

CHAPTER IX

PIONEER BANKERS AND BANKS

MIAMI may very appropriately be called "The City of Great Expectations." Even before its materialization as a city one of its earliest pioneers, W. M. Brown, then cashier of the Indian River State Bank of Titusville, Florida, expected that the immediate establishment of a banking institution in this region would prove a profitable venture. He backed his judgment by founding what has grown to be one of the strongest banks in the South, namely, the Bank of Bay Biscayne. This institution has in a large measure contributed to the growth of Miami and its surrounding territory. Numerous business men and farmers owe their financial success and affluence to that little intrepid bank, which started its tremendously successful career in (literally speaking) a "hole in the wall," around the corner of Southeast Miami Avenue and Second Street, and which after the conflagration of 1896 moved into another cramped little storeroom adjoining the southwest corner of Miami Avenue and

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Flagler Street, where it remained until the year 1909, when it was removed to its present location.

The founder of Miami's first banking institution demonstrated his faith in the future of this city by extensive individual building operations which resulted in the speedy development of Miami Avenue as a permanent business thoroughfare. The entire block on the west side of South Miami Avenue, between Flagler and First streets, the center part of the block across the street (where part of the Burdine building now stands) and half of the block on the west side of the avenue, between First and Second streets (which was destroyed by the fire of 1896), have been built up by Mr. Brown. He also built what was then the finest and costliest building south of Jacksonville, the present Bay Biscayne Bank building. This building was erected for the housing of Mr. Brown's second banking venture, the former Fort Dallas National Bank, which had been opened for business under brilliant auspices in the year 1903 and in which he served as president until its failure in 1907 (the period of general financial depression).

The Bank of Bay Biscayne was successively managed, under the supervision of its founder,

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by the late Henry Anthony, Chas. Garthside, Edward C. Romfh, the late George Gompf and James H. Gilman.

Mr. Gilman arrived in this city in 1902, when he accepted a position as bookkeeper in the Bank of Bay Biscayne, which position he held until the crash of the Fort Dallas National Bank that came near swamping the former. During this memorable crisis, the state bank examiner, the late Hardy Croom, placed young Gilman in full charge of the institution, and it is largely due to the latter's exceptional business ability that the people of this county escaped a double bank failure and its crushing consequences.

Upon subsidence of the excitement incident to the failure of its sister bank, the Bank of Bay Biscayne was reorganized and the late Joseph A. McDonald became its president and Mr. Gilman cashier. Shortly after acquiring the Fort Dallas National Bank building and equipment through purchase from the receiver, the Bank of Bay Biscayne underwent a change in its directorate, resulting in J. E. Lummus becoming its president, the late S. A. Belcher vice-president, and the late Joseph A. McDonald chairman of the board. Mr. Gilman retained his position as cashier.

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(Following the decease of J. A. McDonald, in 1918, the late Dr. J. M. Jackson, Jr., was elected chairman of the board.)

On the retirement of Mr. Lummus as president in 1918, Mr. Gilman received his reward for faithful and efficient service by being promoted to the presidency of this progressive institution, which position he has been occupying to this day with credit to himself, satisfaction to the large and ever-increasing number of depositors, and profit to the stockholders. This is a remarkable achievement for a boy scarcely out of his 'teens when entering upon his duties of bookkeeper of Miami's first banking institution.

The next oldest banking institution in this city is the First National Bank. This prominent institution has been developed by Edward C. Romfh, who arrived in Miami in 1897. He served as bookkeeper and manager in the Bank of Bay Biscayne until the year 1900, when he associated with Anthony Brothers in the promotion of a national bank for the city of Miami. In this enterprise he was assisted by E. M. Brelsford and W. H. Spitzer, both of whom had been connected with a banking institution at West Palm Beach. During the two years devoted to

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the promotion of the new enterprise and the erection of a bank building, Mr. Romfh conducted a brokerage business.

In 1902 the First National Bank opened for business with Mr. Brelsford as president, and Mr. Romfh as cashier. The former was succeeded by W. H. Spitzer, who some years later was succeeded by Mr. Romfh, one of the founders and the developer of an institution that helped make Miami what it is today. Mr. Romfh, like Mr. Gilman, stands out as an example to the boys of Miami. Both of these boys came to Miami practically penniless, and through fidelity, industry and perseverance have mounted to great heights in the business world and have accumulated large fortunes. The success of both is founded upon merited confidence of their townsmen, sedulous application to business and uniform courteousness to the patrons of their respective institutions.

J. E. Lummus, president of the Southern Bank and Trust Company, is another demonstration of the results produced by hard work and square dealing. Although his laurels do not rest upon financial genius or banking achievements, he stands as a bulwark to the bank which was founded by his brother J. N. Lummus, the late

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Frederick S. Morse, the late Dr. J. M. Jackson and himself. Mr. Lummus has built his enviable reputation upon tremendous energy and perseverance, diligent application to every task and upon honest conduct of his former mercantile business. (Mr. Lummus has served as mayor several terms.) If these three self-made men who were honored by their appreciative townsmen in their selection to administer the municipal affairs of Miami will, with the coöperation of their colleagues, namely, C. D. Leffler and J. I. Wilson, continue to give the city's business the benefit of their vast financial experience and whole-hearted service, Miami will unfailingly prove to be "The City of Great Expectations."

The first ten years of Miami's existence as a city passed without a stain upon its escutcheon. With the exception of one mercantile assignment there was neither commercial nor bank failure. On the 5th day of July, 1907, however, our little community was shaken by the unexpected failure of the Fort Dallas National Bank. The closing of that institution was said to have been due to its president's promotion of Miami's first street car service and the Halcyon Hotel, both of which gigantic enter-

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prises proved dismal failures owing to their premature advent (the panic of 1907 was said to have been a contributory cause).

Immediately upon the closing of that institution, J. K. McDonald, a federal bank examiner, was appointed receiver, but was later succeeded by Frank B. Shutts, through whose highly efficient stewardship of the defunct bank's remaining assets more than sixteen hundred depositors recovered approximately forty per cent of their deposits. (Mr. Shutts was so favorably impressed with Miami that upon the conclusion of his receivership, in 1909, he decided to give up his law practice in Indiana and became a permanent resident of this city. Mr. Shutts is the head and founder of one of Miami's leading law firms, Shutts & Bowen, and has contributed in a large measure to the progress of Miami and Dade County.)

In the course of Mr. McDonald's receivership (covering a period of approximately two years), the depositors became dissatisfied with his administration and sought his removal. In his eagerness for vindication, he had suggested that a mass meeting of the bank's creditors be called, at which both sides of the issue should be pre-

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sented and if possible adjusted. The meeting which had been widely advertised, was started in one of the storerooms in the one-story block on the west side of Northeast First Avenue, between Flagler and First streets, but owing to lack of space was adjourned to the court house.

The march to the court house added to the publicity of the event and the auditorium in that building was crowded to the doors. The meeting proved all it was expected to be, excitement reigned from start to finish. Some of the dissatisfied depositors, reënforced by Mr. Brown's numerous personal and business friends, became rather menacing toward the receiver whose complacence acted as an irritant upon them. It should be noted in this connection while many of our townsmen sustained severe losses in that unfortunate bank failure, hundreds of them had been helped to positions of economic security by the, perhaps too generous, president of that institution.

After a rapid and exciting exchange of compliments between the leader of the attack, the late Commodore C. A. Roome, and the receiver, a motion prevailed that an investigating committee be appointed by a vote of the depositors present, for the purpose of examining the re-

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ceiver's books and the appraisement of the unliquidated assets. To this the receiver readily assented, and the following citizens were appointed: the late J. C. Meredith (construction engineer of the overseas railroad), chairman; the late Julius Smith; Harry Budge, and the writer as secretary.

After a thorough investigation of the maligned receivership, covering a period of several weeks, the committee published a lengthy report completely exonerating receiver J. K. McDonald. While this was pending, Mr. Brown offered his services to rehabilitate the insolvent institution for the sole benefit of its creditors, which offer failed to receive action. In his trial, instituted by some resentful creditors, he succeeded in proving his innocence without the aid of attorneys.

In 1921 one of Miami's new banking institutions, namely, The Fidelity Bank & Trust Company, of which Locke T. Highleyman was president, found itself in difficulties said to have been due to its inadequate reserve fund. The bank remained closed until its depositors had been guaranteed their respective deposits in full, through an arrangement entered into between themselves, the officials of the bank and other

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local bankers, whereby the said depositors were to be paid in installments covering a period of ten years, including eight per cent interest. This satisfactory adjustment was effected through the coöperation of J. R. Anthony and associates, who purchased the bank property and founded a new banking institution, namely, the "Miami National Bank." This bank, a year or so later, merged with the "Miami Bank & Trust Company."

Among those who had participated in the task of securing the coöperation of the depositors in the prevention of an imminent bank failure and its reaction upon the community are the following: A. J. ("Jack") Cleary, J. O. Harley, Walter Harris, William Harrison, S. W. Durance and Fred W. Vanderpool.

Of Miami's older banking institutions the First Trust & Savings Bank has kept up with the amazing progress of the city. This institution was established in 1910 by E. C. Romfh and associates. Until its notable expansion and increased capitalization in 1918 it was known as the Miami Savings Bank. W. H. Spitzer was its first president and served until 1922, when he was succeeded by Calvin Oak. C. M. Terrell

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filled the position of treasurer and general manager from the day of its opening until recently, when his state of health demanded his retirement from active work; but he is still connected with this bank as one of its directors.

Of the best known and longest in service of the personnel of the two oldest banking institutions, namely, the Bank of Bay Biscayne and the First National Bank, W. W. Culbertson, T. F. McAuliffe and T. E. James are so thoroughly identified with their respective banks that they are regarded by the public as integral parts of these institutions. Mr. Culbertson has recently been promoted to a vice-presidentship, and Mr. McAuliffe has succeeded the former as cashier. Mr. James occupies the position of cashier in the Bank of Bay Biscayne.

George B. Romfh and Miss Mildred Romfh are executive officers in the First National Bank and are important factors in the constantly increasing patronage of this institution.

E. P. Duncan and F. W. Fuzzard occupy similar positions of trust in the Bank of Bay Biscayne. George E. Nolan and John H. Pace administer important departments in the Miami Bank & Trust Company.