

Simultaneous to his divorce proceedings was this court case that further reveals the character of Charles Dannenbaum. Although Dannenbaum clearly exaggerates the importance, wealth and influence of his family, his grandfather did own slaves in South (the 1850 census shows four slaves owned by Sam Loupe).

1 Apr 1909, Chicago Tribune, p. 3

## NAB BROKER WITH NEW METAL

Police Arrest Charles Dannenbaum on Clients' Charge.

### SUBSTITUTE FOR PLATINUM.

Men Who Say they Backed It Accuse Promoter of Conspiracy.

On top of his marital troubles, Charles J. Dannenbaum, a broker, living at the Annex, was arrested last night on a charge of conspiracy to obtain money by false pretenses. The amount involved is alleged to be \$13,000. Charles H. Thompson and L. G. Erhardt are the complainants in the case.

A warrant also was issued for the arrest of Dr. J. Rawson Pennington of the Frances Willard hospital staff, but the police did not serve it. It was said that Dr. Pennington was out of the city.

Broker Dannenbaum was taken to the residence of Judge Bruggemeyer, where he gave bonds in the sum of \$25,000 for appearance at the Harrison street court this morning. Charles Olson, a real estate dealer, became his surety.

Dannenbaum declared to Detectives Reed and Magner, who arrested him, that he could disprove the charge when given a hearing. The arrest, he said, was unwarranted, and Dr. Pennington, he asserted, was equally as innocent.

"We will have our inning in court," said Dannenbaum. "There is absolutely nothing to the case."

### Had Platinum Substitute?

According to the police version of the matter, Dannenbaum and Dr. Pennington sold stock in a company which was to manufacture a metal that would take the place of platinum.

This metal, which is largely used in telephone and electric appliances, is more valuable than gold, and the substitute that was to take its place, it was represented, could be manufactured at small cost.

Mr. Thompson and Mr. Erhardt, it is alleged purchased \$12,000 worth of stock in the company that was to manufacture the substitute metal. They now say the scheme is not feasible—that the substitute metal will cost as much to produce as platinum.

For that reason they allege the stock which they bought is worthless. According to the warrants, Erhardt invested \$10,000 and Thompson \$3,000.

### Accused Wife; She Rejoined.

Dannenbaum sued his wife for divorce last December, charging among other things that she was in the habit of beating him and that she once tried to kill him by gas asphyxiation. The wife filed a cross suit, and after a hearing in Judge Barnes' court, both bills were dismissed. Recently Mrs. Dannenbaum caused the arrest of her husband for abandonment. She lives at the Vincennes hotel.

Dannenbaum testified in his divorce case that his wife was so jealous that he could not live with her.

**CHARGES BROKER AND DOCTOR TOLD FAIRY TALES FOR CASH.**

**Attorney for Purchaser of Stock in Patent Scheme Describes Alleged Methods of C. J. Dannenbaum and Partner.**

An exposition of "sucker catching" as a fine art constituted the opening statement in the preliminary hearing of charges of obtaining money under false pretenses against Charles J. Dannenbaum and Dr. J. Rawson Pennington yesterday.

Attorney Lloyd C. Whitman, representing the complainant, L. J. Erhardt, was permitted to aid Assistant State's Attorney Claude Smith by explaining the case to Judge Hume, and in relating how \$11,000 was obtained from his client he set forth some of the finer points of the stories that were told him, as follows:

"They said that Dannenbaum was a society leader, that his father was enormously wealthy, and that his grandfather had owned slaves in the south before the war. They said his shoes cost him \$16 a pair.

"Erhardt was told that Dr. Rawson Pennington was an electrical wonder, and that he had invented a machine that beat any of Edison's. A spark from it, they said, would travel around the world in two minutes."

By such means as this, and the consistent stringing out of the entire story of a telephone patent that they said was worth \$250,000, the attorney said, the two defendants persuaded his client to pay \$700 or \$800 a share for stock that had not cost them a cent or for which they had paid about \$1.50.

**BROKER DANNENBAUM ON TRIAL**

**Accused with Dr. Rawson Pennington of Defrauding L. G. Erhardt and C. H. Thompson in a Stock Deal.**

At the trial of Charles J. Dannenbaum in Judge Hume's court yesterday Lenoce G. Erhardt testified that Dannenbaum induced him to pay \$1,500 for two shares of stock in a company that was going to manufacture a substitute for platinum.

Erhardt and Charles T. Thompson caused the arrest of Dannenbaum and Dr. Rawson Pennington several weeks ago on charges of obtaining money under false pretenses. Thompson alleged that he had been defrauded out of \$3,000 by Dannenbaum and the physician. Erhardt said he was swindled out of \$10,000.

After the stock certificates had been introduced as evidence an adjournment was taken until today.

**LED TO THINK DANNENBAUM HAD REMARKABLE ANCESTRY.**

**Leonce G. Erhardt Testifies in Suit in Which He Charges He Was Fleeced Out of Ten Thousand Dollars.**

"There was no doubt in my mind that Charles J. Dannenbaum had a remarkable ancestry and was an important personage himself, and that Dr. Rawson J. Pennington was the wonder of the medical profession when I heard Dannenbaum relate stories to me of himself, his father, and Dr. Pennington at the time he sold me stock in the Charles M. Thompson company."

That statement was made by Leonce G. Erhardt in Judge Hume's court yesterday in a case in which he says he was the victim in a \$10,000 purchase of stock from Dannenbaum and Dr. Pennington. Dannenbaum and the physician were on trial on the alleged charge of obtaining \$10,000 from Erhardt and \$3,000 from Charles M. Thompson by false pretenses.

"Dannenbaum told me he paid \$16 a pair for his shoes, the real price being \$18," the witness continued. Erhardt then testified to his several purchases of stock, giving in detail the amount purchased and the price paid.

An adjournment until May 11 was taken before Erhardt's cross-examination was completed.

## PLACED UNDER ARREST AT TRIAL

**Broker Accused of Fraud Apprehended in Court on Like Complaint by Same Complainant.**

Charles J. Dannenbaum, broker, was arrested in Municipal Judge Hume's courtroom yesterday on a warrant charging him with having obtained by false pretense \$2,100 from Leonce Erhardt, manager for several downtown restaurants. The warrant was served on Dannenbaum during the joint trial of himself and Dr. Rawson J. Pennington for a like offense, in which Erhardt claimed he was separated from \$1,000. Erhardt charges that Dannenbaum fleeced him by selling him stock in the Charles H. Thompson company, representing he was a heavy stockholder therein and that the company was manufacturing a substitute for platinum, for which the Chicago Automatic Telephone company had agreed to pay a profitable price. The stock, he alleges, proved to be worthless.

## JURY GIVES INVESTOR \$11,500.

**L. G. Ehrhardt Charged He Was Victim of Conspiracy in Stock Transaction.**

A jury in the Superior court yesterday returned a verdict for \$11,500 in favor of L. G. Ehrhardt against Charles J. Dannenbaum, a former coffee salesman, and Dr. John R. Pennington and Dr. William D. Pennington.

Ehrhardt sued for \$14,000 he says he paid for stock in the Charles M. Thomsen company. He testified that Dannenbaum represented that the company owned a device dispensing with platinum points in electrical connections.

The Penningtons were officers of the company. Ehrhardt says the defendants conspired to defraud him of the money he invested. Ehrhardt is connected with the steward's department at the Congress hotel.

## ANSWERS CHARGES OF FRAUD.

**Dr. R. J. Pennington Tells How He Became Interested in Project to Make Substitute for Platinum.**

In the trial of Dr. Rawson J. Pennington and Charles J. Dannenbaum, a broker, on charges of obtaining \$13,000 by means of a confidence game, Dr. Pennington took the witness stand in Judge Hume's court yesterday and told how they first became interested in a project to make a substitute for platinum.

"Charles M. Thompson told me he wished assistance in securing a patent for a substitute for platinum that would take the place of the real metal," he said. "He rigged up some electric bells and other appliances in my office.

"Dannenbaum was a patient of mine at the time and he and I became interested in the project after being informed that an automatic telephone company was interested in it and its use would save that company \$300,000 a year."

After Dr. George W. Webster and other witnesses had testified to the good reputation of Dr. Pennington, an adjournment was taken till this afternoon.