

Owner's financial woes lead to 1893 bank closing

Second of two parts

Banks weren't doing well in 1893. In fact, historians tell us that the number of bank failures in that year led to a depression that lasted some four years.

When Frank Worley's bank in Ellettsville ran out of money, it shocked everyone, particularly the depositors.

The financial institution was not a fly-by-night operation. Worley, who had attended the Indiana University Preparatory School, had a good reputation, having been a partner in a "mercantile business" from 1858 to 1873.

A likely explanation for the failure of his bank was that he loaned out too much money, taking in land as security. According to the



Looking back

By Rose McIlveen

Bloomington *Telephone*, Worley encouraged deposits by paying 4 percent interest.

On paper his resources looked good. His assets were said to include 1,090 acres in Monroe County, 340 acres in Greene County and 223 acres in Owen County. He was supposed to have had 100 head of horses, colts and cattle and about 70 head of sheep. In its first account of the matter, the *Telephone* listed his assets at \$59,500 and liabilities as \$35,000.

But when Fred Matthews (acting

as a trustee appointed to sort the financial tangle) began to take a closer look at the problem, he discovered some disturbing things.

The (Bloomington) *Saturday Courier* of June 10, 1893, reported gloomily:

"It seems that Mr. Worley's financial affairs have been in a bad shape for a number of years. He invested nearly \$20,000 in a fine residence, and soon after lost about \$10,000 by the Houston and Sanders failures. Recently the Supreme Court affirmed a judgment against him in favor of Himdman of Owen County in which some land was involved. His land has been unproductive for some years, and it has taken a good deal of struggling to keep up expenses."

A couple of weeks before the failure, Worley had tried to borrow

\$5,000 "to tide him over," but had been refused. Apparently he already owed a large sum of money to the "Indianapolis National Bank."

There was speculation that Laura Worley would claim her one-third of her husband's remaining assets, thus reducing the pool of money to be divided up among the unhappy depositors. The *Saturday Courier* related some interesting information, if it was true — that she had property in Tennessee and was the niece of Jefferson Davis, "the late president of the Confederacy."

She also appears in a curious item on the Monroe County court docket — a lawsuit against John L. Fields for a pair of buggy shafts valued at \$6. The case began in 1893 and continued until May of 1895 because of a hung jury.

The Ellettsville Story 1837-1987,

states that the Worley bank also had been robbed in December of 1891. Apparently three or four men were involved in the crime. They blew open the safe and dramatically escaped on a railroad hand-car.

Meanwhile, Frank Worley sued the estate of David Allen, presumably to recoup money loaned by the bank. Others mentioned in the case, numbered 3793, were Mary Starnes and Cynthia Coffee, who filed a cross complaint.

Regarding the bank failure, *The Ellettsville Story* concludes, "Fred Matthews of the Matthews Brothers Company was appointed receiver and Jonathan W. Ray and George McHenry appraisers. Mr. Matthews made mutual allotments of land and property, settled the estate and was able to save the home farm and mansion for Mr. Worley."