

## **The Riverside Improvement Company Disappears from Bankruptcy Only to Turn Up in Chancery--E. T. Wright's Complaint Against Childs & Co.**

Yesterday a curt order was entered, in bankruptcy, simply by stipulation, dismissing all proceedings and dissolving all injunctions against the Riverside Improvement Company; and immediately after a bill was filed in the Circuit Court which is summarised as follows:

Elson T. Wright complains of Emary E. Childs and Leverett W. Murray, the Riverside Improvement Company, the Great Western Railway Company, and the Great Western Land Company, whom he makes party defendants. Complainant avers that he is a stockholder in and owner of 485 shares of \$100 each in the Riverside Improvement Company, of which the two first-named defendants are respectively the President and Secretary; that about the time of the formation of said Company, Childs obtained a charter for the Riverside Water and Gas-Works Company, with a capital stock of \$1,000,000, by virtue of which he issued \$600,000 of bonds, which he indorsed with the guaranty of the Riverside Improvement Company to Henry Greenebaum, and conveyed to him, as security for the loan raised thereon, all the lands and property of the Riverside Improvement Company, which loan was not used in paying claims or reducing the indebtedness of said Company; that Childs subsequently started the Riverside Hotel Company, and built a \$150,000 hotel on the banks of the Desplaines River, which company came to grief, and is now indebted to the extent of \$75,000; that Childs is indebted to the Riverside Improvement Company in a sum of over \$100,000, and that Leverett W. Murray owes it over \$15,000; that Childs pretends that he owns nearly all of the Riverside Improvement stock; that said stock is worthless; and that he will treat it so, all of which complainant denies; that Childs and Murray are endeavoring to pay the indebtedness of the Riverside Water and Gas-Works Company, and the Riverside Hotel Company, with the property and effects of the Riverside Improvement Company; that proceedings in bankruptcy have been commenced against said Riverside Improvement Company, and are now pending in the United States District Court, but that said Childs and Murray desire to avoid the showing up of the Company's affairs which the appointment of an Assignee would cause; that said Childs and Murray, acting as President and Secretary of the Riverside Improvement Company, with others, have obtained control of the charter for a certain Great Western Railroad Company, in which Childs has a large, if not a controlling, interest, and in which Murray is also largely interested, the cost of surveying and engineering a line wherefor has been paid from the funds of the Riverside Improvement Company; that Childs proposes to transfer to the Company formed to run the railroad the property and assets of the Riverside Improvement Company, without in any way compensating complainant for his stock; that it is the intention of the Railroad Company to issue \$1,000,000 of bonds, and, with the proceeds thereof, to pay the debts, not only of the Riverside Improvement Company, but, also, to take up and pay the Water and Gas Company's bonds and the indebtedness of the Hotel Company; that it is proposed by said Childs or said new Company, with the proceeds of the bonds secured by the property of the Improvement Company, to pay off the debts upon which bankruptcy proceedings were commenced, and then to avoid the accounting Childs knows he would have to make of his doings with said Company and its assets, and so be enabled to get rid of complainant's stock and interest in said Company without any compensation therefor; that the arrangement with the Railroad Company is that it is to receive whatever remains over after the payment of the bonds by the sale of the Improvement Company's assets; that the transaction is a perversion of Childs and Murray of their duty as President and Secretary of the Improvement Company, and is done by them to conceal their maladministration of its affairs, and to avoid inquiry into their own acts; that they are to be elected Directors of the Railroad Company and are to have its management, and are to have a stock interest in the same without paying for it, except by the transfer of the Improvement Company's property; that the transfer is not yet consummated, and to hinder it complainant applies for an injunction restraining defendants, Childs and Murray, as President and Secretary of the Improvement Company, from transferring any of its property to the Great Western Railroad Company, or to secure its bonds, or in any way effecting and carrying into effect the arrangement proposed.

The injunction was granted by Judge Williams.