and under strong pressure at length said that he imagined Account No. 30 was a speculative account of the firm.

Walter was asked especially about three accounts. John Maggiolo, it appeared, had deposited some stock with the firm, which was sold for a profit of \$895.02, but neither securities nor credit, it was stated, were to be found to account for them. Then there was the John F. Smith account and another in the name of George A. Williams. On April 7 he had deposited a check to purchase ten shares of Havana Electric. The shares, it appeared, were bought from a cnrb broker named Hall, but there was nothing, according to

Walter's testimony, to show the stock had been delivered or that Williams's money was used to pay for them.

Benjamin Morris, loan clerk, then asked to be permitted to correct his testimony. He said that Account No. 30, like No. 10 and No. 20, was a private account of the firm. The speculation in connection with it, he asserted, was done on the order of either Stoppani or Hotchkin, and he was permitted to use his discretion as to which account he should post the entries in.

Asked which of the two members did most of the ordering for the speculative accounts, he said that Stoppani generally gave the orders, and that Hotchkin did not seem to do much in the office. Hotchkin went on the floor of the Exchange in the morning and returned later for only a short time.

Morris will be examined again on Thursday evening, June 18, and Walter next Tuesday afternoon.