

UNPROFITABLE PIPE LAYING.

ARREST OF THE PRESIDENT OF A WESTERN WATER WORKS COMPANY.

The Asphalt Pipe Company (limited), of New York, has caused the arrest of Walter P. Hanchett, late president of the Niles Water Works Company, of Michigan, in an action to recover damages for alleged fraud and deceit. The warrant for his arrest was issued by Judge Lawrence, of the Supreme Court, and Mr. Hanchett was found at Livonia, N. Y., where he gave bonds in \$5,000. George M. Fuller, president of the Asphalt Pipe Company, in his complaint alleges that in January, 1878, Hanchett represented that the Niles Waterworks Company had a capital stock of \$60,000; that it had a valuable contract to supply the city of Niles with water, and that the city would guarantee the interest on \$40,000 worth of bonds to be issued by the company, which was perfectly solvent.

On the strength of these representations the Asphalt Pipe Company made a contract to lay 22,500 feet of pipe, payment to be made on instalments every thirty days. Pipe was laid to the value of \$13,820, on which there was paid \$5,160. The company failed to pay the balance, suit was brought, judgment obtained and the concern was sold out, but there still remains due the sum of \$5,767 to the Asphalt Pipe Company. Legal means having been exhausted against the Corporation, suit has been brought against the president on the ground of alleged false representations. Mr. Fuller, president of the Asphalt Pipe Company, alleges, on information and belief, that Hanchett went through the form of organizing the Niles Water Works Company, of which he styled himself the president; that the company was utterly irresponsible; that its franchise was of no money value; that the subscriptions to the stock were not binding and that the company had no agreement with the City of Niles by which the latter was bound to guarantee the interest on \$40,000 bonds.