

Information Sheet

R **Lawrence County Bank.**
543 **Records, 1873-1924.**
 Two volumes and one folder.

MICROFILM

This collection is available at [The State Historical Society of Missouri](http://www.shsresearch@umsystem.edu). If you would like more information, please contact us at shsresearch@umsystem.edu.

This collection consists of two corporate minute books (1873-1903 and 1903-1913) and miscellaneous correspondence (1920-1924) of the Lawrence County Bank in Peirce (now Pierce) City in Lawrence County, Missouri. The bank was, for the most part, owned and managed by Lewis L. L. Allen and his son, L. L. Allen.

The letterhead of the Lawrence County Bank claimed a founding date of 1870, when the town of Peirce City was platted and incorporated, but the incarnation represented in these records dated from 6 October 1873, when subscribers met in Peirce City "to organize a bank in this place." Probably the institution succeeded a bank of similar style, for on 15 October the new Board of Directors purchased from Allen Brosley "his bank building" on lots 5 and 6 in block 29 in central Peirce City. Founders of the new bank included Jacob Linzee, who became chairman of the board, Lewis L. L. Allen, secretary, A. B. Charles, J. B. Perkins, A. L. White, F. B. McCurdy, and W. G. Rice. The capitalization was \$50,000 in 500 shares. L. L. L. Allen and E. Allen both held 100 shares, A. L. White held 40, and no other subscriber bought more than ten.

The two volumes of minutes contain records of meetings of the Board of Directors, the annual meeting of stockholders, distribution of dividends, and reports of examinations conducted by the state examiner and special committees of the Board. For the most part the bank was a profitable enterprise, with the Allen family holding the controlling interest, although in 1910, after a series of audits L. L. Allen left the firm and his father, Lewis L. L. Allen, resigned as president, although he retained a position on the Board of Directors. The folder of correspondence is for the most part routine in nature. By that time (the 1920s) the Rhea family held important positions at the bank. Early in 1924 William A. Rhea, Sr., "sold his interest ... and left the city," and it is believed that the institution failed soon afterward.

Peirce City was a child of the railroad, being located on what became a junction point of the St. Louis-San Francisco Railway Company, a predecessor of which entered the area in 1870. As the region developed economically in the last quarter of the nineteenth century, the young bank prospered. Within a year of its founding, Jacob Linzee left the bank, while on the same day, 1 July 1874, the firm declared a 5% dividend. On 4 January 1876 an extraordinary dividend of 25% was returned to shareholders. In March 1877 it was determined to replace the frame bank building with a brick structure featuring a cast-iron front. By 1879 the Allen family held the great majority of shares, and L. L. L. Allen, L. L. Allen, E. Allen, and Charles E. Allen all served on the Board of Directors. However, after E. Allen's death in 1882 the administrator of his estate was denied access to the bank's financial records. Also in 1882, W. A. Rhea was employed at a salary of \$17.50 per month, beginning another family's association with the bank that would last over forty years.

In 1884, when the growing institution found it necessary to increase its capitalization, the Forsythe family established a long-time financial interest in the firm, equaling or exceeding that of the Allens. Harris Forsythe, A. Forsythe, and Jay Forsythe joined the Board of Directors. Lewis L. L. Allen resigned as president and was replaced by Harris Forsythe. Nevertheless the bank continued to do well financially, allowing the Board to declare a 12½% dividend on 1 July 1886. Harris Forsythe died in 1887, and L. L. L. Allen returned to the presidency. On 30 June 1887 shareholders enjoyed a 10% dividend. Annual dividends generally continued in the 5 to 10 per-cent range for the next two decades. In 1894 the bank's building and lot were sold for \$4500, and a two-story edifice, designed by architect J. B. Legg of St. Louis, was erected on a corner lot of block 29.

In 1896 the record book included the first report of a state bank examiner. Total "resources" were found to be \$211,930, and the Board later took actions to conform with recommendations of the examiner. Examinations continued on a fairly regular basis, usually with less than a year transpiring between visits. The institution's resources gradually grew to over \$300,000 by 1902, reaching a peak of \$341,883 in 1905. In 1903 Jay Forsythe sold his stock and left the Board, leaving the Allen family again in control of the company.

In 1910, after the declaration of a 6% dividend, the bank's finances were examined twice within a three-week period. Although "resources" were found to be about \$335,000 each time, many of the bank's loans were described as "doubtful" (\$30,402) or even "bad" (\$5,754). At a special meeting of the Board of Directors on 18 February 1910 the firm's leaders charged \$2,000 to surplus to cover bad loans, and L. L. L. Allen and L. L. Allen "agreed to purchase of the Bank, for \$33,200 cash, [certain] doubtful notes." Thereupon L. L. Allen resigned as cashier and director and L. L. L. Allen resigned as president. William A. Rhea was named cashier. A report of an examining committee of Board members in August 1910 revealed that "resources" were now just \$290,961, although "we consider that the Bank is being well managed and is now in a sound and prosperous condition." A report of the examining committee in 1913, the last year represented in these minutes, found "resources" of \$303,197.

The folder of correspondence includes material from 1920 to 1924, mostly from 1922 and after. The bank's letterhead listed Dr. E. B. Wright as president, Edward F. Buchner and W. A. Rhea, Jr., as vice-presidents, William A. Rhea as cashier, and C. A. Rhea and A. F. Key as assistant cashiers. The essentially routine correspondence includes occasional exchanges with the Federal Reserve Bank of St. Louis, sometimes in regard to obligations to the War Finance Corporation and the Agricultural Loan Agency. One interesting letter in May 1922 noted that "the Directors have instructed us not to make any more loans until we see just how the strawberry business goes, we have lots of money promised us when the berry crop is harvested." A letter in June 1922 from a bank in Kansas City, soliciting deposits, said "we notice that there have been many berries shipped from that section of the country, and no doubt you are feeling effects of same in your deposits by now."

By December 1923 C. A. Rhea, son of William A. Rhea, had resigned as an assistant cashier. A correspondent to William A. Rhea, Jr., in January 1924, said, "I notice by the *Leader* that your father has sold his interest in the Lawrence County Bank and left the city." According to the donor of this collection, the Lawrence County Bank failed later that year.

Shelf List

This collection consists of two corporate minute books (1873-1903 and 1903-1913) and miscellaneous correspondence (1920-1924) of the Lawrence County Bank in Peirce (now Pierce) City in Lawrence County, Missouri. The bank was, for the most part, owned and managed by Lewis L. L. Allen and his son, L. L. Allen.

Volume 1: Minute book, 1873-1903
("Index" pages + 179 numbered pages).

Volume 2: Minute book, 1903-1913
(200 numbered pages [The first two pages are missing.]).

Folder 1: Miscellaneous correspondence, 1920-1924
(196 items).

r636 24 July 1995 David R. Pruitt Loaned for microfilming

Index Cards

Allen, Charles E.
Allen, E.
Allen, Lewis L.
Allen, Lewis L. L.
Banks and banking—Missouri—Lawrence County.
Banks and banking—Missouri—Pierce City.
Bennett, G. N.
Bennett, Hattie.
Brite & Wicks.
Buchner, Edward F.
Buchner, William.
Business records—Missouri—Lawrence County.
Charles, A. B.
Drovers National Bank (Kansas City, Mo.).
Edwards, R. H.
Elliott, S. G.
Federal Reserve Bank of St. Louis.
Forsythe, A.
Forsythe, Harris.
Forsythe, Jay.
Gilliam, John A.
Gillioz, M. E.
Holland Banking Company (Springfield, Mo.).
Hyatt, Joseph L.
Key, A. F.
Kirkpatrick, James A.
Larkin, J. J.
Lawrence County (Mo.).
Lawrence County Bank—Records and correspondence.

Legg, J. B.
Linzee, Jacob.
McCurdy, F. B.
McReynolds, S. D.
Parish, John M.
Perkins, J. B.
Pierce City (Mo.).
Rhea, Clyde A.
Rhea, William A.
Rice, W. G.
United States. Agricultural Loan Agency.
Vance, J. W.
War Finance Corporation (U.S.).
White, A. L.
Wicks, J. F.
Wright, E. B.
Wright, Louise L.