

LONG-PROTRACTED LITIGATION.

A DECISION IN THE SUIT AGAINST THE CHICAGO, MILWAUKEE AND ST. PAUL.

MILWAUKEE, Wis., Aug. 10.—Judge Dyer this morning rendered a decision in the famous case of William Barnes, Trustee, against the Chicago, Milwaukee and St. Paul Railway Company. This case, in its various phases, has been litigated in the United States Supreme and Circuit Courts for the past quarter of a century and involves in its decision over \$2,000,000. The decision of the court is in favor of the railway company, the decision of the Special Master being reversed. Mr. Barnes's motion for a modification of the interlocutory decree, so as to allow parties having claims based upon any of the \$1,740,800 of bonds to present and support them, was denied, the court reaffirming its former decision that these bonds had been unchanged for stock in the Minnesota Company, and were, therefore, no equitable lien upon the mortgaged property. It is decided that, as nothing had been presented concerning these bonds to the Special Master, the Trustee, Barnes, cannot be permitted to constitute himself the agent of these bondholders, and the claims sought to be enforced against the mortgaged property by the Trustees and certain of the holders of the \$1,740,800 of bonds are inadmissible. The motion of other bondholders to be allowed to intervene is denied. The decision then turns to the Special Master's report. It is stated that the court did not know how much of the \$259,200 of bonds were in any degree equitable claims upon the property, and a reference was therefore made to a Special Master, who reported that 21,500 of these bonds held by various claimants, amounting to about \$90,000, with interest, were justly due. It is decided that these bondholders have at least tacitly consented to the Barnes foreclosure, and in consequence of their neglect to prosecute the claims the claims should not be allowed. They are inequitable and unjust, and although the amount of the principal found due by the Special Master is comparatively small, yet to allow the claims would be to create a precedent for the payment of similar and larger claims. Besides, other rights have grown up which are entitled to the protection of the law. The court, therefore, refuses to allow the bonds and interest coupons decided by the Special Master to constitute a lien upon the property.

The bill of complaint of the Trustee named in the bonds, William Barnes, is therefore dismissed, but the case will not end here. Judge Dyer himself, in his preliminary remarks, stated that in preparing the decision Judge Drummond and himself had acted upon the presumption that the case would go to the United States Supreme Court. The case is probably the biggest and the longest ever tried in this State, and the above history of the protracted litigation and the decision of Judges Drummond and Dyer will be read with interest. This suit began in 1858 and has been in the higher courts ever since. William Barnes is a New-Yorker, residing in Albany, and nearly all of the interested parties live in the East.

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