

Transcript of testimony given by Thomas J. Pendergast, Jr., in the office of the Intelligence Unit, Internal Revenue Service, Room SCO, Mutual Building, 13th and Oak Streets, Kansas City, Missouri, in the presence of James E. Burke, John G. Madden and R. R. Brewster, attorneys for the taxpayer; F. Lynwood Judson, special agent; P. J. McGrath, internal revenue agent; and Dorothy Greenlee, stenographer. Held April 18, 1939.

Joint power of attorney from Thomas J. Pendergast, Jr., to John G. Madden and R. R. Brewster was presented.

QUESTIONS BY P. J. McGRATH, INTERNAL REVENUE AGENT:

Q. 1 Will you please give your full name and address?

A. 1 Thomas James Joseph Pendergast, 229 Ward Parkway.

Q. 2 You promise the answers you will give to the questions to be propounded to you will be the truth, the whole truth, and nothing but the truth, so help you God?

A. 2 Yes.

Q. 3 You have with you your attorneys, Mr. Pendergast, Mr. Brewster, Mr. Madden and Mr. Burke. Those are all your representatives; is that right?

A. 3 Yes, sir.

Q. 4 In what year did you file your first income tax return, Mr. Pendergast?

A. 4 In 1932.

Q. 5 What was your occupation, then, Mr. Pendergast?

A. 5 I was a student in school.

Q. 6 And the source of your income was?

A. 6 From the Centropolis Crusher Company.

Q. 7 How much stock did you own in the Centropolis Crusher Company?

A. 7 27 1/2 shares.

Q. 8 How did you acquire those 27 1/2 shares?

A. 8 They were gifts from my father.

Q. 9 How did your father execute that gift?

A. 9 I don't understand the question.

Q. 10 How did your father make the gift to you?

A. 10 You mean he just gave me the stock?

Q. 11 He delivered the stock certificates to you and told you it was a gift?

A. 11 Yes.

Q. 12 Did you ever attend any meetings of the Centropolis Crusher Company?

A. 12 No, sir.

Q. 13 During 1932?

A. 13 No, sir.

Q. 14 You realized, however, that you were a stockholder?

A. 14 Yes, sir.

Q. 15 And have been since that date?

A. 15 Yes, sir.

Q. 16 How much dividends did you receive in 1932 from the Centropolis Crusher Company?

A. 16 \$2,750.

Q. 17 Do you recall what you did with the proceeds?

A. 17 I put them in the bank, I believe; cashed them, I think. I got cash for them. I don't recall what I did with them.

Q. 18 Where do you keep your bank account, Mr. Pendergast?

A. 18 It was at the Bank of Commerce at that time.

Q. 19 So you either cashed this check or deposited it in your account? A. 19 I don't recall which I did.

Q. 20 You kept the proceeds for your own benefit?

A. 20 Yes, sir.

Q. 21 In 1933 you reported on your return that you also received \$2,750 from the same source?

A. 21 That is correct,

Q. 22 The same is true in 1934?

A. 22 Yes.

Q. 23 And '35 you reported similar amount?

A. 23 That is correct.

Q. 24 Did you keep all of this for your own use and benefit?

A. 24 Yes, sir.

Q. 25 Do you know what you did with it; did you deposit it or did you cash those checks?

A. 25 I don't recall to tell you the truth.

Q. 26 In 1936 you reported having received \$4,125.

A. 26 From the Centropolis Crusher Company.

Q. 27 I hand you a photostat copy of your 1936 return and ask you what the remaining dividends was made up from.

A. 27 You mean could I read them off here or read them off this one. (Indicates paper and return.)

Q. 28 Reconcile those figures—read from either one.

A. 28 I received the \$5,200 from the T. J. Pendergast Wholesale Liquor Company in salaries. I received the salary from the City Beverage of \$9,000.

Q. 29 Now how about the dividends; where did the dividends come from?

A. 29 From the Spillway Builders.

Q. 30 How much?

A. 30 \$2,500.

Q. 31 What else?

A. 31 Centropolis Crusher Company \$4,125. Atlas Beverage Company \$5,699.99. Sanitary Service Company \$833.33.

Q. 32 Now will you read the dividends in 1935?

A. 32 Dividends from the Spillway Builders, Inc., \$12,500. Centropolis Crusher Company \$2,750.

Q. 35 Was this the first year you reported dividends from the Spillway Builders?

A. 33 Yes, sir.

Q. 33 1935 was the first year?

A. 33 1935.

Q. 34 Did you own stock in the Spillway Builders, Inc.?

A. 34 No, sir; I had a trust certificate.

Q. 35 What do you mean by a trust certificate, Mr. Pendergast?

A. 35 Well, I understand the trust certificate to mean if there were any dividends we were to share in the dividends.

Q. 36 Who explained that to you?

A. 36 My father explained that to me.

Q. 37 Your father made you a gift, in other words, of any income that might accrue on those trust certificates?

A. 37 Just the dividends.

Q. 38 Just the dividends. Has that corporation been liquidated at this time, Mr. Pendergast? A. 38 Yes, sir.

Q. 39 Did you receive anything in liquidation?

A. 39 No, sir. We were just in on the dividends.

Q. 40 Tell us how you acquired the stock of the Sanitary Service Company.

A. 40 I gave my father \$4,666.67 and in turn he gave me the stock.

Q. 41 Your father negotiated the deal whereby you and your sisters and your mother received certain shares of stock in the Sanitary Service?

A. 41 That is right.

Q. 42 Do you still owe some money on that stock?

A. 42 Yes, sir.

Q. 43 To whom do you owe it?

A. 43 If I owe it, I believe we owe it to the Sanitary Service Company.

Q. 44 You do not feel you owe it to your father. You feel you owe it to the owner of the stock; is that your answer?

A. 44 We are the owners of the stock.

Q. 45 I meant the prior owner.

A. 45 Yes.

Q. 46 Did you give any evidence of this debt to the prior owners, Mr. Pendergast. I mean by that did you give him a note or any other evidence you owed him this balance on the stock?

A. 46 No, we didn't give any note.

Q. 47 Do you know whether or not your father gave a note or any evidence of the debt?

A. 47 I believe that he gave a note guaranteeing that our end of it would be paid,

whatever it was.

Q. 48 Your understanding was your father might have given some evidence to the party from whom it was purchased?

A. 48 That is right.

Mr. Madden: I think the record ought to show it was incorrect in that.

Mr. McGrath: Now what is wrong here, Mr. Madden, sir?

Mr. Madden: His father did not give a note at the time of the purchase of the stock to the prior owner.

Mr. McGrath: He didn't?

Mr. Madden: No. No evidence.

Mr. Brewster: He guaranteed it.

Mr. Madden: He guaranteed it.

Mr. Brewsters He guaranteed the payment of the balance verbally.

Mr. McGraths Do you mean, Mr. —

Mr. Madden: Let's bring it right down to date. I don't think Mr. Pendergast knows anything about the details. In very recent days on account of certain demands that were made upon him, Mr. Jordan asked Mr. Pendergast for a note guaranteeing that balance and he gave him that note today, it is my understanding. I am not sure of that. I know that he was intending to.

Mr. McGrath: I think that clears that up.

Mr. Madden: You would rather have me break in if —

Mr. McGrath: Absolutely, because I would wasting time to get the answer which you can give me in so fewer words.

Q. 49 In 1937 you reported dividends in the amounts of \$15,436.66.

Mr. Pendergast. Can you explain what corporations you received those dividends from?

A. 49 From the Atlas Beverage Company I received \$5,000. From the City Beverage of Kansas City, Missouri, I received \$3,000; from the Kansas City Beverage of Kansas, I received \$600; from the Centropolis Crusher Company \$2,750. From the Sanitary Service Company \$1,666.66. From the California Jockey Club \$2,420.

Q. 50 What stock do you own in the California Jockey Club, Mr. Pendergast?

A. 50 I own 121 shares.

Q. 51 From where did you get the information that you received \$2,420?

A. 51 I don't understand what you mean.

Q. 52 What was the basis of your information that load you to put \$2,420 dividends received from that source on your 1937 return; what guided you?

(Discussion off the record as to dividends received.)

A. 52 Well, I just can't see how I could overlook one and pay on one; that is about the only excuse I have. I don't know how I missed it when I pay on everything else.

Q. S3 bid you keep the proceeds of those two checks, Mr. Pendergast?

A. 53 I must have. They have got my signatures on them.

Mr. Madden: You are saying must have. Don't say what you must have dons. Try to remember what you did do. In other words, I think you are trying to figure out what must have happened rather than trying to put yourself back in that year and try to remember the incident of getting the check and then what you did with the check,

Q. 54 There is that record you have in front of you to show the date of receipt of 24-20?

Mr. Madden: That record is just a memorandum that Mr. Goodwin dictated from the income tax returns.

A. 54 No.

Q. 55 Then you can't tell from your record which of those two you omitted. Do you recall giving one of those checks to Mr. Gnefkow?

Q. 55 I sometimes give him checks, to Captain.

Q. 56 You have no present recollection or memory of giving him the check?

A. 56 He might have gotten the check. He might have come over, several times I have asked a lot of people who worked for Dad to get the money.

Q. 57 You sight have and doing is two different things. You have no present memory of doing that have you? Is there any doubt in your mind you received this total amount of \$4,840?

A. 57 No doubt in ay mind now you have got the check. I don't see how I could declare one and miss one, that is the thing that stops me.

Q. 58 You are satisfied in your mind, Mr. Pendergast, you got those two checks and omitted one?

A. 58 Yes.

Q. 59 How did you acquire this stock in the California Jockey Club?

A. 59 From Mr. McCrory.

Q. 60 From Mr. P. H. McCrory?

A. SO Yes.

Q. 61 Did you acquire it by purchase or otherwise?

A. 61 By purchase.

Q. 62 Do you recall how much you paid for it?

A. 62 Well, there is 121 shares, that is \$12,100. I remember I gave him 2,500 down and I paid him \$7,100 including the down payment. I still owe him \$5,000 on it.

Q. 63 You paid \$2,500 down and later on you paid him \$4,700 and you now owe him \$5,000?

A. 63 I still owe him \$5,000.

Q. 64 Do you recall how you paid this \$2,500, whether in check or currency?

A. 64 Currency.

Q. 65 Is that true also of the \$4,700?

A. 65 That is right.

Q. 66 In what year did that happen, Mr. Pendergast?

A. 66 Well, I acquired the stock in 1937 and I gave him the down payment then, and the rest of the time when I paid him, I don't remember when I paid him for it. It has been through '37 and '38. I still owe him for it.

Q. 67 The dividend was not mixed up in the payment in any way?

A. 67 I don't understand.

Q. 68 The dividend check was not mixed up in these payments you just explained?

A. 68 No.

Q. 69 They were all in currency?

Mr. Madden: Are you sure of that Tom?

Mr. Pendergast: Yes, sir. I paid him in currency always.

Mr. Madden: You are sure you didn't turn over one of these dividends in part payment.

Mr. Pendergast: You mean just endorse the check over to him, is that what you mean?

Mr. Madden: Yes.

Mr. Pendergast: I didn't do that.

Mr. Madden: Pretty sure of that are you?

Mr. Pendergast: I am positive of that.

Q. 70 How did you acquire the stock of the City Beverage Company?

Mr. Madden: Let me make one other suggestion. You spoke of currency.

Where did you get the currency?

Mr. Pendergast: I always keep money in my box.

Mr. Madden: Is it possible that you used—cashed of these dividend checks and used that currency?

Mr. Pendergast: I imagine I did cash one of them.

Mr. Madden: Not what you imagine. Do you remember whether or not; just tell us what you remember; don't be disturbed or nervous about it. Do you remember whether you cashed one of these dividend checks and whether that currency from that source was part of the currency you paid Mr. McCrory, If you don't remember, say so.

Mr. Pendergast: I just don't remember.

Q. 71 Now will you explain how you acquired that City Beverage stock, Mr. Pendergast?

A. 71 I acquired it from—you want the year and date and the circumstances?

Q. 72 Date, year, and circumstances, please sir.

A. 72 I acquired the stock from William McCrory.

Q. 73 Was that purchased?

A. 73 Yes, sir.

Q. 74 In what year.

A. 74 1936. In April 1936 I purchased 23-1/3 shares of Atlas Beverage Stock. At the time I purchased the stock I didn't know whose stock it was. After the stock was broken down I found I had purchased 23-1/3 shares of stock from Mrs. B. Baughman. This stock transaction was handled for me by Mr. P. H. McCrory, to when I paid \$2,333 in currency. He, in turn, gave the money to Mr. Spaar, who had already given Mrs. Baughman his check for her stock, I don't remember whether I paid in full for this stock, at the time, or not.

Q. 75 How many shares were involved?

A. 75 50.

Q. 76 How much did you pay for those 50?

A. 76 I paid \$5,000.

Q. 77 How did you pay it?

A. 77 In currency.

Q. 78 How did you acquire the stock of the Atlas Beverage Company?

A. 78 I acquired 46 and 2/3 shares from Mr. P.H. McCrory.

Q. 79 When did you acquire that, Mr. Pendergast?

A. 79 In January 1936.

Q. 80 What was the consideration?

A. 80 \$4,675.

Q. 81 How did you pay for it?

A. 81 Currency.

Q. 82 Paid in full?

A. 82 I don't believe I did. I paid him part of it down and scattered the rest out.

Q. 83 You still owe him some on that purchase then?

A. 83 No, I paid for that I believe. Paid it up in full.

Q. 84 You mean you paid for it in installments?

A. 84 that is right.

Q. 85 In making the payments for the City Beverage Company and the Atlas Beverage Company, did you make those payments by check or is currency?

A. 85 In currency.

Q. 86 All in currency. On April 17, 1936, the records of the Plaza Bank show that you bought a cashier's check number 33406 for \$17,000 with currency. Where did you get this currency, Mr. Pendergast?

A. 86 Out of my box.

Q. 87 Do you remember that purchase?

A. 87 I am trying to think what I bought it for.

Q. 88 To refresh your memory, I think it had something to do with the Waterfill Frazier venture.

A. 88 I think it was for money I lent them and they gave me warehouse receipts as collateral.

Q. 89 Where did you get this \$17,000 that you put in your safety deposit box?

A. 89 Accumulation.

Q. 90 Accumulation over what period?

A. 90- Ever since I can remember I have received gifts from my father.

Q. 91 On September 24, 1937, you paid \$7,500 in currency to J. C. Nichols Company in full payment for a lot. Where did you get this currency?

A. 91 Out of my box.

Q. 92 And before you put it in the box what source did you derive it from?

A. 92 Well, I had this income in 1935 and 1936 and that was in 1937 I bought the lot, wasn't it?

Q. 93 In 1937.

A. 93 I had all my incomes and accumulations, some money I had saved. I had saved money from.

Q. 94 On April 10, 1935, cashier's check was purchased at City National Bank for \$1,571 by E. H. Matheus. This cashier's check was used by you to purchase traveler's checks McGrady and Benton. Do you recall this transaction?

A. 94 Yes, sir.

Q. 95 Where did you get this \$1,571 currency, Mr. Pendergast?

A. 95 My father gave me that.

Q. 95 In 1936, Mr. Pendergast, you reported receiving \$650 on warehouse receipts. What does this income represent?

A. 96 The Waterfill Frazier was incorporated in '35, I believe, and they had to buy large amounts of high-priced whiskeys to get started. Well, after the money was put up for the shares of stock they still needed money and when they would buy warehouse receipts, all transactions had to be—you have to pay for them right as you got them, and they would give me—they wanted to buy some more they gave me some whiskey as collateral for the money I loaned them and they paid me interest on it.

Q. 97 Did you receive that interest in any year other than 1936?

A. 97 No.

Q. 98 The loan was paid then by the end of 1936?

A. 98 Yes, sir. I think they took the whiskey—had to use the whiskey and they paid me

off.

Q. 99 Do you recall what you did with the money that you got in payment of that loan?

A. 99 I really don't know whether they paid at one time two or three checks or as they took the whiskey down they paid me for it.

5. 100 Do you recall they paid you in checks or currency?

A. 100 They paid me in checks, I know, Waterfill and Frazier.

Q. 101 On the statement attached to your 1935 return, Mr. Pendergast, you show ownership of bonds, I think, in the amount of \$16,000. Is that right?

A. 101 Yes, sir. That is where I paid income tax on the interest I received on bonds. What the exact amount is I don't recall.

Q. 102 How much interest did you report on those, Mr. Pendergast?

A. 102 \$465.

Q. 103 You show no ownership of bonds on your 1934 return. Does that indicate that you owned no bonds in 1934, that your first ownership of Government bonds was in 1935?

A. 103 In 1935 was the first year I took an active part in making up my own income tax. Prior to that time the income tax was taken care of by my father and Homer Goodwin.

Q. 104 Do you recall whether you owned any United States Government Bonds in 1934?

A. 104 Yes, sir.

Q. 105 Do you know how much you owned?

A. 105 No, sir.

Q. 106 How much do you own now?

A. 106 I don't own any now. I sold them.

Q. 107 I refer you to a photostat copy of your 1936 return. I want you to refresh your memory on that statement. In the statement attached to your 1936 return you show that you own United States Bonds totaling \$38,500. Since you showed on your 1935 return that you owned \$16,000, does that indicate correctly that you acquired \$22,500 during the year 1936?

A. 107 I would have to look that up from my own records. I don't recall it. I might have made a mistake when I gave them the '35 would be about the only thing I could say,

Q. 108 Will you undertake, Mr. Pendergast, to make up a list of the bonds that you

owned in 1934 prior years, 1935, 1936, 1937, and submit them to this office in the next couple of days?

A. 108 Yes. From '34 to '37, yes.

Mr. Maddens Let's not limit this to two days, I have great difficulty in having these banks furnish their records. That is the source we would have to go to in a hurry,

Mr. McGrath: We would like to give you all the time we possibly can. Suppose we make it next Monday.

Mr. Madden: That is amicable.

Q. 109 Were those bonds purchased with your own money, Mr. Pendergast?

A. 109 Yes, sir.

Q. 110 You haven't received any as a gift from your father or otherwise?

A, 110 No, sir.

Mr. Madden: You mean substantial amount?

Mr. McGrath: Money I was thinking of.

Mr. Pendergast: I thought you were talking about bonds.

Q. 111 I meant to say it was your money; you furnished the funds that were used to purchase the bonds?

A. 111 Through accumulation my father gave me, I saved my money and purchased bonds with it.

Q. 112 When you say accumulation of what your father gave you, you mean gifts your father gave you in prior years?

A. 112 That is correct.

Q. 113 Approximately how much?

A. 113 Well, I recall getting gifts for Christmas, my birthday, accumulation of that type would be between 10 or 15,000 dollars.

Q. 114 In what years were those gifts made?

A, 114 Well, all the time I can recall.

Q. 115 Were any of those gifts made in the year 1935 or 36, 37?

A. 115 Just be birthday gifts and Christmas gifts*

Q. 118 Would they amount to as much, as \$1,000 any one time?

A. 116 I believe I got \$500 on my, for my Christmas gifts and around my anniversaries I

received around \$1,000.

Q. 117 Would that be in the form of currency or check?

A. 117 Currency.

Q. 118 You received a salary from the T. J. Pendergast Wholesale Liquor Company and also from the Atlas Beverage Company and City Beverage Company during some of these years we are speaking of?

A. 118 Yes, sir.

Q. 119 Did you deposit those salaries in your bank account?

A. 119 The salaries, yes, sir.

Q. 120 Did you deposit all of your salaries that you reported on your returns from the years 1934 to 1937, or substantially all?

A. 120 Wait a minute here. Do you mean did I deposit everything I received, including salaries and dividends?

Q. 121 No, just salaries.

A. 121 Yes, sir.

Mr. Madden: Just a minute. What Mr. McGrath is referring to is what has been returned to the salary account in your income tax, and would include what you call salary and bonus salary.

Mr. Pendergast: Oh, well, no, that answer is wrong then.

Q. 122 Do I understand then that you did not deposit your bonus?

A. 122 The bonus I received from the T. J. Pendergast Wholesale Liquor Company, I didn't deposit.

Q. 123 What did you do with that?

A. 123 I got cash for it.

Q. 124 What did you do with the cash?

A. 124 Put it in ay box.

Q. 125 Did you receive any bonus from any of the corporations?

A. 125 In that one year?

Q. 126 Any of those years?

A. 126 There was \$5,000 bonus listed, I believe, on the City Beverage Company in 1937. Whether it was listed as a bonus and given together—listed as a bonus.

Q. 127 Did you receive that in currency?

A. 127 In check from the City Beverage Company.

Q. 128 What did you do with the check?

A. 128 I think I got it cashed and got it in currency.

Q. 129 What did you do with the currency?

A. 129 I put the currency in my box.

Q. 130 Where did you keep your bank accounts during this period., Mr. Pendergast?

A. 130 At the Plaza Bank of Commerce and the Produce Exchange Bank.

Q. 131 When did you open an account at the Plaza?

A. 131 Checking account, sir?

Q. 132 Yes.

A. 132 I think it was in '31.

Q. 133 On February 16, 1935, you deposited \$1,650 in currency at the Plaza Bank. Do you recall what that currency represented?

A. 133 I don't recall what I got the draft for.

Q. 134 On March 4, 1935, you deposited \$2,000; explanation is "called four 4 1/4" Is that proceeds of some bonds that were matured?

A. 134 Those were some--wait a minute you said bonds.

Q. 135 I don't know whether bonds or not. I presume they were four 4 1/4.

A. 135 That is correct; they were recalled.

Q. 136 On April 19 you deposited \$590 in currency. Do you know what that was—this is all 1935.

A. 136 Probably checking; that is about all, the only thing I can recall. To check against would be about the only thing.

Q. 137 You think you checked that out of your account and redeposited it; is that the information you want to convey?

A. 137 You said I deposited \$500 some odd in currency in the bank?

Q. 138 That is right.

A. 138 I probably checked against it.

Q. 139 Where did you get the currency?

Mr. Madden: Mr. McGrath meant where did you get the currency, not what you did with

the deposit.

A. 139 Got the currency out of my box.

Q. 140 On April 23, 1935, you deposited \$1,200 even in currency. Do you remember what source that was?

A, 140 No, sir, I don't. You mean where I got the money?

Q. 141 Where you got the currency.

A. 141 From my box.

Q. 142 You say from your box?

A. 142 I imagine it would be from my box.

Q. 143 You can not tell us definitely where you got it from?

A. 143 That would be the only place I would have any currency would be in my box.

Q. 144 On June 4 you deposited \$1,000 in currency.

A. 144 1935 this is?

q. 145 Yes, sir.

A. 145 Yes, sir; from my box.

Q. 146 On July 6 you deposited \$150 in currency. Do you know what that was for?

A. 146 I don't know where I would get the \$150.

Q. 147 On December 12 you deposited \$2,500 with the explanation "bond called 4-4 1/4." Is that another bond or number of bonds that matured at this date?

A, 147 Yes, sir; they were some 4 1/4 recalled at that time.

Q. 148 On December 31, 1935, you deposited \$750 in currency at the Plaza Bank.

A. 148 That would be money I received as gifts.

Q. 149 You are making that as an absolute statement or as just your opinion?

A, 149 That would be my opinion.

Q. 150 On January 5, 1937, you deposited \$400 even in currency. Do you remember what that was?

A. 150 You mean where did I obtain the money for the \$400.

Q. 151 Where you obtained the currency.

A. 151 That I have no recollection of.

Q. 152 During the year 1935, in looking over your deposits at the Produce Exchange Bank, I note deposited currency in various amounts. I see an item of \$250 deposited

on February 9;

\$50 on March 17; \$300 on July 7; \$20 on June 20; \$50 on June 16; \$150 on July 23; \$300 on August 2; \$60 on August 17; \$45 on September 23. Do you know what any of those are for or what they represent?

A. 152 I see that \$45 one, the way it was made out, it looked like the interest on bonds to me.

Q. 153 There are three small items there.

A. 153 Yes, sir. \$15.00.

Q. 154 Is that the only one you have any knowledge of where they came from?

A. 154 That would be awful hard for me to go back and say. I don't recall where I got the money.

Q. 155 There is an item here of \$12,500 deposited on December 31, 1935, which was in the form of a check. Do you know where you received that from?

A. 155 Spillway Builders.

Q. 156 On May 14, 1936, you deposited \$1,116 in currency? Do you know what that was?

A. 156 At the Produce Exchange Bank?

Q. 157 That is right.

A. 157 I don't have any idea what I deposited it for now.

Q. 158 On June 5 you deposited \$700 in currency. Do you know what that was?

A. 158 I don't know what I used it for.

Q. 159 Do you know what it represented? What did you receive it for?

A. 159 In June that was my own money I deposited. All these deposits were my own money, what I used the for I haven't any idea.

Q. 160 We are not concerned so much with what you used it for as we are the source, whether it represented income to you or not. That is really our main concern. If this \$700 was taxable income we would like to know it. That is really our whole concern.

A. 160 The money I received I turn in. Any money that I sight—I might put money from one bank, draw money out from one bank or get cash from one box to build up an account in another bank.

Q. 161 On January 4, 1937, you deposited \$1,400 in currency. Do you have any

recollection of what that represented?

A. 161 That was my own money.

Q. 162 Where did you get it from?

A. 162 I imagine I had it in ay box.

Q. 163 On April 28 you deposited \$1,060 currency. Do you know what that was?

A. 163 That was my own money.

Q. 164 On the same date you deposited \$3,697.69 and a notation on the slip says "might be cash." Can you give us any information on that item, \$3,697.69?

A. 164 No, sir. I can't give you any information whether it was cash or whether it wasn't cash.

Q. 165 In what corporation do you own stock at the present time, Mr. Pendergast?

A. 165 In the Atlas Beverage Company, the City Beverage Company and the City Beverage Company of Kansas City, Kansas, the Waterfill and Frasier, the Sanitary Service Company, Shawhan Distilling Company.

Mr. Madden: Wait a minute; do you own any stock in. that yet?

Mr. Pendergast: It will be until it is paid for.

Q. 166 Is that all?

A. 166 Centropolis Crusher Company, California Jockey Club.

Q. 167 Do you own any stock in the Riverside Jockey Club?

A. 167 No, sir.

Q. 168 Do you own any stock in the T. J. Pendergast Wholesale Liquor Company?

A. 168 No, sir.

Q. 169 When did you acquire your stock in the Waterfill and Frazier?

A. 169 When it was incorporated in 1935.

Q. 170 How much stock do you own in that corporation?

A. 170 I own 250 shares.

Q. 171 How much did you pay for it, Mr. Pendergast?

A. 171 \$25,000.

Q. 172 Did you pay in full? A. 172 Yes, sir; it is paid in full.

Q. 173 Do you recall how you paid? A. 173 I paid by check and by currency.

Q. 174 Do you remember how much was by check and how much by currency?

A. 174 No, sir.

Q. 175 I think there is an item of \$12,500 checked out of your account with that explanation. Is that part of it?

A. 175 If it has been checked out for cash or checked out by check?

Q. 176 Checked out by check.

A. 176 If there was \$12,500 made payable to Waterfill Frazier it would be for the Waterfill Frazier stock.

Q. 177 And is it your recollection that you paid the remainder in currency?

A. 177 I don't recall whether I paid all of it by check or by currency.

Q. 178 Now you spoke of the Shawhan Distillery. You do not have complete ownership of that yet, do you?

A. 178 That is correct.

Q. 179 Have you made any payment in anticipation of ownership?

A. 179 Yes, sir. I paid some money on it.

Q. 180 In what year?

A. 180 1939.

Mr. Madden: I understand, I think, that transaction Mr. McGrath: This distillery? You see it is '39. We are not concerned at the moment with '39.

Q. 181 Does your sister, Mrs. Burnett, owe you any money, Mr. Pendergast? A. 181 Yes, sir.

Q. 182 Now much?

A. 182 She owes me \$18,000.

Q. 183 How was that incurred?

A. 183 You mean?

Q. 184 How did she come to owe you \$18,000?

A. 184 When she was building her house she incurred the debt.

Q. 185 Did you advance all this at one time?

A. 185 No, sir.

Q. 186 Do you recall how you did advance it?

A. 186 I think I advanced \$5,000 in '36 and 13 in '37.

Q. 187 Was that in the form of checks or currency?

A. 187 Currency.

Q. 188 Does your wife own any stock in any corporation, Mr. Pendergast?

A. 188 Yes, sir. She has got 15 shares in the T. J. Pendergast Wholesale Liquor Company.

Q. 189 How did she acquire those shares?

A. 189 As a gift from my father.

Q. 190 Is there any other stock your wife is owner of?

A. 190 Not that I know of, sir.

Q. 191 Does she own any United States bonds you know of?

A. 191 Yes, sir.

Q. 192 Do you know how much; what value.

A. 192 She owns around \$6,500 Government bonds.

Q. 193 Did she buy those with her own money or with your money?

A. 193 With her own money.

Q. 194 You have a safety deposit box, Mr. Pendergast?

A. 194 Yes, sir.

Q. 195 What bank?

A. 195 Produce Exchange Bank and Plaza Bank.

Q. 196 You have one in each place?

A. 196 Yes, sir.

Q. 197 Are you the only one who has access to those boxes?

A. 197 No, sir.

Q. 198 Who else has right of entry?

A. 198 My wife.

Q. 199 Do you keep savings accounts as well as checking accounts in those two banks?

A. 199 My wife keeps a savings account in the Plaza Bank of Commerce.

Q. 200 In 1938 I have a copy of a deposit slip, Mr. Pendergast, dated January 24, 1938, at the Produce Exchange Bank, which shows you deposited \$13,000 even. Can you tell us what that represented?

A. 200 Well, this was bonds I sold. Some of this was bonds I sold. This \$10,000 worth, that is bonds that I sold, and the interest and the premiums for selling them at that

time.

Q. 201 You are referring now to your deposit dated April 22, 1938?

A. 201 That is right.

Q. 202 What about the deposit dated January 24 for \$13,000? There appears a notation on the back of the deposit slip, says a local check, clearing house number 2. What would that check be for and from whom?

A. 202 I can't recall who it would be from at this time.

Q. 203 You carry pretty large life insurance?

A. 203 I carry \$30,000 with the New York Life Insurance Company.

Q. 204 How do you pay the premiums on that?

A. 204 Quarterly. I just took it out last year.

205 Do you pay in currency or by check?

A, 205 I pay by check. I just paid the one premium, the first one.

Q. 206 Does your father owe you any money, Mr. Pendergast?

A. 208 You mean ay father now or when or what do you mean?

Q. 207 I mean does your father owe you any money at this date. Have you paid any loans or advances to your father that he has not repaid you?

207 You mean including '38 or '39—which years do you mean?

Mr. Maddens Do you know does he owe you money?

Mr. Pendergast: Yes, sir.

Q. 208 How much money?

A. 208 \$7,500.

Q. 209 Hum you lend to your father, does he give you a note or any evidence of a debt?

A. 209 So, sir.

Q. 210 Do you owe your father anything beyond he has given you as gifts and for which he did not expect to be reimbursed?

A. 210 No, sir.

Q. 211 Do you hold any notes or evidence of the debt you said your sister owed you?

A. 211 No, sir.

Q. 212 Is there anything you would like to say for the record to clear up anything we have covered here which you may now feel you have made an inadequate answer or any

