

The Story of PeoplesBank Since 1864

Georg R. Sheets

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Introduction

In 1951, when I began my professional career by opening a law office in York, there were twenty-seven independent banks in York County. Five of the largest of these in assets and influence were easily visible from Continental Square and a sixth was faintly visible west of the Codorus. At that time branch offices were uncommon. Only one of the big six had two branches and two of the others had one branch each.

The other twenty-one banks were here and there located throughout the County from Dillsburg on the north to Fawn Grove on the south, and from East Prospect on the east to Hanover on the west. Hanover had four independent banks, Glen Rock and Red Lion each had two while other population centers had only one and several had none. Where banks existed, they usually were housed in restrained and formidable structures, second only in a few cases to still more impressive churches.

Of all these banks at that time, there were several common and basic features. First, they were corporations formed and operating in York County only under charters of either Pennsylvania or the United States. Second, the registered offices of each of these banks and all branches were located in York County. Third, their boards of directors were composed of successful or prominent businessmen, professionals, merchants, artisans and farmers who were residents of or near the service area of the bank. Fourth, bank shares of stock were closely held and their owners lived not far from the bank of their investment and, in most cases, were concerned with its operation, reputation and profit.

Over the intervening decades since 1951, the factors stated in the preceding paragraph have greatly changed and are almost nonexistent. The parochialism of the banks of York County, as elsewhere in our nation, has slowly and materially diminished, and in many cases has ended. As the changing laws allowed, as amalgamation became customary and as combiners acted, the banks of York County as local entities slowly disappeared. They were purchased, merged or otherwise consolidated into larger and larger entities—first multi-county, then multi-state, then regional and beyond. This is not to be critical of expansion by acquisition, but to express and account for the diminution of York County banks as independent entities over the past half century.

Strangely, the total extinction of independent banks that existed in York County did not occur. This is evidenced by the present existence of PeoplesBank, a survivor of the numerous independent banks that existed in 1951. The theme and purpose of this book is to present the history of this survivor by way of review of its formation, many of its personnel, travails, continuance under several name changes and its steady growth in branches, services, assets and influence. Through it all, PeoplesBank remains a York County institution, deserving both commentary and commendation that this book is intended to provide. It is a memorial to institutional persistence, durability and growth.

Jeffrey C. Bortner
Former Chairman

Preface

William Shakespeare noted in *The Tempest*, “What is past is prologue.” Some five hundred years later one can still conclude that the past is still an introduction to the present and to the future, especially as you read *The Story of PeoplesBank Since 1864*.

The remarkable one hundred and forty-three year history of PeoplesBank is truly a prologue with or without Shakespeare. The image of a rock-solid bank dedicated to its local community complete with a 30,000 pound vault initially created a sense of safety for its customers in and around the Borough of Glen Rock. The loyalty of a handful of customers back then has grown today into the loyalty of tens of thousands. Image was as important in the post-Civil War period as it is today and the original PeoplesBank has never wavered as a safe and sound financial institution, despite the challenges created by unimaginable crises.

The history of a bank is more than just numbers; it's more than just balance sheets and financial statements. It's more than profits and losses. The history of a bank, especially a local community bank, is really a history of its people, its personalities and its philosophies. Evidence of this fact is reflected in the definition of a bank in the 1912/1913 Dedication Brochure of the new building for the First National Bank of Glen Rock: “A Bank is naturally a semi public institution, belonging in a sense to the people of the community in which it is located and whom it serves, and in that sense we hope the citizens of Glen Rock and adjoining communities will recognize the First National Bank as their institution and have cause to take pride in its growth and progress.” One cannot help but notice the importance of the word *people* in this definition. Some twenty years later, in 1933, in the aftermath of countless bank failures,

the leaders of the then-called Trust Company of Glen Rock decided to apply for a banking charter under a new name. Someone suggested the new bank should be named for the customers it would serve, the people of Glen Rock. How poignant! Thus times change—but the commitment was permanent. The vision of the early leaders is remarkable and it has stood the test of time. A real community bank still belongs to the people to whom it serves. Its reason for existence has never changed. The history of PeoplesBank personifies the maturation of a local community whose roots run deep, whose success is dependent on delivery of services to match the diverse needs of an emerging community. Community reinvestment has been and will continue to be the reason for PeoplesBank's existence.

When current President Larry Miller's predecessor, Bill Kapp, mentored him, he passed on principles of life, not just banking. The mantra that was shared, although brief, is eternal: Promise only that which you can deliver and always deliver what you promise.

The faces will change, the styles will vary, the technology will alter the transactions. The building will be different. Nonetheless, in the case of PeoplesBank the local bank will always be there investing not just money, but time, talent and energy in order to improve the quality of life for everyone who lives, works, or plays in south central Pennsylvania.

It shouldn't surprise anyone that the original incorporators of the Bank in 1863 and 1864 were the founders of the town and the community's most influential leaders. These men were woven into the

fabric of the community. They were in today's terms, the "movers and shakers." Reflect back for a moment and once again you will see the "consistency and longevity of service and commitment." One doesn't grow to be nearly a billion-dollar financial institution by accident.

The Codorus Valley Bancorp, Inc. Annual Report for 2007 is a far cry from the "Report of the Condition of the First National Bank at Glen Rock on June 3, 1886." The numbers are obviously different but the direction remains steadfast: strong growth, superb customer service and, to paraphrase past-President Bill Kapp, "promises to be kept." Building on the deep roots of the past, the leadership of PeoplesBank has a clear vision for the future. The next century of service will undoubtedly revolve around the people.

Frank A. Pinto

President

Pennsylvania Association of Community Bankers

Chapter One

Born Out of the Civil War (1864–1886)

In many respects Glen Rock was near the eye of the storm as the War Between the States gathered fury in the early 1860s. The village, about six miles from the Mason-Dixon Line, dividing North from South, is situated in a valley of south central Pennsylvania drained by the southern branch of the Codorus Creek. Made a borough in 1859, Glen Rock was surrounded by fertile fields and forests, about fourteen miles south of York.

By 1860 when the federal arsenal at Fort Sumter, South Carolina, was bombarded, touching off the Civil War, Glen Rock was a small but intensely industrial town. There were two hundred citizens and numerous artisans and businesses contributing to the wealth and status of the community.

York, the seat for the county of the same name, had about 8,600 citizens in 1860 when the war began, while the county population had grown to 68,000.

Engaged quickly in a growing war, President Lincoln faced the reality that the federal government lacked money to fight the opposition. He proposed a plan that would provide for a supervised system of

“National Banks.” Congress passed the National Banking Act of 1863 setting up operational standards for national banks, establishing minimum amounts of capital to be held by all banks, and defining how these banks would make and administer loans.

Banking began in the United States about 1781 when the United States Congress passed an act that established the Bank of North America in Philadelphia. During the American Revolution, the Bank of North America had a monopoly on currency, though private banks and some wealthy businessmen printed their own bank notes. These notes were sometimes backed by deposits of gold and silver, but not always.

Robert Morris became the first Superintendent of Finance for the Bank of North America, which was framed under the Articles of Confederation and debated and agreed upon while Congress was in residence at the York County Courthouse. After the Revolutionary War, several banks were chartered by individual states under the Articles of Confederation, including the Bank of Massachusetts and the Bank of New York.

When the Articles of Confederation was supplanted by the United States Constitution, Congress created a new bank. Chartered under the Constitution in 1791, the First Bank of the United States was to operate until 1811. Congress failed to renew the charter for this institution, and nearly five years passed until Congress chartered the Second Bank of the United States in 1816. But the charter for the second bank expired, too, in 1836.

There were already banks in York and Gettysburg, and there were also institutions called Savings Institutions, such as the Shrewsbury Savings Institution, chartered in 1850. Some banks still operated with state charters and were reluctant to give up their state licenses in favor of federal, or national, charters. The advantages of state versus federal charters varied throughout the years and gradually the pendulum swung, again, to favor national banks. Savings institutions were governed by a different set of rules and had different goals and objectives.

Lawrence M. Friedman, a historian versed in the law and in banking, explained:

Until 1838, a bank could be chartered by a legislative act, as was the case with the Bank of New York and the Bank of Massachusetts. When the state of New York adopted the Free Banking Act that year (1838), it was generally accepted that anyone could charter a state bank simply by complying with certain charter conditions. This method of establishing banks was adopted by other states, following the lead of New York and Massachusetts. It is not surprising, then, that the road to financial stability, under a system of independent, but confederated, states, was fraught with complications—and still is today. Government regulations, adjustments to regulations—and deregulation—are all part of the banking story. This long story reached one of its many critical moments in 1863, when many of the Southern states began to secede from the Union and Abraham Lincoln needed money to defend the Union from its self-destructive behavior of separation. The national currency had been in a chronic state of disrepair before the Civil War. After [President Andrew] Jackson, there was no national banking at all. The states regulated currency and banking, but regulation was confused, halting, and in general ineffective.

The National Banking Act of 1863 created a national bank charter, and from then onward, new banks could choose either state or national charters. This system was called the dual banking system. Friedman observed that when the federal government entered the banking picture during the Civil War there was a “desperate wartime need for central control of fiscal and monetary systems.”

“The Legal Tender Act was a wartime measure,” he wrote, and “after the war, it provided the occasion for one of the Supreme Court’s most spectacular flip-flops, first a decision that the law was invalid, and then a quick change of mind (following a change in personnel).”

National banks formed from the Act of 1863 would put part of their capital into United States bonds, as President Lincoln’s plan for a national bank system envisioned, bringing money into the federal treasury that could, in turn, finance the government and its activities, such as the War Against the Rebellion. Consequently, an amendment to the Act of 1863 imposed a 10-percent tax on state bank notes, bringing all banks in the United States under federal supervision. (Some state banks were exempt from the tax and continued under their state charters until the Federal Reserve Act was passed in 1913.) Gradually this chaotic system of monetary exchange was smoothed out, and a federal currency was established. But, the fiscal climate in 1863 was far from tidy, and the farmers and businessmen of south central Pennsylvania watched developments with keen interest.

Immediately after news of Lincoln's plan for a national banking system reached Glen Rock, farmers and business leaders met to discuss the new Act, and how it would affect them and their businesses. They seized on the idea of forming their own bank. They agreed they could raise the capital needed, but their discussions were brought to a sudden halt.

Until now the conflicts between Union and Southern interests seemed far away. Then, with the attack on Fort Sumter, the war became a reality. Armies for the North and the South moved quickly around the map and soon enemy forces were present quite close in the hills of south central Pennsylvania.

News came to York County that Southern, or Confederate, forces, were clashing with Union armies in Virginia and Maryland—deadly battles. A Civil War hospital was set up on the Common in the town of York, and soldiers from both armies were being brought there for treatment and, in many cases, preparation for burial. The railroad passing through Glen Rock was an important conduit carrying both soldiers and war supplies.

The Confederates moved closer to the Pennsylvania border. Soon the enemy had crossed the border and no town in Pennsylvania was safe.

In mid-June 1863, word came to York County that General Robert E. Lee's confident Army of Northern Virginia was getting ready to invade Pennsylvania. Lee had set up headquarters only forty miles from Glen Rock at Frederick, Maryland. From Frederick he moved to Chambersburg. Then (it seemed like overnight), one of Lee's key men, Confederate General Jubal Early, marched into York County with thousands of Confederate troops.

Early had stopped on the evening of June 27 at a farmhouse, eight miles west of York. He was regrouping and making plans for the invasion of the county seat. Rumors crept through the region. One scenario speculated that Early was going to burn the city of York and then proceed to Harrisburg to burn the Pennsylvania capital. Other reports said the Confederates were headed to Philadelphia to capture that city, one of the North's most important centers of population and political power. Regardless of their destination, Early and other Confederate leaders were collecting supplies for their armies as they moved across the land, threatening to seize control and strangle the Union.

But who could tell fact from fiction, rumor from war news, in those uncertain times? One thing became clear in York County: thousands of Confederates were camped nearby, and danger was imminent. Once in 1862, and again in 1863, wagons filled with women and children and household goods hurried along the country roads, passing through towns like Glen Rock, as they fled northward and eastward to cross the Susquehanna. Bankers and businessmen sent their money to Philadelphia and New York. People on

the farms hastily buried their silver and valuables. They took horses and cattle to wooded back pastures to hide them from the expected Confederate troops.

A group of York's businessmen, including the mayor, then known as Chief Burgess, gathered in the counting rooms of P. A. & S. Small, York's dominant mercantile company that distributed flour and other farm products to markets near home as well as in Baltimore in the South and from its seaport to Brazil, Argentina and other markets. The committee of citizens, conferring with Chief Burgess David Small, asked, What could be done? What should be done?

The men agreed that the Burgess would lead a group out to Farmers, the small, motley village eight miles west on the York-Gettysburg road, and meet with the Confederate general headquartered there in or near the post office. The group from York would meet with General John B. Gordon, one of Early's brigade commanders, and try to reason with him about plundering the town. Among the group setting out on this mission, with the Burgess, were Colonel George Hay, W. Latimer Small, Thomas White and A. B. Farquhar, a young industrialist who is credited with proposing the meeting.

The Civil War, historian Betty Peckham emphasizes in her account of these events, was a war between gentlemen. Being a gentleman, General Gordon received the committee from York courteously. He reassured them that no property would be destroyed in York, and that his soldiers were under strict discipline. They would not molest citizens, he promised. This was on Saturday night, June 27.

The next morning, June 28, 1863, while churchgoers made their way into Sunday services, military music, far in the distance at first, began to mingle with the clanging of the church bells.

Four brigades of Early's division, approximately 9,000 men, were advancing on York from the west. The sun seemed to spotlight the big red bank barns, the stone farmhouses and the lush fields. There was fragrance of clover in the air. Along the way, enemy soldiers stopped to eat ripe cherries. Wherever the troops found a horse unattended, they appropriated it for the Confederate Army. They took chickens and pigs for roasting and demanded that people on the farms they passed give them bread and other foods from their kitchens, pantries and cold cellars. Men moving in advance of the main army entered York, and like a great ocean wave, the main army entered town.

People stopped wherever they were. Some waited defiantly, gawking; many ran to the safety of shops and houses, crowding into windows to watch the soldiers go by. Only one clergyman tried to hold services, but when a band struck up "Dixie," right outside the church door, he, too, dismissed the congregation and joined the spectators.

The first Confederates to appear were on foot and carried shovels, pickaxes and spades, instead of guns. They were prepared to remove obstacles set in the way to slow down their progress. The rest of the companies were well armed, but the men were ragged, dusty and unshaven. The men wore whatever was

available; no two men were dressed alike. Many were barefoot. Others were riding two or three on a horse, taken perhaps from a Pennsylvania farm along the way.

In the ranks of the Confederates, some York girls saw their old beaux from Baltimore. *The York Gazette* reported: "The vanguard of the enemy approached in three columns, the center through Main [now Market] Street."

"Some women waved red streamers," Peckham wrote of that event, "and as General John B. Gordon rode on horseback through the streets, a young girl ran out and handed him a bouquet of red roses. In the center of the bouquet, a note was concealed, telling him of a secret approach to the bridge at Wrightsville by way of a ravine, and also the number of militia guarding the bridge there."

In fact, many Yorkers were sympathetic to the South. This behavior might be expected, perhaps, in a community just a few miles north of the Mason-Dixon Line with business and social interests in the South. When it seemed the town was overcome by the enemy, more Confederate troops arrived. General Early and his staff marched into town, with another brigade.

Unlike gentlemanly General Gordon, however, General Early was a rough, hard-drinking commander with a shaggy, tobacco-stained beard. He was riding a handsome black horse stolen from a Mennonite

family in northern York County. He was not burdened, or concerned, bystanders learned, with the promises made by others.

At Centre Square, where a crowd had gathered, a group of Confederates stopped and began to pull down the Union flag, made, it was said, by the patriotic women of York. There was a clamor of opposition, but the enemy troops, nevertheless, reportedly tore the flag to shreds and scattered it along the streets as they marched. Though this is one of many variations on the story of how the town's flag was taken, it was not long until the Stars and Bars of the Confederate flag were waving over York.

Not far away, at Loucks' Mill, near the site occupied by the Harley-Davidson plant today, troops set up an encampment, mounting cannons on hills overlooking York. They butchered a cow taken from a farmer and built a blazing fire to roast it.

About two o'clock that afternoon, General Early and his staff took up headquarters in the courthouse. He wore a sword, and field glasses dangled at his side. He told those assembled that the Confederacy had 80,000 men within the state of Pennsylvania. York, he declared, and its surrounding communities were entirely at his mercy.

He demanded food, clothes and money for his army. He made it clear that if the citizens of York refused to hand over the supplies he demanded, he would take them by force.

After a round of soliciting funds, the citizens in charge of collecting cash for the invading army reported to Early they could collect only \$28,000 of the \$100,000 he had demanded. Much of the money had been sent away, they explained. Slowly, groups of York citizens brought loads of shoes, clothes, hats, boots and other goods for transference to the Confederate wagons.

Confederate soldiers seemed to be everywhere. On the Common they set up a bakery at the United States Hospital and they used flour brought from Loucks' Mill to bake bread.

General Early was not satisfied with the small sum of cash that had been collected, and he decided to push the issue. He taunted those around him: he might burn the county's deeds and records as Union soldiers had done in Fairfax, Virginia. Early, who had been schooled in the law, summoned the county's President Judge, Robert J. Fisher. When the judge arrived, the commander barked, "I want all the keys to the courthouse."

"For what purpose?" the wary judge inquired.

"To burn the county records," Early retorted.

Judge Fisher told the visiting soldier that burning records would be a barbaric act. He tried to convince the Confederate General that future observers would not look kindly upon his war record. Judge Fisher was sure the general did not want the act of an arsonist on his conscience.

General Early argued that the burning of the records was appropriate, since Union armies had done the same thing in Southern cities.

"Two wrongs do not make a right," Judge Fisher responded and, calling upon his most earnest power of persuasion, he pleaded with the Confederate to spare the public records. The Confederate considered the points the judge made and then asked if there was any property in York that would be considered contraband of war.

"Nothing I know of, except some cigars," Judge Fisher replied. The cigars he referred to were made of York County tobacco and he knew that Early's pride and loyalty to Southern tobacco would cancel any Confederate interest in the tobacco he was offering. The town had plenty of cigars on hand, but many were the short, stubby "stogies" favored by wagon drivers and men of the working classes. Smoking these would not be worthy of a Virginia farmer.

"I don't think we'll deprive you of your tobacco," the general replied haughtily.

The courthouse records, it seemed for the moment, were not in jeopardy, but Early next threatened to burn the shops that built railroad cars. The Laurel, Vigilant and Union fire companies were called out to extinguish fires that broke out as the Confederates continued their raids.

Just before the fires got out of control, a messenger galloped up on a foaming horse. A courier, sent by General Lee, had a dispatch for General Early. Union General George Meade was approaching, the message said, and Early should hurry to Gettysburg where he might be needed to defend the Southern forces.

A few minutes after midnight the Confederates began to march out of York, on their way to Gettysburg. About a thousand of these men rode horses they commandeered from York County farms and stables. These troops rode, almost directly, into the Battle of Gettysburg, which lasted three days: July 1, 2, 3, 1863.

On the day before while General Early and his troops were oppressing York, General Gordon and his men had reached Wrightsville, and watched in astonishment as the 1,200 Pennsylvania militia on duty there retreated across the Susquehanna River by way of the covered bridge to Columbia. They burned the bridge behind them, and while the bridge burned, no buckets to fight the blaze could be found. Later, however, when blazes broke out in the town of Wrightsville, "buckets, pails, tubs and pans came out of hiding in a hurry."

June 28 had been a long, hard day for Gordon's troops. In the morning they had hiked nearly ten miles from Farmers to York and, after their midday meal, they continued about the same distance to Wrightsville. There, after chasing the Federal defenders across the Susquehanna, they joined the people of Wrightsville in fighting the resultant fires in their town. On the 29th, after breakfast provided by the grateful Wrightsville

residents, Gordon's troops rejoined Early in York. From there, in compliance with urgent orders received by Early from General Lee, they started back to Gettysburg for the anticipated battle.

About the same time that Confederates were raining terror on York and Wrightsville, a skirmish in nearby Hanover was causing pandemonium and spreading fear throughout the southern and western parts of the county. Citizens of Glen Rock looked in every direction around their town. The threat of imminent danger was in the air, it seemed, all around them.

At eight o'clock on the morning of June 30, 1863, General J. E. B. Stuart, with three brigades of Confederate cavalry, encountered General Judson Kilpatrick near Hanover, just west of Glen Rock, with two brigades of Union cavalry.

Riding with General Kilpatrick was tall, dashing General George Armstrong Custer. Both cavalry units were escorting wagon trains laden with valuable supplies.

The Confederates swept into control of the town of Hanover. Aware of the challenge ahead, Major John Hammond, of the Fifth New York, gathered his troops on the Common and devised a plan of quick action. Giving their cavalry yell with drawn sabers, the Northerners dashed through the town, sweeping the Southerners before them. In many different parts of the town skirmishes were being fought with sabers, carbines, pistols and artillery.

This battle continued until two o'clock in the afternoon. That night Stuart's cavalry marched toward Carlisle. As soon as the Confederates rode out of Hanover, townspeople barricaded the streets with wagons, barrels, fence rails and boxes of sand.

About fifteen Confederates were killed in the battle, and forty-seven were captured. Thirteen Union men were killed. In addition, about sixty, wounded from both armies, were cared for by local physicians in a Hanover church, a hall and a room in the foundry. It seemed no person and no town was safe from the enemy during this war and no business was immune from direct and indirect challenges.

"One of the first effects of the Civil War in the North," wrote Charles H. Glatfelter, in a Glen Rock Borough Centennial publication, "was to depress business conditions, since many old trade relationships between the sections were disrupted and there was uncertainty as to how long the war would last or how demanding it would be."

The writer, descended from Caspar Glattfelter (the spelling used at the time) who settled in this region in the 1740s, was then associate professor of history at Gettysburg College. In one section of his essay on Glen Rock, Glatfelter summarized Glen Rock's business climate in the early part of the 1860s and wrote of one incident that afforded optimism. Things were looking bleak in Glen Rock, he reported, until Heathcote, Herbst & Co. received an order in 1862 to build cars for the Western Maryland Railroad.

"Glen Rock was close enough to the line separating the Union and Confederacy," Glatfelter wrote, "to experience an occasional invasion scare."

Telling of the Confederate takeover of York, the attempt to seize the bridge at Wrightsville, the cutting of telegraph lines from Hanover to Hanover Junction and the plan to extend the telegraph damage, at least to the Glen Rock telegraph office, Glatfelter relates an anecdote that brought Glen Rock, literally, into the eye of the storm.

"At the moment the telegraph office at Glen Rock offered the Union army one of its few telegraphic communications with Washington," the historian recounted. "On the morning of June 29 the Union commander, Gen. George G. Meade, who was then near Taneytown, outlined his plans for meeting the Confederates in a dispatch to the War Department. Direct telegraphic communications with Washington having been cut by the enemy, Meade entrusted the dispatch to a courier who headed for the telegraph office in Glen Rock, hoping to send the message from there or, that failing, find another way to accomplish his mission."

Near Brodbecks the courier sensed he was lost and stopped at the residence of the George Bear family to ask directions to the telegraph office at Glen Rock. Bear, one of the Germans who gave this town a distinctly German culture (in spite of its English founders), concluded after several brief exchanges

with the courier, in faulty English, that the courier was one of the Confederates known to be in the vicinity.

Bear pulled out his rifle and shot the man dead. Remarkably, the soldier's dispatch was found and sent to Washington. Bear surrendered to the military authorities, and was tried at Frederick, Glatfelter noted. He was acquitted of the charges against him and he returned to his home several days after the Battle of Gettysburg. Later George Bear moved to Glen Rock. When he died his family interred his body in the Union Cemetery where a large monument marks his grave today.

The workers of Glen Rock continued to produce goods during the war, but its work force was severely affected as able-bodied men (almost every man between the ages of eighteen and forty-five years) marched off to war. Glatfelter's study reveals that during the first eighteen months at least nineteen men from Glen Rock enlisted. Several of them joined the renowned 87th Regiment, Pennsylvania Volunteers.

When the federal government instituted a nine-month draft of men from the militia in the fall of 1862, there were eighty-three men of military age in the Borough. Before the war ended, many of these men enlisted or reenlisted. In the closing months of the war, when Grant's drive toward Richmond exacted heavy casualties, Glen Rock sent additional men to the front. In the spring of 1864 when there was a call

for 700,000 more troops, Glen Rock's quota was fifteen, according to Glatfelter's research. This was a substantial draft of the male work force of this productive town.

Glatfelter tells of two soldiers in particular: "Squire Bamforth (1844–1912) and Levi W. Dubs (1836–1911) were two soldiers in the 87th Regiment who spent most of their lives in or near Glen Rock. They were captured in battle and spent ten months in the notorious Confederate prison at Andersonville, Georgia. Dubs weighed ninety-eight pounds when he was liberated, one-half his normal weight. In 1905 both men returned to Andersonville to attend the unveiling of a monument there by the survivors of the imprisonment. Uriah S. Dise (1851–1923), who enlisted in the 101st Regiment, Pennsylvania Volunteers, in February 1865, was later recognized as one of the youngest soldiers in the Union army during the war."

Always on the edge of Northern-Southern conflicts, the people of Glen Rock breathed a sigh of relief when the Confederates left the area; when the immediate danger was over, business leaders decided to reopen the discussion about establishing a bank. By this time the National Banking Act, approved on February 25, 1863, had been amended and another Act was passed in 1864. The leaders of Glen Rock were ready to chart their own financial course.

The men who came together to form the First National Bank of Glen Rock were the founders of the town, and the community's most influential leaders: Oliver R. Wentz, George Heindel, Emanuel Sheffer,

George S. Brodbeck, George Moessinger, Sr., Philip Sheffer, Josiah V. Hoshour, Nicholas Shafer and William Heathcote. In a meeting on April 5, 1864, the men signed the "Articles of Association of the First National Bank of Glen Rock, Penna." In this document they specified the capital stock of the Association would be \$50,000 "but the same may be from time to time, increased to \$150,000 . . ." Shares of stock would cost one hundred dollars each and business decisions would be made when two-thirds of the Board of Directors was present and voted. Consequently, the "First National Bank of Glen Rock" was issued Charter Number 435. (The Bank of Philadelphia, not surprisingly, acquired Charter Number 1.)

In one of its first actions, the Directors chose their colleague, Emanuel Sheffer, as President of the Board, and named a tenth man, Henry Seitz, as Cashier. It was the cashier of a bank in those days, and many years thereafter, who, for all intents and purposes, managed the day-to-day business and affairs of the bank. The directors rented quarters on the second floor of the Emanuel Sheffer Building

ARTICLES OF ASSOCIATION,

Entered into by and between the undersigned, on this Eighteenth day of April, 1864,
for the purpose of organizing a Banking Association, to carry on the business of banking, under the
act of Congress entitled, "An act to provide a National Currency, secured by a pledge of United
States stocks, and to provide for the circulation and redemption thereof," approved February 25,
1863.

- 1st. The name and title of this Association shall be First National
Bank of Glen Rock.
- 2d. The place of business of this Association shall be at Glen Rock, in
the County of York, and State of Pennsylvania.
- 3d. The Board of Directors of this Association shall consist of Nine Stockholders. The first meeting of the Stockholders for the election of Directors shall be held at Glen Rock, on the Eighteenth day of April, 1864, or on such other day as a majority of the Stockholders may direct.

4th. The regular annual meetings of the Stockholders for the election of Directors shall be on the second Tuesday of January of each year; but if for any cause an election shall not be held on that day, it may be held on some other day, according to the provisions of the 4th section of the act, under such rules and regulations as may be prescribed by the Board of Directors or by the By-Laws of this Association.

5th. The capital stock of this Association shall be Fifty Thousand Dollars; but the same may be from time to time increased, subject to the limitations of the act, to any sum not exceeding One hundred and Fifty Thousand Dollars; and in such increase of capital each stockholder shall have the privilege of subscribing for such number of shares for the proposed increase of stock as he may be entitled to, according to the number of shares owned by him before the increase is made.

The shares of stock shall be one hundred dollars each.
6th. The Board of Directors (two-thirds of whom shall be a quorum to do business) shall elect one of their number to be President, who shall hold his office (unless he should become disqualified, or be sooner removed by a two-thirds vote of all the members of the board) for the term for which he was elected a Director, and they shall have power to appoint a Vice-President, who shall also be a member of the Board of Directors, a Cashier, and such other officers and clerks as may be required to transact the business of the Association, to fix the salaries to be paid to them, and to define their respective duties; and continue them in office or to dismiss them, as, in the opinion of a majority of the board, the interest of the Association may demand.

The Board of Directors shall by their By-Laws specify by what officers of the Association or committees of the Board, the regular banking business of the Association shall be transacted, and the manner in which loans on real or personal security shall be made.

The Board of Directors shall also have power, by their By-Laws or otherwise, to require bonds from the officers of the Association, and to fix the penalty thereof; to regulate the manner in which elections of Directors shall be held, and to appoint judges of the elections; to provide for an increase of the capital stock of this Association, and the manner in which the increase shall be made; to make all By-Laws that may be required to regulate the business of the Association, and generally to do and perform all acts which are proper to be done by a Board of Directors, which are not inconsistent with these articles of Association, and subject to the limitations and restrictions of the act of Congress under which this Association is organized. No Director of this Association shall at any time be liable to, in any manner, to an amount exceeding Five Thousand dollars.

7th. This Association shall continue until the 25th day of February, 1883, unless sooner dissolved by the act of a majority of the Stockholders thereof.

8th. These Articles of Association may be changed or amended at any time by a vote of Stockholders owning a majority of the stock of the Association, and any three Stockholders may call a meeting of the Stockholders for this purpose.

In witness whereof we have hereunto set our hands the day and year first above written.

<u>George S. Brodbeck</u>	<u>Henry Seitz</u>
<u>George J. Brodbeck</u>	<u>Emanuel Sheffer</u>
<u>A. H. Schatz</u>	<u>W. Heathcote</u>
<u>Josiah V. Hoshour</u>	<u>Oliver A. Wirt</u>
<u>William Heathcote</u>	<u>Philip Sheffer</u>
<u>George Moessinger, Sr.</u>	

This illustration shows the original "Articles of Association," drafted April 18, 1864, and signed by eleven founding stockholders. PeoplesBank Archives.



on Main Street in Glen Rock, and by the end of May they were ready to conduct business. *The York True Democrat* of June 8, 1864, slightly less than a year after General Early's visit to York, noted that the Bank was open for business on June 1 with \$50,000 in capital.

By use of Bank records, contemporary newspapers, Glen Rock Borough materials, the archives of the York County Heritage Trust and the writings of historians, dead and alive, the story of Glen Rock's first bank unfolds.

Interviews with present and former bank directors and staff people—along with employees still engaged in bank affairs, sometimes for decades—illuminate the record. Facts handed down from generation to generation provide insight into how Glen Rock citizens were affected by the war, including the Confederate Invasion of York County in 1863.

Unfortunately, some of the Bank's records were destroyed in a flood over a hundred years after it opened, when the Codorus Creek, because of Tropical Storm Agnes, overflowed its banks in 1972 and engulfed many parts of the Glen Rock community, including the basement of the Bank. The picture that emerges presents some complex puzzles, of course, and a few mysteries remain shrouded in

The First National Bank of Glen Rock opened in a second-floor office in this building in June 1864. Built by Emanuel Sheffer in 1856, the building was also home, at various times, to the railroad ticket office, the post office, The Glen Rock Item and Sheffer's mercantile business. The photograph was taken about 1868. Courtesy John C. Hufnagel.

the times. For the most part, however, banking matters, by their public nature and their government scrutiny, are open for all to survey.

The directors of Glen Rock's new bank purchased government bonds with some of the capital, just as Secretary of the Treasury Salmon P. Chase and Congress envisioned as a way to raise money for the war effort. The directors invested the remainder of capital, and later income, in establishing the banking business. They made loans to businessmen, farmers and other individuals, provided money for farm and home mortgages and carried on other financial business to shore up the community of industrialists and merchants and nearby farm producers. At the close of 1864 there were already a half dozen national banks in Hanover, York and Wrightsville in addition to the one in Glen Rock. These national banks issued national bank notes, like the ones illustrated from the First National Bank of Glen Rock in these pages.

The Bank's first Board of Directors and its first Cashier were well-qualified for the business at hand. William Heathcote, owner of the Glen Rock woolen mill and perhaps the most influential and wealthiest citizen of the day, served six years as a director of the Bank. He was fifty-eight years old when

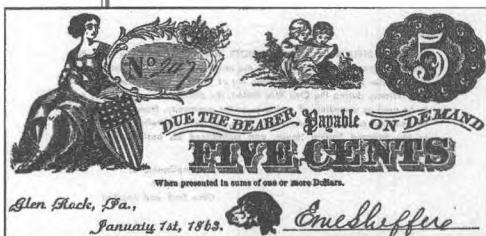


An example of a first charter banknote issued for National Banks in 1864, this note, shown front and reverse above, was signed by Henry Seitz, Cashier and Josiah V. Hoshour, President. To date, three of the 1864 notes are known to exist. Courtesy John C. Hufnagel.

the Bank was founded, and while others served longer terms, Heathcote stands out as a leader among leaders.

Of the Bank's original directors, Josiah V. Hoshour, fifty years old when the Bank opened, served the longest term as one of the original directors, having been elected for a one-year term on fourteen consecutive occasions. Hoshour was a merchant and a justice of the peace.

Emanuel Sheffer, a thirty-nine-year-old merchant when the Bank was formed, served nine terms as director. Sheffer, who printed his own bank notes before Glen Rock had a bank, owned his own railroad car and took loads of produce, milk, woolen products, foundry orders and other goods to Baltimore on a regular schedule. After he delivered the goods to customers, he had his empty car loaded with goods from Baltimore to sell in Glen Rock, and in other nearby villages.



Another Bank director, George Moessinger, Sr., a tavern keeper, served eight terms on the Board. Two men, in addition to Heathcote, served six terms: George Heindel, Sr., a wealthy farmer, and Philip Sheffer, a miller. With Heathcote, Sheffer is considered a co-founder of Glen Rock Borough. Sheffer was the eldest of this group, nearing the age of seventy when he was named to the Bank's Board of Directors.

This is a replica of a five-cent note issued in 1863 by Glen Rock merchant Emanuel Sheffer, and is the only money issued in Glen Rock or vicinity prior to the National Banking Act of 1864. Due to a scarcity of coin and currency during the Civil War Period, the storekeeper released the note to be used as a medium of exchange in the community. Sheffer went on to serve as the first President of the First National Bank of Glen Rock when it opened in 1864. PeoplesBank Archives.

Nicholas Shaffer, a farmer and tanner, served four terms in the Bank's early years, and George S. Brodbecks, a merchant, served two terms. Oliver Wentz, a saddle and harness maker, served only one. Half of these men were involved in the Glen Rock foundry, already ten years old when the Bank was chartered. An eleventh man, William Herbst, a tavern keeper, also purchased interest in that first sale of stock and is listed among the stockholders when the Bank opened. Not all these men lived in Glen Rock, but all were based nearby. Besides the woolen factory, established in the late 1830s, and the foundry, formed in the 1850s, there were several other developments that made Glen Rock an industrial center with a climate well-suited to the prosperity of a home-grown bank.

The most important factor in the town's success, aside from the water power provided by the Codorus Creek for mills and similar businesses, was, no doubt, the establishment of the railroad station, to handle goods, mail and passengers between York and Baltimore.

As early as 1828 the Maryland Legislature chartered the Baltimore and Susquehanna Railroad and forwarded plans to build the rail line from Baltimore to the Pennsylvania state line. In 1829 construction on the line began, but across the Mason-Dixon Line, in Pennsylvania, opposition forces dug their heels in to prevent its completion. A railroad line to Baltimore would detract from business going to Philadelphia, it was argued.

State politicians saw themselves and their constituents deprived of the great wealth of central Pennsylvania as it was being directed out of state to Maryland. And these debates continued until 1832 when the Pennsylvania Legislature approved the charter for the York and Maryland Line Railroad, on a direct path through Glen Rock.

It was not until April 1, 1837, however, that the chief engineer of the York and Maryland Line operation announced he would begin to lay rails that would become part of the fifty-six-mile rail line between Baltimore and York.

In the same year William Heathcote, a transplant from Chester County, bought about a hundred acres of land with the belief that he could harness the water power of the south branch of the Codorus Creek running along one of his borders. He established a woolen mill and sold parcels of land that became an important part of the present-day town.

The railroad station here was known as “Heathcote’s” up until 1843 when the post office was established. Later, the name was changed to Glen Rock, not for the “rocks in the glen” as some have offered, Dr. Charles Glatfelter wrote, but for a fictional place in English literature known to the early inhabitants. There were about ten families in the town known mostly for its woolen factory, which at one time employed fourteen men. There were also a general store and a tavern. There was a doctor in town, as well as a tailor, a machinist, a blacksmith and two wood sawyers.

In 1850 Philip Sheffer, a farmer near the town, put up some houses and purchased the woolen mill, converting it into a gristmill. Heathcote built another woolen mill, this one just outside town. These operations became successful and attracted ever more customers and residents to Glen Rock.

With the help of neighbors and friends in business—William Herbst, J. V. Hoshour, John Scott, Emanuel Frey, Charles Frey, and Henry Seitz—Heathcote formed a foundry and machine shop in 1854. F. T. Scott, called “a practical machinist,” was appointed Manager of the business called Heathcote, Herbst & Co.

Known in later years as the Glen Rock Manufacturing Company, this business built engines, boilers, mill machinery and farming implements. The firm experienced numerous spurts of growth, one when operators acquired a contract to build railroad cars.

In the meantime Josiah V. Hoshour developed a wide-ranging forwarding and commission business, making Glen Rock a distribution center. Hoshour’s obituary, printed in the November 6, 1896, issue of *The Item*, notes that he served as President of the First National Bank of Glen Rock from January 12, 1869, to November 5, 1878. A closer look at Hoshour’s death notice illuminates the era in which this productive citizen lived and sheds light on many aspects of the community in which he lived more than eighty-two years. This notice is remarkable in its length and its tone, since some deaths in the community were barely noted at all, and in some cases, citizens passed without any mention in the local press.

"Mr. Hoshour," the obituary said, "started in his successful career in life at the early age of fourteen as a Clerk with Mr. Meyers, at Shrewsbury, and remained in the store business until the age of nineteen, at which time he entered Gettysburg College where he remained for several years receiving an education which, aided by his ambitious nature, proved him an ever-ready adviser to the forefathers of our town."

The writer saw Hoshour's unique position, nevertheless, noting that "After returning from college and before our town was thought of, he was one of the surveyors and assisted in building the Northern Central Railroad through this place." Hoshour married Maggie Koller, a member of a prominent family in Shrewsbury Township, and soon the couple built a house, the second brick structure in the settlement that would become Glen Rock. "Several years later, with the onward march of settling this section and the community becoming more thickly populated, he was one of the charter members of what was then known as the Heathcote, Herbst Foundry & Machine Co."

Eventually Emanuel Sheffer took over the Hoshour business and, using the services of the railroad, it flourished, attracting other businesses to the town.

The woolen mill, the first manufacturing establishment of the town, enjoyed prosperity, and when William Heathcote, the first proprietor, was ready to leave the business, his son, James Heathcote,

became the firm's President. He was followed by L. K. Heathcote, who developed a large trade in the manufacturing of felt. This firm sold felt, through the seaport at Baltimore, to dealers abroad.

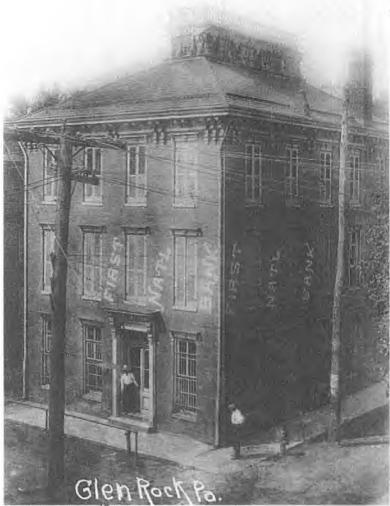
Another industry with roots in the beginning of Glen Rock's settlement involved the manufacture of rope and twine. Mark Radcliffe and George Shaw began their rope and twine business on a small scale and eventually installed a wheel and spindle for twisting purposes along a fence. An early historian waxed romantic about this early operation, noting "there under the broad canopy of heaven, when the weather would permit, they would manufacture an excellent rope and twine . . . They gradually developed their facilities until at the present they have the largest rope walk in the State, and own the large cordage-mill at Centreville, near the town."

The railroad lines, water power from the Codorus Creek, the fertile land in neighboring areas—all these elements encouraged other commercial pursuits that needed financial services brought to the Borough with the opening of the First National Bank of Glen Rock.

Hoshour, in his long and successful business career only hinted at in the citation above, opened a lumber business and then, no doubt, with help from the Bank he helped to form, joined neighbors John Frey, C. Glatfelter, J. C. Fallon and C. Gore in building a planing mill and sash factory. His son, S. K. Hoshour, was also a member of the firm.

The planing mill and sash factory, with a large inventory of lumber, was destroyed by fire in 1876, but some of the firm's owners regrouped and built again. The manufacture of carriages and coaches took place in other facilities nearby and a shoe factory emerged, along with numerous businesses that gave the town of Glen Rock a vibrancy that lasted for many decades. In one building, E. Bortner and David Becker developed an operation that made ice cream, and after several years the product was so popular they were filling orders for foreign markets, shipping ice cream abroad through the port of Baltimore.

Twelve years after the First National Bank opened, it was ready for new quarters and the Directors announced a new bank building would be constructed with excess room to be rented to local businesses. This decision may have been made because the National Central Railroad bought Sheffer's Building in 1874 and gradually turned it to its own use. But on July 28, 1876, *The Glen Rock Item* informed readers: "Owing to a peculiarity of the law National Banks are not permitted to build for renting purposes or any others save for their own immediate banking uses. In view of this fact the late action of the stockholders of the First National Bank of Glen Rock, Pa., has been changed, and instead of building, the directors on Tuesday last decided to rent, and the building will now be erected by N. Z. Seitz, as at first contemplated."



Just five months later the building was a reality and the newspaper noted that, as of November 30, the Bank had moved into the room provided for it in the Item

The Bank moved to its location, shown above, on November 30, 1876. Space for the Bank was rented from builder N. Z. Seitz. In 1889 the Bank purchased the real estate on this corner and eventually built its own headquarters still in service today. Note the fire plug installed by the borough water system in 1900, helping to date this photograph. Courtesy John C. Hufnagel.

Building on the corner of Manchester and Hanover Streets, one of the “best banking rooms in the county.”

With each new building the population of the village was growing. Many people came to work in its shops and mills and to buy and sell goods. The potential of Glen Rock as a viable community had been evident for many years. After the establishment of the post office, authorities had agreed to petition for establishment of a Borough. Until this time the village was seen as one of numerous small settlements in Shrewsbury Township.

Community leaders presented their petition to the authorities in May 1858. It took more than a year for the formal request to bear fruit. On August 18, 1859, an area of almost one square mile became Glen Rock Borough.

The Borough grew, along with the rest of York County, in spite of war losses and a continuing migration west.

By 1870, when Glen Rock Borough was only ten years old, York County’s population had reached 76,134. Population for the county seat [the Borough of York], the nearest town of any size close to Glen Rock, was outpacing all other nearby towns, with 11,000 citizens.

Just ten years later, the 1880 Census would reveal, the county had grown to 87,700 residents; the county seat, the place where Glen Rock citizens conducted official business such as registering wills, recording deeds and obtaining marriage licenses, now claimed 14,000 inhabitants.

The growth and prosperity of Glen Rock could not be measured in terms of population alone. The Borough was clearly part of a larger community and that larger community gave the Borough and its national bank the opportunity to grow and serve beyond the boundaries of a land-locked municipality. The Annual Report of the First National Bank of Glen Rock for the year 1886 bore testimony to local prosperity. It contained helpful and informative data and showed how much progress had been made in the community during the previous two decades. The record looked excellent, indeed.

REPORT OF THE CONDITION
of
THE FIRST NATIONAL BANK

At Glen Rock. In the State of Pennsylvania at the close of
Business on the 3rd day of June, 1886:

RESOURCES

Loans and Discounts	\$159,151.92
U.S. Bonds to secure circulation.	76,000.00
Due from approved Reserve	2,454.73
Due from other National Banks	789.09

Due from State and Private Banks & Bankers	633.83
Furniture and Fixtures	1,550.00
Current Expenses and taxes paid	4.50
Premiums Paid	
Checks and other Cash items	491.83
Bills of other Banks	73.00
Fractional Currency, including Nickels	2.00
Specie	13,570.00
Legal Tender Notice	3,276.00
Redemption Fund with U.S. Treasurer	3,375.00
Due from U.S. Treasurer	665.00
TOTAL	\$261,037.79

LIABILITIES

Capital stock paid in	\$75,000.00
Surplus Fund	16,795.09
Undivided profits	21.42
Circulating notes received From Comptroller	67,500.00
Less amount on hand and in Treasury for redemption	67,485.00
Dividends unpaid	2,385.00
Individual Deposits subject to check	15,877.48
Due to other National Banks	81,148.00
Due to State and Private Banks and Bankers	
Bills payable	
Notes and Bills Re-discounted	
TOTAL	\$261,037.79

I, HENRY SEITZ, Cashier of the First National Bank of Glen Rock, Pa., do solemnly swear that the above statement is true, to the best of my knowledge and belief. HENRY SEITZ, Cashier.

State of Pennsylvania.

County of York,

Sworn to and subscribed before me this 8th day of June, 1886.

O. T. Seitz, Notary Public; Attest: E. K. Sollinger, John F. Bluff, Stephen Seitz, Directors

The Industrial Revolution and its postwar boom had come to York County and to all its villages, including Glen Rock. Production in the fertile and industrious valley exceeded expectations as workers fully engaged in the productivity of the times. Glen Rock was not immune to economic woes, as we shall see. The Borough and the Bank were about to experience a strong dose of reality, which would surprise and shock the community.

Chapter Two

Solvency Preserved (1886–1912)

“Northern victory in the Civil War in 1865 made possible a generation of prodigious economic growth and social change,” a York County historian, John Gibson, wrote in the early 1900s. In the generation after the war, he observed, “a continent had been spanned, population more than doubled, and the United States was the world’s leading industrial power.”

The assessment continued: “In a small way Glen Rock shared in these developments. Some of her residents of 1865 joined the trek to the West, finding new homes in Ohio, Kansas and Washington.” Despite this, the profile said: “Her population increased from 289 in 1860 to 1263 in 1910. The expansion of old, and the appearance of new industries, made this increase possible and, at the same time, bound the economy of Glen Rock more closely than ever before with that of the whole country.” The 1870s were generally poor years, this historian suggested, and the 1880s were good ones: “In the 1890s the local economy boomed, even while much of the rest of the country was depressed.”

One of the new businesses in Glen Rock after the Civil War was *The Glen Rock Item*, a hometown newspaper that recorded the local booms and the depressions for decades before it was supplanted by York

and Hanover newspapers. *The Item* (sometimes Glen Rock was in the name of the paper, and sometimes it was not) was an outgrowth of a job printing shop owned by Malcolm O. Smith and G. W. Nichols.

In January 1871, Nathaniel Z. Seitz, owner of the building in which the First National Bank of Glen Rock took second-floor quarters, acquired an interest in the publication. He became operator of the paper when Nichols withdrew and Smith moved to Hanover to begin another newspaper.

A native of Glen Rock, Seitz served as a captain in the Civil War, and became a leading figure in Glen Rock, as did his father-in-law, Josiah V. Hoshour. Seitz saw his role as editor and publisher a key position in the community, pledging to make it “a county newspaper inferior to none.” He believed the press could play an important role in forming public opinion as it kept the public informed about the acts of their officials. He saw all industry endowed with a public interest, writing that men of wealth in a community have an obligation to secure and keep industrial establishments, thereby creating jobs and promoting a healthy local economy.

Seitz, who eventually left town to take a job with the federal government in Washington, D.C., was an advocate for public education, Sunday schools and cultural activities. One of these organizations was the Glen Rock Union Band, composed of twenty-one members, including many of those associated directly or indirectly (through their families) with the First National Bank.

The Glen Rock Item carried news of cultural institutions such as the Glen Rock Union Band in minute detail, and, not surprisingly, always had an eye on local commerce. The writers and editors followed changes in the personnel of local businesses faithfully, including those taking place at the Bank. In the years following formation of the First National Bank of Glen Rock, the publication reported each change in Bank personnel: Emanuel Sheffer served as President until January 19, 1869, when he was succeeded by Josiah V. Hoshour. Hoshour served until November 19, 1878, and was succeeded by Charles Frey. Frey served almost four years, and when he died in office, William Herbst was named President, on February 1, 1882.

Henry Seitz, named Cashier of the Bank on the day its charter was received on April 18, 1864, served until October 12, 1886, a period of twenty-two and a half years. The job of Cashier was vacant from October 12, 1886, until November of the same year when Frank W. Brown was elected to succeed Seitz. Brown served as Cashier until January 18, 1887, succeeded by David Becker.

When rumors circulated in the fall of 1886 that one of the town's businesses was in trouble, writers for *The Item* seemed, at first, to ignore the situation, perhaps waiting out the storm. When rumors gathered force, however, they proceeded, however cautiously, taking a paternalistic approach.

A column carried in the October 15 edition of the paper was both daring, at least by modern standards, and wrong.

"During the past week some damaging reports have been circulated concerning the condition of the First National Bank," the article declared.

"As to the reports in reference to the standing of the bank, they are false."

"The standing of the First National Bank, of this place, has for years been among the best in the country," the newspaper said. The writer of this column claimed that an examiner had looked at the Bank's records and announced the Bank was in excellent standing.

"The examiner found a few protested papers not fixed up, and a few overdrafts, all of which were amply secured by good collaterals," the paper admitted, but it told readers that all of those issues had been dealt with successfully. The writer explained about the issues: "They had been left in this condition longer than otherwise would have been done because the market did not justify the conversion of the collaterals into cash at the time. The whole covered only a small sum of money and there was no just reason for the rumor which has been circulated."

The writer, going far beyond his duty, in terms of newspaper coverage today, reported further: "We have made careful inquiry here and of the officials at Washington and find everything all right, and so assure our readers and the people of this section who are interested in the Bank." Perhaps it was more than the

flowery wording popular in those times that gave the newspaper its reassuring and conciliatory characteristic. Perhaps it was the inter-relatedness of businesses and families in Glen Rock, a factor that becomes more and more distinctive as coverage of this period unfolds.

Notwithstanding assurances from the newspaper, however, the rumors gathering force in Glen Rock caused a run on the First National Bank. Depositors withdrew several thousand dollars. Although these withdrawals worried Bank officials, they did not spell doom for the Bank, as seems to be the case later as the extent of the problems came to light.

Again, trying to restore calm, the publication sustained its tight-rope walk on a precarious note, blurring propaganda with news reporting: "It is very natural that a bank, discounting as closely as this bank has been doing, could be put to great inconvenience, by a run, because its funds are out and not available. It is the duty of every good citizen to frown down any reports like those in circulation here during the past week. The money is safe in the bank and there need be no fears."

Subsequent editions of the newspaper gave a more realistic appraisal of the economic situation of the town—and the news was not good. Where the first article, quoted above, was headlined, "A Mistake," implying rumors were caused by misunderstanding and ill-will, the follow-up article (printed in the October 22 issue) was headlined "Working Earnestly." This article admitted to readers, most of whom were somehow related to the fiasco in progress, that things looked gloomy, indeed.

To make matters worse, it was not only the First National Bank of Glen Rock that was in dire straits. It turned out that the Bank's problems had roots in the failure of one of the town's biggest enterprises, the mercantile business operated by William Herbst and company—and, furthermore, two sons of William Herbst, the Bank's President, appeared to be culpable.

Readers of *The Item* learned, perhaps, more than they wanted to know: "After a few days of anxiety and surmising it became apparent that the interests and institutions of the town could not be saved by standing down idly or by heaping anathemas upon those who were the cause of this distressing state of affairs. It pressed to the notice of our best citizens that they must step to the front, accept the situation and enter the contest to save the town. The two institutions which were destined to do us most good or harm, were they to go under, were the Bank and the Glen Rock Manufacturing Company."

A meeting of Bank stockholders was quickly called. Bank officials reported the troubling details of their plight and then passed resolutions: "*Resolved*, That it is the sense of this meeting that an assessment of 40 per cent on the capital stock be made to pay the maturing obligations of the company and thereby relieve the gentlemen who are now the sureties of the company on these obligations.

"*Resolved*, That the officers of the company be instructed to proceed promptly to make legal this action."

The account of the stockholder meeting in the local paper merged with details helping to explain just how bleak conditions were in the town, now besieged with problems: "In compliance with the provisions of this resolution, a meeting of the stockholders has been called at the Company's office, for next Tuesday morning, at 8:30. It is to be hoped that those interested in this important industry of our town, will see their way clear to promptly rally to its support, furnish the necessary means to put it on a free and working footing. The conditions of the affairs of the Company are secured by personal endorsements who seek relief. This they are entitled to, and it is to be hoped the stockholders will promptly grant their requests. The payment of the assessment indicated in the foregoing resolution could be extended over a period of a year and a half, or two years, which would make it comparatively easy to pay, yet it would bring the needed relief. This should be given if possible."

Deliberating on the issue, in a fashion foreign to later news coverage, the newspaper laid blame at the feet of the Bank's Board of Directors: "The apparent apathy and indifference of the Bank board, for several days, in not taking prompt action to redeem the lost credit of the Bank, was severely censured, but finally on yesterday morning at the earnest request of a number of citizens and stockholders a change was effected in the personnel of the board."

The Bank fired or "retired" (as the paper announced) two officials, William Herbst and Henry Seitz, and replaced them with Joseph Dise, who became President, and George Heindel, who was named Cashier.



Joseph Dise was one of the most remarkable leaders in Glen Rock's storied past, and one of many leaders who successfully worked to build a prosperous and customer-friendly Bank. In the Dise case, timing, talent and opportunity struck at once. Born of second-generation Glen Rock parents, in October 1849, Dise was not yet fifteen when he joined the Union Army in 1864.

He was the right man for the job. Dise had already proved himself as a soldier, master carpenter, contractor, builder, manufacturer and architect. Through his efforts a public water supply for Glen Rock was constructed.

Under Dise's direction, the Board of Directors called for a thorough examination of the Bank's records to "ascertain its standing, and then proceed to provide for such deficiency as may be indicated to put the Bank into good shape."

And again, the paper editorialized, declaring, "Mr. Dise, the newly elected President, is a comparatively young man, of excellent attainments, fine business qualifications and one of the most substantial men of the town; excellent character, having just the qualifications for a first class executive officer. He will make a capable, conscientious and energetic presiding officer. We assure the people whose interests fall into his charge, that they will be scrupulously cared for. He is well known to the people in this section, and his election to this responsible place is warmly endorsed by the people in the community."

This photograph of Joseph Dise was taken in 1907 during his long term as President of the Bank. PeoplesBank Archives.

The paper also endorsed the new Cashier: "Mr. Heindel, the newly chosen director, is one of the substantial men of the town, and well known in this section. He will add great strength to the board of directors, and will make an efficient officer." Affirming its paternalistic character, the paper concluded this article with a little optimism and a little advice: "The indications are, that if the Bank will be pushed over the crises safely, there will be no further complications, and it seems that all that is wanting now, is patient waiting on the part of the people who have credit with the Bank." A week later, the newspaper reported that financial matters were settling down and "business is generally resuming its ordinary course."

Nevertheless, the paper was, to a fault, optimistic.

On October 29 readers learned that Government Bank Examiner R. E. James had visited Glen Rock and had audited the books. He believed that a small assessment upon the capital stock would put the Bank in good condition. Consequently, the stockholders agreed to make the suggested assessment and balance the books. The Bank would be "all right." Reporters assured everyone: "By careful management, which it will receive at the hands of the new officers, it [the Bank] will get safely through."

Customers' deposits were perfectly safe, the Bank assured the citizenry. The run on the Bank had been stopped in its tracks. In fact, the Bank told the newspaper, customers were adding to their deposits. This was the most telling evidence of recovery one could imagine.

"If the people of the town and surrounding country will now put their money there," the writer advised his readers, they will help the Bank "to raise the funds necessary to do business regularly." The writer editorialized, "They will serve themselves, as well as the public."

Still, the readers of *The Item* were getting only part of the story; meanwhile, another crisis was heaped into the fray.

Readers tried to understand the depth and width of the economic woes as they read news and opinion in *The Item*, and in other newspapers, especially the ones in York, Hanover, Baltimore and Philadelphia. One article, in particular, from this era, demonstrates how the misfortunes of one industry in town could impact the entire community:

The action of the stockholders of the Glen Rock Manufacturing Company on Tuesday last, when they determined to resign, is in no manner commendable. The Company was solvent as is shown by its books and accounts; the liabilities being about \$25,000, while its loose property, iron, manufactured articles &c., inventoried recently about \$20,000, its good book accounts about \$20,000, showing that its assets, independent of the real estate and the machinery, would more than cover the liabilities by \$5,000. This is forcing a solvent enterprise into apparent insolvency. Such a course, it seems to us, leaves but two inferences to outsiders; either that it is the purpose of those interested to take advantage of the creditors or else it is an admission of incompetence to manage the concern, in a stringent market. Another reason why the action

was premature and inconsiderate is the fact that a fine line of work had been contracted for or was about being contracted for.

To precipitate into bankruptcy and close up an industrial enterprise like that in a community, putting out of employment a number of people just at the eve of winter is not a small affair, and later on the movers in the shut-down movement will see their folly, if they are capable of seeing the state of affairs which it will necessarily bring about. This enterprise did a great deal to develop the resources of the town and surrounding country, and to shut it down just because the management may not have been the best, may be sport for some people, but will be seen further on that it was playing with edged tools.

Because some of the owners, directors and employees of the Glen Rock Manufacturing Company were also active in the Bank and other town matters, the fortune of this operation affected almost everyone in the Borough. Conditions seemed to be improving soon after the article above appeared, however, and *The Item* reported in November 1886: "People are depositing money and some who had taken out their deposits are again returning them since they see that the Bank is all right. The deposits have been increasing every day during the week and regular banking business has been resumed. A number of over-due papers, of long standing, have been fixed up, and the new management is putting things into good shape. The stockholders are paying in their assessment and are providing for the impairment of the presumed losses."

Then, the paper reported that the Bank's directors had appointed another Cashier: "On Tuesday last the directors elected F. W. Brown as Cashier. Mr. Brown is an estimable young businessman of our town. He is capable, a good scholar, and commands the confidence of the people. We bespeak a bright future for the Bank with Mr. Dise as the President and Brown for Cashier. Let the people now stand by the Bank by putting and leaving their money there."

In the following week, however, the troubles of Glen Rock took a sharp turn for the worse. Nearing the Christmas holidays and facing job losses for the town—and worse—people picked up the December 3 edition of the paper and read this account under the shocking headline: "The Arrest."

During the past few days the all-absorbing topic of conversation was the arrest of Wm. Herbst, of this place, and Henry Seitz, who recently went to Philadelphia, Wm. H. and Jacob S. Herbst, on a charge of embezzling \$50,000, funds belonging to the First National Bank of this place.

On a warrant issued by United States Commissioner Edmunds, Deputy Marshal Reuter came to Glen Rock on last Saturday morning and arrested Wm. Herbst, the former president of the bank here. Mr. Herbst in company with the deputy marshal and Mark Radcliff of this town, started for Philadelphia on the 12:13 p.m. train, arriving at Broad street station at 9:45 o'clock on Saturday night. Henry Seitz, former cashier of this bank, was arrested at No. 2210 North Seventh Street, Philadelphia, at the home of his son-in-law, Mr. Baumeister, also on Saturday morning, by Deputy Marshal George W. Painter. Communications with

the Federal authorities at Baltimore, resulted in the arrest of Jacob S. and William H. Herbst, both of whom, it is said, had employment there.

Henry Seitz had been in Philadelphia for several weeks, and his family had sent the furniture there with the expectation of going there also in a few days. The family of J. S. Herbst moved to Baltimore about two weeks ago. The family of W. H. Herbst is still here. The arrests were all made on the same charges, which were based upon investigations made by the present president of the bank, Joseph Dise.

By this time other newspapers, including those in York and Hanover, had picked up the story of Glen Rock's troubles and were printing their own accounts of events surrounding the crisis. Because the embezzlement case would be tried in Philadelphia, the papers of that city covered the story, giving the crisis a slightly different spin, sometimes a more *human* observation. One paper, *The Philadelphia Record*, published this account:

CASHIER SEITZ LEFT A POOR MAN

Mr. Seitz and William Herbst, Sr., married sisters. The failure of Herbst & Sons leaves Seitz a poor man, and all his property in Glen Rock is to be sold out by the sheriff. He had lately been with his son-in-law, Christian L. Baumeister, of No. 2210 North Seventh Street. His furniture has not yet been unpacked. Mr. Baumeister last night disclaimed any intention on the part of his father-in-law to avoid detection: "I am responsible for

his coming here," he said. "He has given me many a square meal, and helped me along the best he knew how, and when misfortune overtook him, it was the least I could do to offer him a home. He leaves this Bank without a cent. Mr. Seitz was only an employee of the Bank and had to do what his president told him."

Bail in the sum of \$5,000 was demanded for Seitz's release, and as that amount could not be procured, he was taken to the county prison.

Most local newspapers in those days picked up, or "copied," news articles and stories from their contemporaries—an act that was both encouraged and necessary in a day when large news-gathering organizations were not available to disseminate information across a broad geographical region. Since this practice was so widely accepted, sources were not always credited, and sometimes it is difficult to tell an "original" article from one that has been copied from a distant, or not-so-distant, colleague.

It is clear, nevertheless, that the article from *The Philadelphia Record*, published on the heels of the arrests, is a Philadelphia view of events and people:

PRESIDENT HERBST'S STATEMENT.

When the train from York drew into the Broad Street Station Saturday night at fifteen minutes to 10 o'clock, a tall, stooped-shouldered man, closely wrapped in a long black overcoat, walked slowly toward

the Iron Gates in company with Deputy Marshal Reuter. It was ex-President Herbst, of the First National Bank of Glen Rock.

Mark Radcliffe, who had decided to remain by his friend in trouble, walked by his side, ready to give bail sufficient to save the President from a night's lodgment in the county Prison. The party walked to Magistrate Brown's house at Nineteenth and Race Streets, hoping to bring the case before the Judge for a partial hearing and the fixing of bail.

During his trip through Philadelphia ex-President Herbst made the following statement of the Bank affair to a *Record* reporter: "I was President of the First National Bank, of Glen Rock, for six years, ending five weeks ago. It was not my choice to become President of the institution, but its directors forced the office upon me. I had enough to do to attend to my own store and business enterprises and you may see that I had very little time to spend on the affairs of the Bank when I tell you that my salary was only \$100 a year.

I could not afford to give it much of my attention at such a salary, so that the practical management of the institution fell into other hands. Now, to come to the point, I found out about a month before the crash came that my son, Jacob, and my brother-in-law, Mr. Seitz, had largely overdrawn the accounts of the Bank. I told them that it must stop, and they assured me that they had money to meet all claims from the Bank people. There was no mending, and things went from bad to worse. Mr. James, the United States Bank Examiner, came up from Washington and showed up everything, and the Directors held a meeting and elected a new President. I am very sorry for the poor people who had money with us. I never cheated a man

during my forty years of business. I have no idea where all the money went to. My son told me that he went into speculation once, but then stopped. All that I possessed has been signed over for the benefit of creditors, and I am not worth a cent in the world. My store is now run by the assignee. The Bank is still open, an assessment of 35 per cent having been made on the stockholders.

At the hearing on Monday the testimony showed that notes amounting to over fifty-thousand dollars, most of which were in favor of the Herbsts, were discounted at the Bank by the cashier without the knowledge or consent of the Board of Directors.

The hearing was held in United States Attorney Valentine's office, and the first witness examined was N. Z. Seitz, Esq., formerly of this town, but now of Washington, D.C. He testified that he was sent by the Chief Examiner to assist in examining the books of the Glen Rock Bank; that the books showed that over-drafts made by W. Herbst & Sons up to May 25, 1885, amounted to \$11,689.05; that three notes were given—one being for \$4,000 by Herbst & Seitz, another of \$4,000 by W. Herbst & Sons, and a third for \$8,000 by J. B. Herbst & Co.; the balance of \$87.05 was paid in cash. These notes were renewed from time to time, and finally two of them were changed on the books, the Herbst & Seitz note being altered to J. S. Herbst & Co., and the J. S. Herbst & Co. to J. S. Herbst. Witness said that prior to that time he published a paper at Glen Rock in which was a notice of the dissolution of the firm of J. S. Herbst & Co., and Herbst & Seitz had also dissolved. The next overdraft began a week after the first had been settled, and ran on till August 29, 1885, when it amounted to \$2,873.01 which note is still in existence; then the over-drafts began and continued until October 7th, 1886, when they amounted to \$18,683.50, which sum is still

unsettled, amounting together to \$33,245.56. In addition to this there are notes amounting to \$21,576.94 of the firm of W. Herbst & Sons, J. S. Herbst, and William Herbst, but the director's books of the Bank show that only \$4,000 of this had been formally discounted by the Bank."

The books do not indicate that the Bank received any discount on these notes.

Joseph Dise, the present President of the Bank, testified that he had discovered the irregularities after being elected President, and that upon charging Mr. Herbst with having taken advantage of his position, the latter had acknowledged that he had brought some notes into the Bank without the approval of the Board of Directors.

Emanuel K. Bollinger, Noah K. Seitz and Wm. Gerbrick, directors of the Bank, testified that they always reposed faith in the President and Cashier, and the first named director admitted that although he has been a director for eleven years he had never examined the books.

Eli R. Miller, L. N. Shriver and E. T. Eyster, of Glen Rock, signed the bail bond of Mr. Herbst who returned again to Glen Rock.

The liabilities of Henry Seitz will reach about \$5,800, but a good proportion of this amount will be covered by securities, so that through his personal account, the Bank will lose but little, if any. His personal account shows no overdraft at any time. . . .

By December 10, 1886, *The Glen Rock Item* reported that the liabilities of the Herbsts to the Bank would be somewhere between \$50,000 and \$60,000. Assets of the Herbsts were put at \$3,000. Total liabilities, it was believed, would amount to \$115,000—against assets of \$20,000.

“What the mystery has been all the time and still is,” the writer for the Philadelphia paper suggested, “is this: where did this enormous sum of money go?” These people did a large business since they were so engaged, and also inherited considerable money, and it is not known that they sustained any serious losses as surety, or otherwise, than what is common in mercantile trade in a community like ours.”

In the second week of January 1887, the U. S. Commissioner heard the case in Baltimore against William H. and Jacob S. Herbst, “arrested in Baltimore on the charge of having conspired with the father, William Herbst, President of the Glen Rock National Bank [The First National Bank of Glen Rock], to defraud that Institution by obtaining discounts above their ability to pay.”

Charges against William H. Herbst were dropped in this hearing; and Jacob S. Herbst was held for the action of the United States authorities in Pennsylvania.

In February, authorities set trial dates for Jacob Herbst and Henry Seitz. *The Item* reported that many Glen Rock citizens who had been summoned as witnesses traveled to Philadelphia for the trial, but returned home after the trials were delayed until the May term of Court.

Among the many concerns the Bank President faced during this period of housecleaning and reorganization was whether the Bank could be held responsible for the lost funds should the officers going to trial be acquitted. To settle this question in the minds of stockholders and citizens Dise did his homework and then published this account in *The Item*, revealing, at the same time, some of the rancor and anxiety of the times:

A report has been put into circulation in this community to the effect that the suit of the United States against the later officers of the Glen Rock Bank, now pending in the United States courts for embezzlement, will be lost by the government, and that in such event the said ex-Bank officers would bring suit against the Bank for illegal arrest and false imprisonment, laying claims for heavy damages.

This report is evidently worked up by certain parties in this community who are antagonistic to the success of the Bank and who are making every effort to bring discredit upon it and the persons who are interested in its reorganization, simply, because the Bank didn't "bust" as they wanted it to do and thereby fulfill their awful predictions. Now the fact of the matter is that the Bank is not, neither will it be, liable for damages as some interested parties would like to have it, because the Bank is not responsible for [what] the present officers have done at the direction and by the orders of the government.

The following letter from United States Attorney, John K. Valentine, will explain itself as to the merits of the reports in circulation. We hope, therefore, that every citizen, of this town and vicinity, who is interested in the welfare and prosperity of our people will make every effort and use his influence whenever he

can in helping to put the Bank in a first class condition, which we can assure you will be the result if the people will stand by it.

Respectfully Yours,
Joseph Dise

There followed a transcript of the letter Dise had received from the Office of the United States Attorney for the Eastern District of Pennsylvania, dated February 1887. Addressing Dise, the attorney, John K. Valentine, was succinct in his response, and, no doubt, Dise and the others connected to the First National Bank of Glen Rock experienced some emotional relief—if only briefly, in what they read: “Dear Sir: I am in receipt of yours of the 25th inst., as to whether the 1st National Bank of Glen Rock, is in any manner liable to prosecution for damages in the event of the President and Cashier not being convicted in the prosecution now pending against them in the District Court. You state that some of your stockholders are under the impression that this might be the case. In reply I have to inform you that in the event of these parties being acquitted the bank will not be liable.”

Ironically, *The Glen Rock Item*, in April 1887, headlined a summary of recent occurrences with the words, “A Grand Showing.” From the perspective of modern journalism, the account seems a haughty

example of grandstanding, of self-congratulations and shameless promotion. The editors, no doubt, felt the public needed advice and, unapologetically, declared:

No doubt many of *The Item* readers are anxiously waiting to hear how matters are standing at Glen Rock, and especially in the Bank, as that is the thermometer by which the financial status of our town and community have largely been measured during our recent troubles. It has been all along a universally expressed opinion, not only here but elsewhere that if the Bank can stand, the bottom has been reached. There were many misgivings as to the test of April 1st, the great settlement day in Penn'a.

The Item has expressed but one opinion since the new management has taken control of the affairs of the Bank, and that was, that all would end well. It was assuming a very great deal, with the condition of things at the time when the official changes were made, but with the induction of new officers came a new system of business which we felt assured would enlist the confidence of the people whose interests it was to stand by the Bank. This the stockholders and depositors did with creditable unanimity and they will be richly rewarded for their considerable action. . . .

People in the surrounding country will find it to their interest to put any money they have on deposit in the Bank. Why not put your money into Bank and check it out when needed, instead of leaving it at home subject to the risk of being stolen.

In May 1887, the trials of the former officers of the First National Bank of Glen Rock, William Herbst and Henry Seitz, got under way. It was decided rather quickly that the two men should be tried sepa-

rately. Herbst was charged with misapplying and embezzling the funds of the Bank. J. S. Herbst was indicted as abettor. This article in the May 20 (1887) issue of *The Item* brought the public up-to-date and also raised questions to be answered, one would hope, in a future edition:

The government showed that there were overdrafts on the part of the firm of Wm. Herbst & Sons, the party that made the trouble with the Bank, as far back as September 15th, 1883, and from thence along up to July 16th, 1884, but which had always been made good after shorter or longer intervals; that overdrafts began July 16th, 1884, continued to May 26th, 1885, when they reached the sum of \$11,683.50. Satisfaction was made for this overdraft on this day by giving three notes as follows:

One for \$4,000, of Herbst & Seitz, one for \$4,000, Wm. Herbst & Sons and one for \$3,600, of J. S. Herbst & Sons and one for \$3,600, of J. S. Herbst & Co., with some cash to balance the overdraft. A few days after this settlement, overdrafts began again and continued to August 26th, 1885, when they reached \$2,802.01. This was covered by a note of Wm. Herbst & Sons. A few days after these overdrafts began again and continued up to October 9th, 1886, when they reached the sum of \$18,083.50 which still remains unsettled. The total amount of the overdrafts thus owing is \$33,155.50. In addition it was shown that the firm was owing notes to the amount of \$4,540.00. Not over one fourth of which had been regularly passed into the Bank book by discount.

It was also shown that Wm. Herbst was owing in notes \$8,825.00; W. H. Herbst \$7,968.00 and J. S. Herbst \$2,731.48 or a total of \$19,524.48, which with the overdrafts of \$32,155.50 makes a total liability to the

Bank of \$57,219.88. Very few of the notes were endorsed other than by the members of the firm, and very few were properly discounted. The liabilities of Henry Seitz, to the Bank, cover \$4,225.00, notes secured by endorsers, and of which there will not be a heavy loss as the Bank secured the property of Mr. Seitz, which with the endorsers will nearly cover the liability. Of the liabilities of the Herbsts it is difficult now to determine what the loss will be.

The defense acknowledged the liability as shown by the government and only attempted to show that the defendant, Wm. Herbst, had no criminal knowledge of the crooked transactions. He himself admitted knowledge in part but could not tell how it all came about, while J. S. Herbst, on the witness stand, confessed that he had not given his father much information about the overdrafts and the notes. He claimed that all of the money realized on these overdrafts and notes was paid out in satisfaction of the liabilities of the firm, created in regular business transactions.

In order to ascertain the facts as to these transactions the government put Henry Seitz, ex-Cashier, upon the witness stand, who testified that he had given repeated notice of these overdrafts to the President, the defendant, and he was directed by him to honor checks of the firm when presented. Mr. Herbst admitted that he had received notice but could not tell when, but claimed he had no knowledge of the extent of the liabilities of the firm, and J. S. Herbst admitted that he had said but little to his father about it.

It is difficult to estimate the psychological and emotional impact of these developments on the accused and all the individuals around them. American justice, heavily influenced by British law and Puritanical prin-

ples, depended on public shame to help exact punishment and, perhaps, reform. As it was in other places, public opinion, fed by local newspapers and local gossip, influenced by churches and other local institutions, made up a formidable power in York County. Having your name printed in the local papers, in connection to an alleged crime, brought with it public scorn and discrimination, whether guilty or innocent.

Nearing the end of 1887, *The Glen Rock Item* told its readers, in October, that the two men convicted in the Herbst Case had been sentenced to five years' imprisonment in the Eastern Penitentiary. This institution, in downtown Philadelphia, looked very much like the prisons described by the novelist Charles Dickens.

This unfortunate chain of events seemed, in many ways, to come to a close almost two and a half years later. The local newspaper again informed its readers, mixing its reportage with opinion and speculation:

On Thursday of last week, our former townsman, M. L. W. Shafer, who for the last four or five months worked earnestly to secure the pardon of Mr. William Herbst, ex-president of the First National Bank of this place, was rewarded with success. He received a telegram announcing the pardon and release of Mr. Herbst. Mr. Shafer was very active in this matter, backed by some of the best people of the county, and no doubt feels elated over his triumph.

Mr. Herbst was imprisoned two years and about five months, or about seven months longer, than was intended by the Court. This delay was chiefly owing to the accumulation and delay of business to the

Attorney General's office at Washington. Mr. Herbst looks well, and bore his imprisonment with characteristic resignation. He has numerous offers of assistance from large wholesale houses in the cities who are anxious to show their confidence in his integrity by again starting him up in business. We have not up to this time learned of his intentions.

While the sting of the embezzlement scandal would be felt for many years by many Glen Rock citizens, the economy of the Borough slowly recovered. The Bank's directors and officers had learned valuable lessons, and these lessons would illuminate Bank practices and strengthen the vigilance of directors and officers. "We learn from our mistakes," one old-timer from Glen Rock philosophized. "If we don't, then we don't deserve the fruits of our labor."

Evidence that Bank officials learned from the past is shown in the comparative statements for the next twenty years—and also in the Board's decision to build a modern new bank, the first "real home" in its fifty-year history. In 1890 the Bank's Resources and Liabilities were \$170,733. Ten years later that figure had grown to \$646,208. Just three years later, by 1913, when the Bank was operating out of its new facility, Resources and Liabilities had grown to \$688,159.



This is a second charter bank note issued for National Banks in 1883. This note is signed by W. C. Wambaugh, Cashier, and Joseph Dise, President. Courtesy Fred Rosenmiller.



In 1890 Bank records showed loans and investments of \$154,092 and surplus and profits of \$13,221. The 1900 record reported loans and investments of \$285,811 and surplus and profits of \$12,393.

The new century brought a new service to the Bank, notable because of its innovation for the times and its emphasis on development of its customer base: "At a regular meeting of the Board of Directors of the First National Bank of this place," *The Glen Rock Item* reported on January 24, 1902, it was decided to open a savings bank department in connection with the Bank "giving an opportunity to all persons to

deposit amounts from ten cents upwards, on which interest will be computed from the time the money is deposited every six months." The Bank offered savings books to record deposits and withdrawals and in the first six months a hundred accounts were active, mostly by young people. *The Item* editorialized the program would do much toward "popularizing and encouraging the saving of small amounts by young folks."

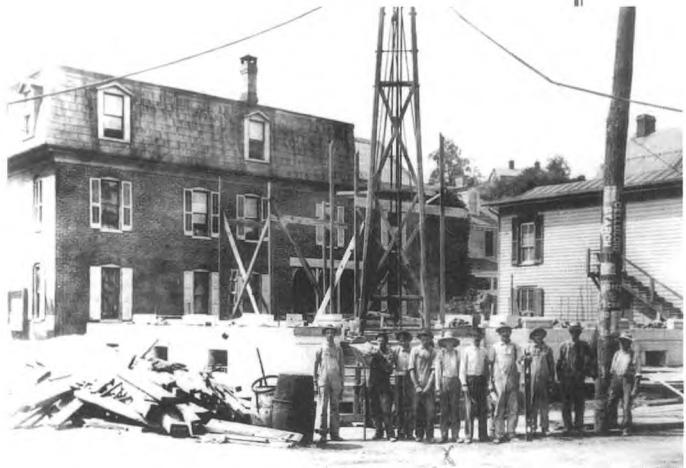
By 1910 loans and investments at the Bank had climbed to \$572,730 and surplus and profits were reported at \$62,120.

This is a third charter bank note issued for National Banks in 1903. Note signatures by Paul J. Beck, Cashier, and Joseph Dise, President. Courtesy John C. Hufnagel.

After 1910, the Board of Directors began to discuss how the Bank would move forward and how it could better serve its customers. There was no doubt that the Bank was outgrowing its offices on the corner of Manchester and Hanover Streets, and that the condition of the building had deteriorated over the years. It would cost \$8,000 to \$10,000 to remodel the old building, directors learned; even if renovations were made, the building would remain “unsightly and unsatisfactory from an external point of view.” The Board then voted unanimously to remove the old building and replace it with a new structure better suited to meet the growing demand for additional room and facilities—better suited as a focal point for a Bank that had met adversity, resolved great problems and regrouped to serve its communities with integrity and strength.

In late April 1912 *The Glen Rock Item* reported the latest development in the Bank’s evolvement:

The First National Bank moved Saturday late its temporary quarters in the Miller and Cramer building on the corner of Main and Baltimore streets. These quarters will be occupied during the building of the new banking house on the site of the building vacated. Razing of the old building is in progress, the work of demolition being in charge of H. L. Gemmill.



This photograph was taken after the 1876 building housing the Bank had been torn down to make room for the new Bank. The demolition crew of H. L. Gemmill stopped working long enough for this picture in 1912. Courtesy Ronald Dise.

The building vacated by the Bank and now being destroyed was erected in 1876. Its builders were N. Z. Seitz and the late S. K. Hoshour [son of Josiah V. Hoshour]. It was occupied by the First National Bank since 1877.

The new bank building will be a brick structure, one story, 46 feet x 46 feet. The new banking house will be a modern building in every feature.

The building committee consists of Joseph Dise, Paul J. Beck, N. K. Seitz and G. W. Geiple. The plans and drawings for the new building have been made by Joseph Dise.

Chapter Three

Building on the Past, National Crisis (1912–1933)

Late in 1912 the new building was ready for dedication. The entrance of the imposing structure was flanked by two large stone columns supporting a decorative cartouche above the main doorway. Dedicated in 1912, the building, constructed of Indiana limestone, granite, marble, concrete and steel, produced “a striking and attractive design.”

Among the crowd attending the dedication ceremonies was the building’s proud architect, Joseph Dise, the same man who had served as President of the Bank since 1886. Dise was the architect for twenty-five church buildings found over a large portion of Pennsylvania and Maryland, and numerous residences, with notable examples in Middletown and Harrisburg, and in Baltimore’s beautiful Roland Park neighborhood. He also designed municipal buildings, banks and other structures, while overseeing other prosperous companies, including the First National Bank of Glen Rock.

The building was truly a landmark, anchoring the Bank into the center of Glen Rock’s business community in both symbolic and physical terms. The roof of the building, supported by steel trusses spanning the



full width, provided unobstructed use of the building's interior, rising twenty feet from floor to ceiling and beautifully appointed with tasteful trimmings and well-made furnishings. A mezzanine enclosed with a heavy balustrade in cream gray terra cotta of ornamental design looked over the Vault and the Directors' Room, and might provide extra floor space at some future time, should it be needed.

A descriptive brochure noted, "The main floor is taken up with the Vault, a Directors' Room, Cashier's Room and toilet room and Counting Room, all enclosed with a handsome Counter Screen on a Marble Base, with plate glass and bronze metal grilles and wickets with interior cabinet work of selected quartered oak." In addition, a small private room was provided just off the lobby for use by patrons and Bank officials in formal or more relaxed conversations.

"The marble wainscoting is also continued in the Counting Room to a height of four feet, and the Vault is also wainscoted to a height of eight feet six inches," the dedicatory literature explained. "The marble

This photograph shows the new Bank in 1914. The boy standing on the second step was Marvin Wagner of Glen Rock, born in 1900. Note the name of the Bank added to the top of the structure at three places. Courtesy John C. Hufnagel.

work was installed by the Vermont Marble company, under the supervision of Mr. Joseph Proctor, and is one of the principal features of the interior decorations."

"The ceiling is heavily beamed and laid off into panels with ornamental moldings," the writer of this literature explained, and the "center of the ceiling is taken up with a large skylight, provided with an improved ventilator. A diffusing panel of Art Glass under the skylight softens the light and adds much to the attractiveness of the interior."

"All floors, partitions and roof are of concrete, reinforced with steel with the best modern practice of fire-proof construction. The roof is supported by steel trusses spanning the full width of the building, thereby gaining unobstructed use of the interior."

Protection against fire and burglary was foremost in the minds of building contractors, and it was noted the 30,000-pound vault, constructed by the York Safe & Lock Company, had reinforced concrete walls twenty-four inches thick. Inside, the safe was lined with heavy plates of steel.

"The front of the Vault alone weighs approximately 10,000 pounds and consists of a massive outside door of drill-proof steel, connected by a heavy steel vestibule to folding inside doors. The outside door is locked by 24 round bolts, each 2 inches in diameter, secured by 2 combination locks and a triple-

movement 72-hour time lock. This door is hung on a massive crane hinge with ball bearings and is forced into and out of the jambs by pressure mechanism, which is operated with a wheel on the outside of the door. The inside doors are also locked with heavy, round, steel bolts, secured by combination lock."

It was important for the Bank to establish, and maintain, a sense of safety for its depositors, and probably more so in south central Pennsylvania than in some other areas of the United States. Pennsylvania, after all, was populated in the early days by people who held government, and institutions tied to it, in suspicion. It was not unusual for people connected to the First National Bank of Glen Rock, for example, to hear that a certain individual was keeping his money hidden somewhere in his home, rather than to entrust it to a bank. In those times, some citizens were only two or three generations removed from the oppressive conditions of Europe, where governments and other organized bodies interfered in everyday lives. It was sometimes quite difficult for both individuals and institutions to earn trust and confidence.

Nevertheless, the First National Bank earned the trust of many over the years and this trust paid off in customer loyalty, as well as moderate growth. It was noted in February 1913, for example, that the Bank had 2,552 depositors—with funds in the Bank representing \$519,134. Nearly all these depositors had been with the Bank for many years.

Proof that the Bank was conscious of customer loyalty, and the delicate balance between trust and suspicion, is seen in a 1913 publication in which officials gave a combination condition report and endorse-

ment for its services: "We claim the loyal and continued support of the public and this community especially for the following reasons: Ours is the oldest Bank, with one exception, in York County outside of York and Hanover. We have fostered and aided, to the best of our ability, every enterprise and business that helped to support and build up the community and its people for so many years. We have strenuously and consistently opposed every scheme advanced by speculative promoters who persistently prey upon the public and beat them out of their savings."

This report was signed by Joseph Dise, President; N. K. Seitz, Vice President; Paul J. Beck, Cashier; and Eli B. Keller, Assistant Cashier. In addition to a Vice President, and an Assistant Cashier, the Bank had also added a Bookkeeper, Rufus M. Saubel, by this time.

Directors, in addition to the President and Vice President, were William Foust, A. S. Strayer, Jacob F. Krebs, Paul J. Beck, John G. Krout, George W. Geiple and David Y. Brillhart. Of these men, Dise, Seitz, Foust, Geiple and Beck had Glen Rock addresses. Krout was living in Loganville, Krebs in Glenville, Strayer in Winterstown and Brillhart in Loganville. While once devoted almost totally to business and individuals in Glen Rock, the Bank was now welcoming deposits and lending in neighboring towns—a way of building its customer base, an indication of things to come.

The Bank's financial statement covering the first year in the new bank building demonstrated some encouraging gains:

STATEMENT MARCH 1, 1913

RESOURCES

BONDS DEPOSITED WITH UNITED STATES TREASURER.....	\$ 50,000.00
REDEMPTION FUND	2,500.00
PREMIUM ON BONDS.....	500.00
BANKING HOUSE FURNITURE AND FIXTURES	19,954.04
REAL ESTATE	100.00
BONDS	82,635.00
NOTES DISCOUNTED.....	444,944.10
EXPENSES AND INTEREST PAID	3,703.89
DUE FROM BANKS	2,077.87
CASH AND RESERVE	<u>81,744.50</u>
	\$ 688,159.40

LIABILITIES

CAPITAL STOCK.....	\$ 50,000.00
SURPLUS AND PROFITS LESS EXPENSES AND TAXES PAID.....	69,060.58
CIRCULATION	50,000.00
DEPOSITS	<u>519,134.82</u>
	\$ 688,159.40

Moving into a new bank building evidently gave Directors and Officers of the Bank reason to pause; or, perhaps, it was just the increase in the number of staff people available, or a higher level of professionalism infused into the Bank. At any rate, officials demonstrated in a dedication brochure they were aware

of past achievements and might well base future actions on recognition of past achievements. The brochure stated:

It must surely be of interest to many people who are relatives and friends of the men who served on the Board of Directors of the Bank at different periods of its history to find the names of such persons recorded in this sketch, with the date of their election and time of service.

The present management takes this opportunity to express its appreciation of the splendid service rendered by the men who served on the Board since October 21st, 1886, and to whose wise counsel and prudent management the success of the Bank is largely due.

To the many friends and patrons of the Bank who by their loyalty and consistent support as well as their good will and confidence have been the means of bringing it to its present successful condition, we owe a debt of gratitude, and with the better equipment and facilities of the New Building, we will strive to serve them still better and hope to merit their continued support to even a greater extent than in the past.

A Bank is naturally a semi-public institution, belonging in a sense to the people of the community in which it is located and whom it serves, and in that sense we hope the citizens of Glen Rock and adjoining community will recognize the First National Bank as their institution and have cause to take pride in its growth and progress.

The first two decades of the new century were decades of growth. With a county population exceeding 136,000 and a world war that both taxed and benefited the industries and small businesses of south central Pennsylvania, the First National Bank of Glen Rock was experiencing growing pains. The Directors and Officers of the Bank looked for ways to be more efficient and more profitable. They debated at great length on whether the Bank should become a state bank or a trust company. Governmental regulations were continually shifting—giving different forms of financial institutions advantages over another kind, from time to time, and moving financial experts from one set of beliefs to another, almost overnight.

By 1919 there was enough support at the First National Bank of Glen Rock, now settled into its own elegant headquarters on the corner of Hanover and Manchester Streets, to reorganize itself. On March 14, 1919, Directors and Officers received a new charter under the name of the Trust Company of Glen Rock.

Still using the name The First National Bank, the Officers wrote to patrons and friends on February 11, 1919:

To keep pace with the progress and condition of the times the Officers and Directors of this Bank had had under consideration for some time the advisability of increasing the Capital Stock and taking out a Pennsylvania Charter; and after careful investigation we



Metal banks like those shown above were given out by the Bank on at least eight occasions. The bank on the left may have been given out as a promotion for the savings department, formed in 1902. The bank pictured at center and on the right may have been given away when the names changed in 1919 and 1934, respectively. Courtesy John C. Hufnagel.

have come to the unanimous conclusion that we can serve the interest of our patrons and the people of this community to much better advantage and at the same time fully protect and safeguard all our deposits, by doing so.

To carry out the purpose of the foregoing conclusions the consent of every stockholder was obtained with their signature to an agreement authorizing the present Board of Directors to take the necessary legal steps to put into effect the reorganization of the present bank as set forth in said agreement: and at a meeting of Stockholders held February 11, 1919, by the unanimous action of the holders of all the Capital Stock, said liquidation was directed and the incorporation of the Trust Company of Glen Rock was authorized to take over all of the assets and assume all of the liabilities of said First National Bank of Glen Rock.

The depositors and certificate holders will not suffer any inconvenience through the reorganization, as all of the assets of the present Bank will be taken over by the new Bank and all its liabilities assumed, and all checks drawn upon and all certificates held against the present bank will be honored by the new organization, as by an agreement

LIST OF STOCKHOLDERS, TRUST COMPANY OF GLEN ROCK, PA. INCORPORATED MARCH 14, 1919								
NAME	ADDRESS	SUM	NAME	ADDRESS	SUM	NAME	ADDRESS	SUM
Bailey, H.A.	Yore, Pa.	25	Heathcock, McElroy	Hanover, Pa.	30	Glen Rock	Glen Rock	5
Bailey, J.E.	Yore, Pa.	10	Heathcock, Loyd S.	Yore, Pa. R.D. #6	5	Seitz, Miss Mary	Eckmont Col.	50
Bauer, Mrs. Mary	18 York, Pa.	50	Heinzel, Mrs. A. Evans	Yore, Pa. R.D. #6	10	Seitz, N.K. Ed.	Glen Rock	24
Bee, Chas F.	Yore, Pa. R.D. #9	25	Kapp, M.L.	Glen Rock	20	Seitz, O.L.	Glen Rock	5
Bee, Paul J.	Glen Rock, Pa.	125	Keller, L.O.	Glen Rock	20	Shaffer, J.A.	Glen Rock	20
Bellinger, L.H.	Yore, Pa.	5	Keller, Mrs. Zora L.	Glen Rock	20	Shaffer, Henry A.	Lindboro, Md.	20
Bennings, D.Y.	Wicksburg & R.R. 100	100	Kinsing, Mrs. Bertha M.	Hanover, Pa.	30	Shelley, Mrs. Anna E.	Yore, Pa.	15
Berker, Nelson	Yore, Pa.	35	Krebs, Jacob F.	Glen Rock, R.D. 7	50	Siegay, Asaph	Dallman, Md.	15
Brubaker, Max W.C.	Westminster, Md.	10	Kreutz, Mrs. Beulah	Jacobus, Pa.	5	Smith, Mrs. Margaret M.	Westminster, Md.	20
Brubaker, Max W.C.	Westminster, Md.	25	Kreutz, Mrs. Elizabeth	Loganville, Pa.	30	Stryker, Alfred S.	Tolson, Pa. R.D. 5	50
Brubaker, J.M.	Glen Rock, R.D. 5	5	Kreutz, Mrs. Marie J.	Loganville, Pa.	20	Sweeter, Mrs. Anna E.	Glen Rock	60
Brubaker, Jim H.W. & Son	Greenmount, Md.	30	Kreutz, Mr. Howard	Yore, Pa. R.D. 2	20	Sweeter, Mrs. Edna	Yore, Pa.	10
Brubaker, T.S.	Glen Rock, R.D. 40	40	Kreutz, Jacob M.	Glen Rock	20	Slingo, James	Glen Rock	20
Dise, Clarence C.	Glen Rock	5	Lehrman, Sylvester	Yore, Pa. R.D. #1	50	Vanderford, Mrs. Anne L.	Westminster, Md.	20
Cassell, Jack & Ruth	Westminster, Md.	20	Lento, M. Guy	Glen Rock	10	Waddington, J. Victor	Glen Rock	10
Dise, Harvey D.	Glen Rock	7	Lento, Mrs. Loretta E.	Glen Rock	5	Wiley, C.G.	Glen Rock	60
Dobf, H.C.	Loganville, Pa.	75	Lynch, John Est.	Glen Rock	20	Wiley, Mrs. Mary J.	Glen Rock	5
Dobf, S.K.	Glen Rock	35	Milner, Fred F.	Hanover, Pa.	20	Wolf, J.T.	Glen Rock	10
Dose, Tex	Glen Rock	230	Marcel, Mrs. Isabelle	Spring Grove, Pa.	40	Wolf, Rev. J.B.	Washington, D.C.	20
Dose, U.S.	Glen Rock	50	Milner, L.C.	Hanover, Pa.	40	Wolf, Mrs. Rosalie E.	Washington, D.C.	25
Dubbs, Mrs. Elizabeth	Glen Rock	120	Muselman, Mrs. Mary E.	Manchester, Md.	10	Wolf, Rev. J. Harold	McConnell, Pa.	10
Dunes, Mrs. W. ^{2nd} 1st	Yore, Pa.	15	Miller, W.C.	Glen Rock	20	Yost, H.B.	Jacobus, Pa.	25
Faust, Mr. Michael	Jacobus, Pa.	10	Monks, H.O.	Glen Rock	40	Yost, C.B.	Loganville, Pa.	10
Faust, William	Glen Rock	50	Neidius, S.F.	Glen Rock	40			
Ogden, George W.	Glen Rock	50	Pfeifer, Mrs. Mary M.	Alpine, Pa.	10			
Ogden, Mrs. Adeline F.	Glen Rock	30	Rennell, Nathaniel	Glen Rock	10			
Ortster, Mrs. Belle L.	Glen Rock	35	Robbrough, Mr. Sam	Glen Rock	75			
Goodling, L.D.	Loganville, Pa.	35	Seidel, Rufus M.	Glen Rock	5			
Goodling, R.A.	Loganville, Pa.	30						
Gray, Mrs. Maggie	Glen Rock	10						

Shown above is an early record of all stockholders of the Trust Company of Glen Rock. PeoplesBank Archives.

between the First National Bank, and the new Bank, all of the stationery, including checks, notes, certificates, deposit tickets, etc., may be used until the present supply is exhausted or replaced by the new Bank.

The names of Bank officers at this time were printed at the top of the letter carrying news of the changes and assuring customers that the reorganization would benefit everyone. Joseph Dise was President; G. W. Geiple, Vice President; Paul J. Beck, Cashier; and E. B. Keller, Assistant Cashier.

The Trust Company of Glen Rock served longtime customers and added new ones. As the population grew, and as banking relationships developed, these alliances reached back several generations. But, during the 1920s, many banks, most notably the large ones in large cities, had made ill-advised investments. There was a sharp increase in speculation in the late 1920s and many banks placed depositors' funds in the stock market and invested in corporate bonds promising high-interest returns. Bankers provided mortgages to people who, years later, as the Great Depression worsened, did not have the means to pay back their debts. The economic situation in America was bleak. In 1930, the Bank of the United States

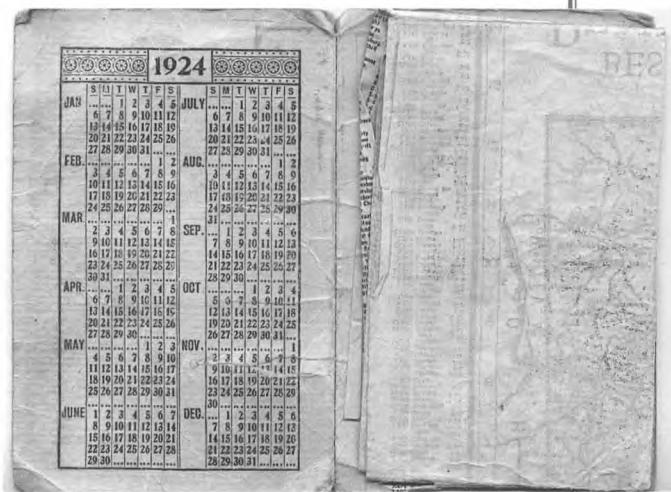
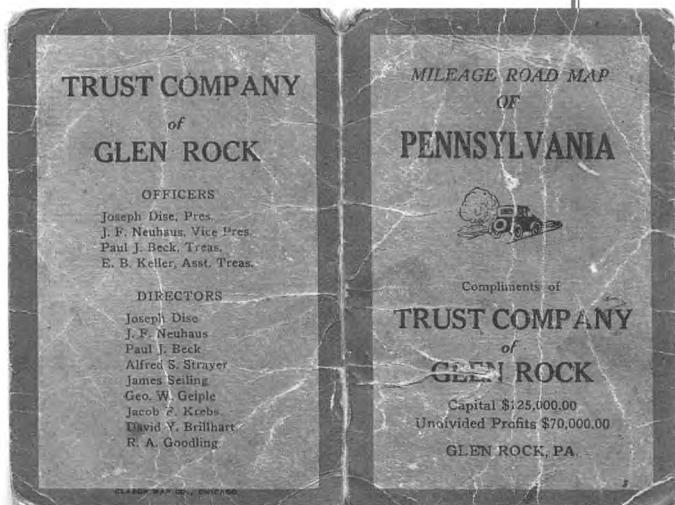


In 1919 the national banking charter granted in 1864 was surrendered, and the Bank reorganized as the Trust Company of Glen Rock. Note the name has been changed at three places on the façade, and the sign on the Glen Rock Electric Light and Power Co. pole in the forefront urging all motorists to "turn on green." Courtesy Ronald Dise.

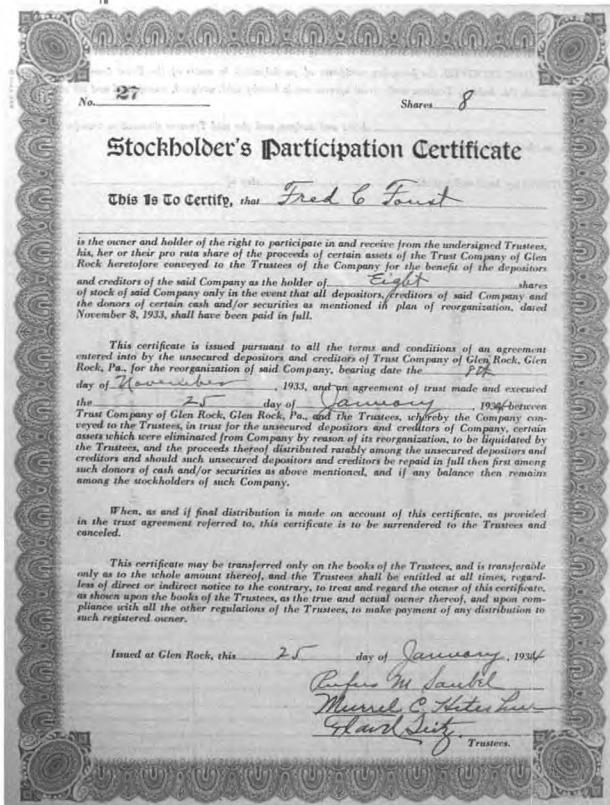
closed because of the stock market crash. This bank had sixty branches and almost half a million depositors. In following months financial emergencies occurred in Argentina, Austria, Belgium, Poland, Germany, Hungary and Latvia and on and on. Between August 1931 and January 1932, 1,860 banks failed.

Between four million and five million people were out of work. In 1932 the Depression hit its low point; average monthly unemployment was estimated at twelve million; wages were only sixty percent of what they were three years before. Industry was operating at half its 1929 volume. More than 5,000 banks had closed.

The Trust Company of Glen Rock had been comparatively wise in its investments, but it was not immune to the nationwide fever that worsened, threatening the security of almost every citizen. Fearing their money was no longer safe, many Americans withdrew their funds from



This booklet was used by the Bank as a promotional item in late 1923. The booklet contained a 1924 calendar and a fold-open mileage road map of Pennsylvania. Courtesy Terry McFatridge.



their banks, and eventually a withdrawing frenzy erupted. This frenzy worsened in the first two months of 1933. This resulted in part from the procedure, then extant, of scheduling the presidential inauguration in March rather than in January, thus delaying the reforms expected of the new administration.

In an attempt to restore confidence in the banking system, newly elected President Franklin Delano Roosevelt declared that all national banks in the United States would close on March 6, 1933. They would remain closed until government auditors could examine the situation and decide when the financial climate was safe again. The auditors would then allow these banks to reopen, after they agreed to abide by strict regulations to guarantee their solvency.

Roosevelt had declared a mandatory holiday for all banks in the United States. In compliance with the law, the Trust Company of Glen Rock closed March 4, 1933.

Stockholder Participation Certificate of Fred Foust issued January 25, 1934. Courtesy of PeoplesBank Archives.

In one of his famous Fireside Chats, Roosevelt explained the situation to the American people:

I want to talk for a few minutes with the people of the United States about banking—with the comparatively few who understand the mechanics of banking but more particularly with the overwhelming majority who use banks for the making of deposits and the drawing of checks. I want to tell you what has been done in the last few days, why it was done, and what the next steps are going to be. I recognize that the many proclamations from State capitols and from Washington, the legislation, the Treasury regulations, etc., couched for the most part in banking and legal terms, should be explained for the benefit of the average citizen. I owe this in particular because of the fortitude and good temper with which everybody has accepted the inconvenience and hardships of the banking holiday. I know that when you understand what we in Washington have been about, I shall continue to have your cooperation as fully as I have had your sympathy and help during the past week.

Although Roosevelt's chat was helpful and welcomed by many trying to figure out how serious the problem was, the "fortitude and good temper" with which everybody had accepted the "inconvenience and hardships of the banking holiday" were stretched to the limit. Some people, including many individuals in Glen Rock, had put their life's savings in one or another of the banks nearby. They worried about their security and about their future. And they worried about having cash to buy the things they and their families needed. Roosevelt continued:

First of all, let me state the simple fact that when you deposit money in a bank the bank does not put the money into a safe deposit vault. It invests your money in many different forms of credit—bonds, commercial paper, mortgages and many other kinds of loans. In other words, the bank puts your money to work to keep the wheels of industry and of agriculture turning around. A comparatively small part of the money you put into the bank is kept in currency—an amount which in normal times is wholly sufficient to cover the cash needs of the average citizen. In other words, the total amount of all the currency in the country is only a small fraction of the total deposits in all of the banks.

What, then, happened during the last few days of February and the first few days of March? Because of undermined confidence on the part of the public, there was a general rush by a large portion of our population to turn bank deposits into currency or gold—a rush so great that the soundest banks could not get enough currency to meet the demand. The reason for this was that on the spur of the moment it was, of course, impossible to sell perfectly sound assets of a bank and convert them into cash except at panic prices far below their real value.

By the afternoon of March 3d scarcely a bank in the country was open to do business. Proclamations temporarily closing them in whole or in part had been issued by the Governors in almost all the States.

State governments had, indeed, implemented regulations to help keep banks open, and in some occasions this added to the cacophony of the times. The regulatory, financial and banking relationships between Maryland and Pennsylvania were always subject to uncertainty and change—even in the best of times—

and in Ohio, in late February 1933, the state legislature limited the amount of money that depositors could withdraw from banks. But, it was noted, a large number of people from Michigan came into Ohio to withdraw funds from their hometown banks that had branches in Michigan.

In the case cited above, the Michigan legislature placed restrictions on withdrawals earlier than Ohio had done, and fearful that they might lose most of the money that they had deposited in banks, people from Michigan came to the Ohio branches of their banks and withdrew all the funds that they had in those financial institutions. Once Roosevelt declared a “banking holiday,” the Ohio legislature followed suit. Roosevelt’s words, thus, addressed these concerns:

It was then that I issued the proclamation providing for the nationwide bank holiday, and this was the first step in the Government’s reconstruction of our financial and economic fabric.

The second step was the legislation promptly and patriotically passed by the Congress confirming my proclamation and broadening my powers so that it became possible in view of the requirements of time to extend the holiday and lift the ban of that holiday gradually. This law also gave authority to develop a program of rehabilitation of our banking facilities. I want to tell our citizens in every part of the Nation that the national Congress—Republicans and Democrats alike—showed by this action a devotion to public welfare and a realization of the emergency and the necessity for speed that it is difficult to match in our history.

The third stage has been the series of regulations permitting the banks to continue their functions to take care of the distribution of food and household necessities and the payment of payrolls.

This bank holiday, while resulting in many cases in great inconvenience, is affording us the opportunity to supply the currency necessary to meet the situation. No sound bank is a dollar worse off than it was when it closed its doors last Monday. Neither is any bank which may turn out not to be in a position for immediate opening. The new law allows the twelve Federal Reserve Banks to issue additional currency on good assets and thus the banks which reopen will be able to meet every legitimate call. The new currency is being sent out by the bureau of Engraving and Printing in large volume to every part of the country. It is sound currency because it is backed by actual, good assets.

The President's words, printed in newspapers, after his radio delivery, did much to alleviate fears and gird the structure of the banking industry, but, no doubt, many who heard, or read, them, wondered if all the claims could be trusted. Roosevelt concluded:

A question you will ask is this: why are all the banks not to be reopened at the same time? The answer is simple. Your government does not intend that the history of the past few years shall be repeated. We do not want and will not have another epidemic of bank failures.

As a result, we start tomorrow, Monday, with the opening of banks in the twelve Federal Reserve bank cities—those banks which on first examination by the Treasury have already been found to be all right.

This will be followed on Tuesday by the resumption of all their functions by banks already found to be sound in cities where there are recognized clearing houses. That means about 25 cities of the United States.

On Wednesday, and succeeding days banks in smaller places all through the country will resume business, subject, of course, to the Government's physical ability to complete its survey. It is necessary that the reopening of banks be extended over a period in order to permit the banks to make applications for necessary loans, to obtain currency needed to meet their requirements and to enable the Government to make common sense checkups.

The President continued, addressing the worry about State banks and banks not members of the Federal Reserve System. He promised these banks would receive assistance from member banks and from the Reconstruction Finance Corporation. He said State banks were following the same course as the National banks, noting, however, that their licenses to resume business come from State authorities. These authorities, he said, have been asked by the Secretary of the Treasury to permit their good banks to open on the same schedule as the national banks. The situation, in reality, was a bit more complex than the President suggested, and he added:

One more point before I close. There will be, of course, some banks unable to reopen without being reorganized. The new law allows the Government to assist in making these reorganizations quickly and effectively and even allows the Government to subscribe to at least a part of new capital which may be required. I do not promise you that every bank will be reopened or that individual losses will not be suffered, but there

will be no losses that possibly could be avoided; and there would have been more and greater losses had we continued to drift. I can even promise you salvation for some at least of the sorely pressed banks. We shall be engaged not merely in reopening sound banks but in the creation of sound banks through reorganization.

Bank officials and others in Glen Rock felt the desperation of the times. Society was going through an upheaval. Many workers had lost their jobs, food was being rationed and only a few companies in the region could keep men and women at work when contracts ran out. Newspaper and broadcast reports told of failed businesses, lost fortunes and chaos in the marketplace.

In the midst of all this woe, Glen Rock lost one of its venerable leaders on April 12, 1933. An obituary printed in *The Glen Rock Item* for January 21, 1932, noted that Joseph Dise, then Chairman of the Bank's Board of Directors, died after a long illness at the age of 83. He had served the Bank continuously for more than forty-five years. In the reorganization after Dise's retirement as President of the Bank, the Board of Directors named Paul J. Beck President. Beck apparently was well qualified for the new position, having served as Cashier and Treasurer. During the same session, J. F. Neuhaus was re-elected as Vice President.

The newspaper notice about Dise's death said he had brought the Bank exceptional ability as a directing head and the institution "grew and prospered during his presidency."

Many who attended his funeral services felt not only the loss of a talented and well-loved business leader, but also the loss of an era. The world would never be the same.

Chapter Four

Reorganization, Expanding Geography (1934–1981)

Months passed and the clouds of the national banking crisis finally lifted. When government auditors allowed, the officers and directors of the Trust Company of Glen Rock, now without their longtime leader Joseph Dise, gathered to discuss their future. President Roosevelt, in the closing moments of his Fireside Chat, provided a direction they could embrace:

Confidence and courage are the essentials of success in carrying out our plan. You people must have faith; you must not be stampeded by rumors or guesses. Let us unite in banishing fear. We have improved the machinery to restore our financial system: it is up to you to support and make it work. It is your problem no less than it is mine. Together we cannot fail.

The men, with the confidence and courage rooted in national leadership, decided to apply for a banking charter under a new name. Someone suggested the new bank should be named for the customers it would serve, the people of Glen Rock. Paul J. Beck would serve as President, Jacob F. Neuhaus, Vice President, and Eli B. Keller, Cashier. A phoenix was about to rise from the smoldering ashes of the Trust Company



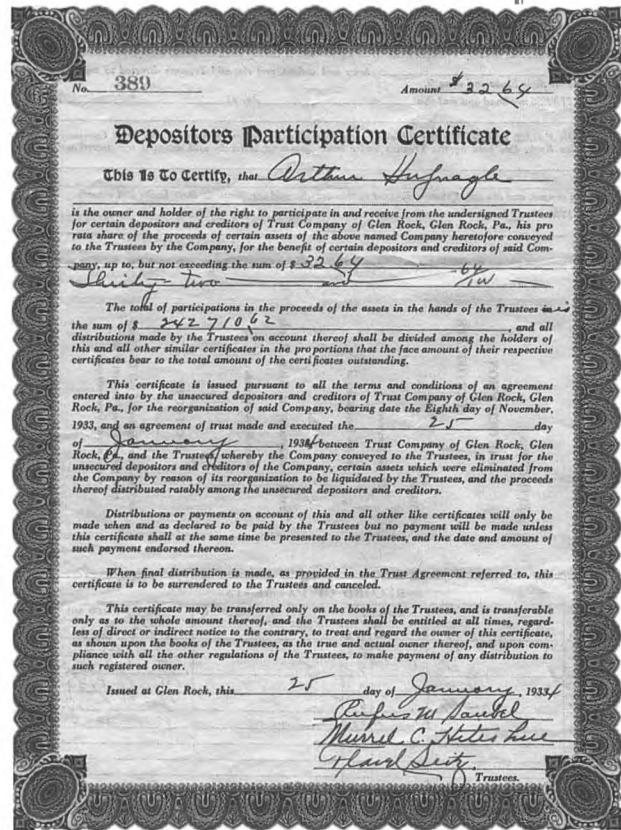
of Glen Rock, not a new entity, but a continuum of an old one. Under the terms of its reorganization, the Peoples Bank of Glen Rock assumed the majority of assets and the liabilities of the Trust Company of Glen Rock. It opened for business January 25, 1934, a day after it received its charter, in its familiar headquarters at Manchester and Hanover Streets. Capital of the Bank was \$50,000, ironically, the same amount that was raised in 1864 when the First National Bank of Glen Rock first opened. A Bank employee was charged with posting entries into a journal outlining how the Trustees handled their tasks from 1933 to 1941, making six payments to the depositors.

Beck's term of office expired on April 10, 1934, and Eli B. Keller was named to succeed him as President, serving a little more than three years, until January 18, 1938. By the time the Bank's Annual Report came out for 1934, Paul S. Seitz was Cashier, Rufus M. Saubel was Assistant Cashier and Eva V. Sweitzer, Stenographer. Although women had been stockholders in the Bank up to this time, there is no evidence that a woman served as an employee before Eva Sweitzer was listed in the Peoples Bank of Glen Rock Annual Report of 1934.

This photograph, taken in late 1934, shows the name change to Peoples Bank of Glen Rock. Courtesy John C. Hufnagel.

The Board of Directors, listed in the same report, contained some familiar names, as well as names new to the banking industry in Glen Rock: Paul J. Beck, E. B. Keller, J. F. Neuhaus, Flavel Seitz, Wilford Barbehenn, R. A. Goodling, George W. Geiple and Clyde L. Seitz. In 1934, and for many years after that, S. D. Wareheim served as Bank Counsel. This Annual Report also noted that deposits at Peoples Bank of Glen Rock were insured by the Federal Deposit Insurance Corporation (FDIC), the agency formed under the Banking Act of 1933 to oversee banking practices, provide more stability to member banks and insure the deposits of its customers. Initially, deposits were insured to \$2,500, but by year end, 1934, the level of coverage increased to \$5,000.

The Bank reported \$330,389 in Loans and Discounts for 1934, as well as the following: Mortgages Owned: \$41,444; US Government Securities, \$54,480; Bonds and Stocks, \$262,260; Cash and Due from Banks, \$77,000; Banking House, \$19,100; Furniture and Fixtures, \$8,850; and Other Assets, \$1,719.



The Depositors Participation Certificate shown above was issued to Arthur Hufnagel on January 25, 1934. Courtesy John C. Hufnagel.

Resources totaled \$795,245. Under Liabilities the Bank listed Capital Stock at \$50,000; Surplus at \$50,000; Undivided Profits, \$24,767; Dividends Unpaid, \$106,818; Time Deposits, \$561,585; and Other Liabilities, \$591.

In the 1935 Annual Report, Charlotte G. Snyder was listed as Stenographer, replacing Eva Sweitzer, and W. D. Rudisill was added as Bookkeeper. By 1938 Charlotte G. Beck had replaced Charlotte Snyder as Stenographer, and in the following year the Stenographer's position was replaced with the Bank's first Clerk, William U. Kapp. By 1942, M. W. Bortner was Bookkeeper and there was no Clerk listed. W. D. Rudisill, however, had been elevated to Assistant Cashier.

William U. Kapp, the twenty-one-year-old man appointed Clerk in 1939, rose to the highest office at the Bank, the second employee after Paul S. Seitz to do so.

Having returned from service in the Marine Corps in World War II, William U. Kapp reappears on the 1946 Annual Report, elevated to Assistant Cashier. That report also lists the Bank's first Teller, M. W. Bortner, and shows Robert M. Seitz, son of Cashier Paul Seitz, serving as Bookkeeper. C. H. Glatfelter is listed as Clerk in the 1945 Annual Report, but his name is missing from later reports. In later years, Glatfelter, now retired as professor emeritus of Gettysburg College, wondered if sometime after 1945 the Bank changed by "evolution or revolution, or just chance," into something significantly different from what it had been.

Increasing industrialization was changing the complexion of Glen Rock, indeed, as well as other towns across the United States. The growth of business spurred the need for business loans and men returning home from the war took advantage of the GI Bill, and other incentives, to reenter the economy.

Eventually, Kapp was named President (on January 16, 1973) and served in that position until September 30, 1980. Until 1973, it should be noted, the President of the Bank was always a Board Member and the Bank was managed by the Cashier. In later years the job shifted to the Executive Vice President.

After his retirement Kapp wrote of these post-Depression years and the prosperous years that followed. He related some of his impressions and included anecdotes about some of its milestones.

One of those milestones occurred in 1957, for example, when the Bank opened its first "Financial Center," or Branch Office, outside of the Borough of Glen Rock. On September 3, the Jacobus Branch

STATEMENT OF CONDITION			
Peoples Bank of Glen Rock			
Glen Rock, Penna.			
At the Close of Business, December 30, 1950			
<hr/>			
RESOURCES		LIABILITIES	
Loans and Discounts	\$ 436,288.19	Capital Stock	\$ 50,000.00
Mortgages Owned	796,577.80	Surplus	150,000.00
U.S. Government Securities	361,600.00	Undivided Profits	47,589.51
Bonds and Stocks	105,485.00	Reserves	23,757.99
Cash and due from Banks	402,719.03	Dividends Unpaid	5,168.90
Banking House	12,689.30	Demand Deposits	572,672.31
Furniture and Fixtures	4,467.79	Time Deposits	1,254,457.40
Total	\$2,113,527.11	Total	\$2,113,527.11
<hr/>			
Present Market Values of Securities are in Excess of those Indicated above			

The document above records the "Statement of Condition [for] Peoples Bank of Glen Rock" at the close of business on December 30, 1950. PeoplesBank Archives.



opened for business and Bank officials were awakened to opportunities that might be profitable by opening facilities in surrounding communities where existing customers could be better served and new business recruited.

Jacobus was home to a flourishing department store that drew customers from a wide area and served them with the store's own installment payment system. Founded by Bruce V. Smith, in 1932, the business soon became known as Smith Village in Jacobus. Originally, it was a gas station and cigar store with a restaurant, and was a favored truck stop on the Old Susquehanna Trail. Over the years the business took on the general appearance of a department store, offering a large variety of items for the home and family.

As a high school student, Dallas L. Smith, the founder's son, began working at the store and acquired an early introduction to the business by working after class. He began his full-time career in retailing after graduating from the Wharton School of the University of Pennsylvania, in 1967. Dallas Smith was appointed to the Peoples Bank Advisory Committee of the Jacobus office in 1973 and was elected a Director of the Bank in 1983.

Shown above is an unused check from the early 1960s. These checks were ordered in bulk and personalized with the customer's information on a small printing press housed in the basement of the Glen Rock office. The personalizing process in Glen Rock came to an end with the flooding of the bank basement, which destroyed the equipment, in 1972. PeoplesBank Archives.

Eventually the business operated by the Smiths in Jacobus became one of the Bank's largest customers and the business partnership between the innovative retail establishment and the expanding Bank operations proved advantageous to both.

Just a few years after the Bank's Jacobus Branch opened, the officers and directors of Peoples Bank of Glen Rock, together with the officers and directors of the Codorus National Bank in Jefferson, announced, in November 1962, that the Boards of Directors had met and agreed on a joint plan of merger under the Peoples Bank of Glen Rock charter. A meeting of shareholders of both banks was held in December and the plan was ratified and approved by both Boards.

A news release issued by the Bank stated, "This merger will result in a bank with assets of approximately \$8,000,000 and will operate under the name of Peoples Bank of Glen Rock. The Codorus [National] Bank will continue in operation as the Jefferson Branch as well as the present office in Jacobus of the Peoples Bank. The merger will result in a strong institution better designed to meet the needs of the residents, businesses and industries



This picture shows the Codorus National Bank in Jefferson, Pennsylvania, in about 1915. This bank merged with the Peoples Bank of Glen Rock in 1962. The person on the top left of the step with the dog is Elmer Sterner. Courtesy Steven Senft.

of the expanding area." Employees of the Jefferson Office, Elmer Sterner, Cashier, and his son, Henry Sterner, would remain in their positions, along with fellow employees Martha Shaffer (Stare) and Earl Bergerstock. William H. Kiick, a Peoples Bank employee with supervisory skills, was appointed Manager until Glenn M. Snyder succeeded him in 1965.

Shortly after the acquisition of the Codorus National Bank, it was necessary, due to the age and condition of the banking house, to demolish the structure and build anew. All was demolished except the walk-in vault whose floor, walls and ceiling were reinforced concrete with a typical custom-made vault door integrated into the new building.

While the vault was exposed, it was protected from the weather by plastic and from robbers by armed guards. It is reported that one night when a soda bottle froze and loudly exploded in the freezer, the guard believed that he was being attacked.

While the banking house was being built, business was conducted in the modified residence on the south side of Sunset View Street. Later this house was removed and the entire property became a parking lot for Bank customers.

In the petition process to purchase the Codorus National Bank in Jefferson, Peoples Bank was required to list its principal executive officers of the resulting Bank. The document containing that list reveals interesting details about the Bank's current directors, as well as the people who would join the firm as a result of the merging businesses.

J. F. Neuhaus, President of the Bank's Board of Directors, was eighty-two years old at the time and was described as a successful part owner and operator of a hardware and farm equipment business in Glen Rock since 1901. He had served as a Director of the Bank since 1934 and President since 1937. M. L. McMillan, Vice President, was sixty-eight years old and was owner and operator of a building construction business since 1915. He had served as a Director of Peoples Bank since 1937, and Vice President of the Board from 1959 to the present.

Paul S. Seitz, sixty, was Executive Vice President, having served the Bank as Cashier from 1934 to 1960. He was a graduate of the American Institute of Banking. Seitz, according to one account, began working for the Bank about 1919. At first he rode his bicycle to work from his home beyond Seitzland. He can be considered one of four major figures, who with Joseph Dise, William Kapp and Larry Miller, began work with the Bank at a young age and rose to the top echelon of management.



Paul S. Seitz, pictured above, joined the Bank as Cashier in 1934 and rose to the top echelon of Bank management. Upon his retirement on December 31, 1966, the Board of Directors passed a resolution praising him for his administrative leadership, counsel, guidance, loyalty and friendship. Courtesy Robert Seitz.

Jeffrey C. Bortner, a Director of Peoples Bank since 1962, was thirty-eight and a practicing attorney since 1951 with offices in York and Glen Rock. Bortner was legal counsel for the Bank from 1958 to 1988. He resigned as counsel when elected Chairman. He served as Chairman both of Codorus Valley Bancorp, Inc. and Peoples Bank of Glen Rock until his mandatory retirement at age seventy.

George A. Goodling, sixty-three, had served as a Director of Peoples Bank since 1955. A graduate of Pennsylvania State College, later Pennsylvania State University, he was a fruit grower and orchard owner since 1936. Goodling served as Congressman from 1961 to 1965 and from 1967 to 1975.

Claire V. Neuhaus, Director of the Bank since 1948, was fifty-six-years old, a graduate of Gettysburg College and major owner and operator of a hardware and farm equipment business since 1927.

Paul W. Shepperd, sixty, had served as a Director since 1956 and operated a garage business with a Ford agency from 1929 to 1943. He was serving AMP Inc. as plant superintendent, a position he held since leaving the garage business in 1943.

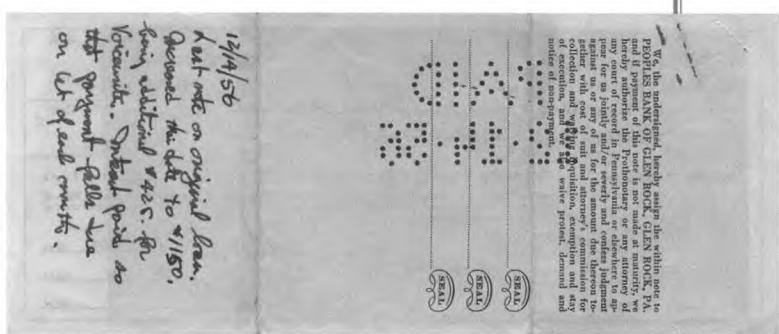
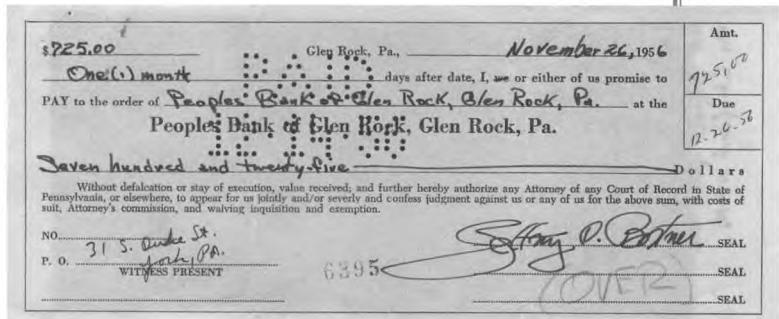
William U. Kapp, Cashier, was forty-three years old and had served in the Marine Corps during World War II. He was Bookkeeper for Peoples Bank of Glen Rock from 1939 to 1946, except for time served in the Marine Corps, and became Assistant Cashier in 1946, serving in that position until 1960, when he

was promoted to Cashier. He was also a graduate of the American Institute of Banking.

Robert M. Seitz, Assistant Cashier since 1960, was thirty-seven years old and had served as Bookkeeper and Teller from 1946 to 1960.

Dallas L. Darr, forty-three, Assistant Cashier and Manager of the Jacobus Branch of Peoples Bank since 1957, had served as Postmaster at Jacobus from 1953 to 1957.

William H. Kiick, Assistant Cashier and proposed Manager of the Jefferson Branch, was the youngest of this group. Only twenty-six years old, he had attended Valley College studying business administration and had been a school-teacher and an accountant before joining Peoples Bank as a Teller in 1960.



Front and back of the note for a debt of a young attorney who became the Board Chairman of PeoplesBank and Codorus Valley Bancorp, Inc. The debt was paid by monthly installments of interest (six percent) and principal of \$50. Courtesy Jeffrey C. Bortner.

The document profiling these men also listed the Proposed Advisory Committee of the Jefferson Branch. All these men were currently serving as Directors of the Codorus National Bank in Jefferson. Upon approval, the following people would serve on that Branch's Advisory Committee: Melvin W. Brodbeck, sixty-eight; Elmer Sterner, seventy-eight; Henry Sterner, fifty, the son of Elmer Sterner; Leroy A. Rohrbaugh, fifty-eight; and William E. Joseph, fifty-five years old.

The Pennsylvania Department of Banking, the Federal Reserve System and other regulatory agencies approved the merger, resulting in a bank with total assets of \$8 million.

Many of the men mentioned above enjoyed long and fruitful careers with Peoples Bank of Glen Rock and one of them, Paul S. Seitz, earned a remarkable salute for his contributions by the Bank's Board of Directors when he retired on December 31, 1966. A Resolution of Appreciation recognized Seitz's thirty-two years with the Bank, noting he had joined the Bank as Cashier in 1934, rose to the position of Executive Vice President by 1960 and served in that position until his retirement. The resolution praised him for "his administrative leadership in the growth of the institution from a sin-



The photograph above shows the interior of the Glen Rock office in 1963 looking toward the Manchester Street side. Standing left to right: Robert "Bob" Seitz, Algard "Al" Shaffer, Robin King, Ann Sterner, Sharon Hartenstein, Mildred Lackey and William "Bill" Kapp. Courtesy John C. Hufnagel.

gle office with assets of \$750,000, to one with three offices and assets in excess of \$12,000,000; for his time, effort and dedication far beyond the requirements of his offices; and above all, for his counsel, guidance, loyalty and friendship to his associates.”

A few years after Seitz’s retirement, the Bank marked another landmark in expansion of services. On December 7, 1970, the Bank opened its York New Salem Branch. Then on December 21, 1979, Peoples Bank acquired full Trust powers, and the Bank’s new Trust Department opened for business in a building known as the Hartman House adjacent to the Bank’s headquarters in Glen Rock.

During the ensuing years, the Bank directors declined repeatedly to merge with a larger organization, believing they were serving the best long-term interests of shareholders, customers and employees by preserving the institution as it was basically, after the acquisition of the Codorus National Bank.

Meanwhile, William Kapp’s recollections about the evolution of the Bank during the 1970s are recorded in the memoirs he penned:

I was always under the impression that a Trust Department was an expensive luxury with not too much income derived for the problems created. But when I was approached by a former Trust Officer from a York

bank [Gerald Dellinger, formerly of Drovers and Mechanics Bank], I changed my mind. We applied for permission to the Banking Department in Harrisburg and obtained permission. The [Peoples Bank] now had a Trust Department. [This addition became official on December 21, 1979.]

Sometime in those years I thought that the Bank could earn additional money by withdrawing from the Federal Reserve System because of the methods of computing reserve requirements. Having belonged to the System since incorporation in 1934, it was difficult to convince the Board of Directors to make such a drastic move. I recall that it took about two years of pleading before the move was made. Immediately after withdrawing I was able to invest money that was now not needed as a reserve pool to purchase \$500,000 Treasury Notes and \$500,000 Municipal Bonds—both of which improved the Bank's profits.

The Bank continued to grow and the Banking Department in Harrisburg suggested that we increase Capital. We did this in three different methods. One time we declared a 100% stock dividend, and paid for it from profits of the Bank. Each Shareholder received one share of stock for each share of stock [he or she] then owned. There were times when we held additional stock sales and they were always successful.

The third method used to increase capital was to issue a Capital Note. I met with the President of the York Bank to borrow one million dollars to have interest paid monthly and to mature in seven years. Interest was fixed. The question of how we were to pay the note when due arose, and I replied, 'No problem'. We would use the money to purchase US Governments that would mature in seven years. And then, on the very day that we processed the note with its stated interest, the Market changed, and when the Governments

were purchased the interest rate was more than we paid the York Bank. Peoples [Bank] made money from the very [first] day on the borrowed money.

The recollections Kapp penned of these milestones, and others, are punctuated with an individualistic point of view. Perhaps to protect the privacy of others, he did not always use names in his accounts, but instead chose to describe individuals in general terms and functions. His observations are sometimes humorous and sometimes quite serious in tone, even when they do not align with the memories of other employees on the scene and involved in bank activities. They illustrate a more casual approach to banking, at least in the first few years of his tenure. In a paper he entitled *Random Thoughts About Peoples Bank of Glen Rock*, Kapp wrote it was only five years after the Great Depression and the mandatory bank holiday that he went to work as a summer replacement at ten dollars a week. In commentary shortened, but not changed, by the author of this book, Kapp gives a personal perspective:

There were two things that were not pleasant in those days. One had to do with important people in the Bank. Both gentlemen were partners in an insurance business and were unfairly believed to have escaped the losses that other depositors suffered. This was not true. These two sacrificed in the same proportion as the rest, but some customers could not believe it.

[A] discomfiting thing was the manner in which the assets of the closed Trust Company of Glen Rock were shared. Depositors of the Trust Company were given three things in the creation of Peoples Bank of Glen Rock.

First was some cash, second was bank stock in the newly formed Bank, and third was a DEPOSITORS PARTICIPATION CERTIFICATE. Payments were made on the Certificates when money was accumulated and the Trustees thought it proper to distribute. A record of these payments was made on the back of the certificate. Participants did not look at the back of the Certificates to see the amount of money they received. They looked only at the balance showing what they did not receive. The final payment brought out many nasty comments and actions.

Small accounts of the Trust Company were paid in full. I myself was a depositor and I received a Savings Book, No. 450, that I still have, and it shows a balance transferred to the new Bank of \$31.91 dated March 26, 1936.

Bank Examiners were a real problem in those days in that they showed what was wrong with the method of operation of various things in the Bank and how changes could be made for the better.... One thing in particular was the fact that every person worked out of one cash settlement drawer. Since there was no control, mistakes were difficult to find and correct. One day I made a big mistake, I accepted a \$500.00 Cash Deposit to an account of a business lady and did not make up a savings deposit slip. We hunted for a long time, but since it was a cash transaction it was impossible to find. Oh well, it was better to be over \$500.00 than to be short that amount. The error was carried for some time until that same lady came to the Bank to make another cash deposit [and the \$500 error was corrected].

Kapp's memoir confirms that not only did some people lose money as Peoples Bank of Glen Rock supplanted the Trust Company of Glen Rock, but that personnel problems and health concerns forced

changes at the Bank in those early years of his employment, as well as another world war. He writes that he was offered a full-time job after a secretary left to be married, and, with the advancement, was awarded an increase in pay, from ten dollars a week to fifteen dollars a week. Kapp picks up his reminiscences after he was named Assistant Cashier:

The Bank wanted to grow and a location was provided in Jacobus Borough in a converted auto repair shop. I was very disappointed when I was told that I would not be assigned there. I was to stay in Glen Rock and the postmaster was hired to manage the office. I did get to work the branch when the need arose, or to work on a special project.

Kapp told how his career was boosted again when he was chosen to take over some of the duties of the Bank's Cashier, away for a month's vacation. He recalled of that period: "During that time only one problem arose when I misunderstood my written instructions on how to complete a call report." Kapp wrote that he received a phone call from the Department of Banking in Harrisburg. The caller wanted to know why he had not mailed his report as expected. Kapp explained he thought it due at a later date, and concluded: "I was promptly corrected on this in a very constructive manner. His conversation cemented my relationship with the Department, and over the years, I considered the people there to be friendly and helpful. This was the beginning of a complete turnaround from the dealings in the past."

Kapp, not far into the reminiscences that he penned on his employment with the Bank, takes credit for one of the boldest acts a Bank employee, on whatever level, can take. In a characteristic diatribe amid bravado, a future Bank President, but at this point an Assistant Cashier, writes:

The next expansion for the Bank came after a meeting with representatives of the Codorus National Bank in Jefferson. When a final decision had to be made for a merger, I made it. [Peoples Bank's purchase took place February 18, 1963.] When the time came, the Cashier asked me if I wanted to bother with another office, because it would be my responsibility as he, the Cashier, was planning to retire, and I could be expected to be promoted.

My response to him was that if we merged with Jefferson [the Codorus National Bank in Jefferson], Peoples [Bank] would become a larger bank than our competitor, the Glen Rock State Bank. It was decided. We would, and did merge. And I did all of the bookkeeping detail. . . . The merger was financially beneficial to me due to the fact that the Board of Directors of Peoples gave a cash award to the Cashier for finalizing the merger, and the Cashier, in turn, gave me one hundred dollars of it for my assistance in getting the two banks together.

At times, Kapp's writings are freewheeling and critical for a man at the head of a financial institution; nevertheless, he continued writing in case posterity might be interested, while at the same time passing along knowledge only a person who was there in his positions could encapsulate:

The next step in the branching field came in the securing and modifying of a drive-in restaurant in the borough of York New Salem. [This office opened on December 7, 1970.] This proved to be a good move for us, but did create a big problem. The Federal Reserve Bank of Philadelphia began to complain that we, one small bank, were operating at four different banks, and suggested strongly that we change the way we were doing business. They would no longer separate and deliver our checks to four locations. The problem was easy to talk about, but difficult to solve.

A representative of a correspondent bank made a visit and surveyed the situation. He returned to the Bank about a week later with boxes of supplies that we would need to number our bank accounts. With help, and at no cost to the Bank, we could now begin modernization in this area of the Bank. It was at this time that I made one of the better decisions of my career. I selected the perfect Lady to begin the work. In my opinion today that Lady is the most underrated employee of the Bank.

The Fed now caused another headache. There was a Fed regulation that would cause us to change from a cash basis of accounting to an accrual [basis]. In addition, there were reports, etc. The Cashier had spent the past two years or so explaining that we could not comply with that ruling. When the Cashier retired, I attempted the same tactic and was told, in no uncertain terms, that the Bank would comply—and soon.

Peoples Bank of Glen Rock then changed its accounting method from a cash basis to accrual accounting on June 25, 1968.

Kapp then chronicled his increasing duties and provided more insight into the workings of the Bank as well as his attitude about his job: “With the Bank growing and the Cashier gone, I asked the Board of Directors to provide me with some help. Here again, I think that I made a good decision. And the timing was perfect. So many things were happening that the Bank hired a firm, the FDIB [Firm Direction in Banking], and, with my newly selected Assistant [Larry J. Miller] changes were able to be made. The firm, and my new Assistant, worked miracles.”

“Bill often asked me my opinions about a given matter,” Miller recalled much later when he was serving as Chief Executive Officer of a much-expanded banking institution. “He didn’t always act on my advice or thoughts, but he was an excellent teacher and I learned something from him every day.”

While Kapp’s observations include forays into his personal attitudes, they reveal much about the growth of the Bank during those years of prosperity and maturation. While he is quick to take credit for routine accomplishments as well as “miracles,” his memoir provides a window into the Bank scene and the community in which it operated. He recorded several additional benchmarks in the Bank’s timeline, including operations facilities and the advent of “a computer center” and then observed:

By this time the Bank had acquired the brick property next door and an expansion was made to our original building. The Bank additionally purchased a doctor’s office adjoining, and used it for temporary offices

and then as a computer center. I note here that what we considered improvements to a computer was little more than a better bookkeeping machine.

One of the most memorable events occurring during Kapp's presidency affected not only Peoples Bank, but the entire Glen Rock community. Many other communities and Peoples Bank facilities were impacted as well—more so if they were situated on or near the Codorus Creek.

Tropical Storm Agnes brought more than thirteen inches of rain in a twenty-four-hour period in late June 1972, and every stream overflowed its banks. Floodwaters carried mud and debris into roadways, basements, cellars and homes. Businesses did not escape the wrath, including the Main Office of the Peoples Bank of Glen Rock.

Bank President Kapp reported, at the Glen Rock headquarters: "There was at least two feet of water in the lobby, and one foot in the vault. The basement was completely filled and all supplies stored there were lost as were a great portion of the 'Must Keep' records."

"Thankfully," Kapp added, "the Minutes of the Board of Directors of the Bank were preserved as I had read them in evenings and had stored them in metal boxes on the Bank's balcony." The quarterly magazine of the Federal Reserve Bank of Philadelphia carried a detailed story about the impact of Tropical

Storm Agnes on the Peoples Bank headquarters and noted that the Banking Department in Harrisburg also suffered losses from the storm.

Bank employees who experienced the storm talk even today of the near-heroic deeds accomplished by employees of the Bank who helped to save valuable records and supplies that would have otherwise perished in the floodwaters. This included notices to owners of safe deposit boxes that had been inundated and whose contents were wet from storm water.

One Bank employee remembers that Bank authorities called all the male employees into the Glen Rock office to move boxes and debris while Glen Rock female employees and trusted local female residents came in to help clean up the contents of the vault and building. Employees were actually peeling apart bills and placing them on a surface where they would dry.

It took what seemed like endless days and backbreaking hours to clean up after the 1972 storm, but this event was not by any means the first time [nor would it be the last time] Glen Rock citizens experienced floods and the damage they caused. A local newspaper dated August 23, 1901, told of a storm that deluged the town four days before, detailing events under the headlines, "Glen Rock Swept by the Fury of Raging Waters" and "Entire Business Portion of Town Inundated." The account noted the water "just barely forced itself into the First National Bank," on this occasion, but added, the basement of a nearby

hotel, the Fountain House, “was completely flooded.” The article recalled a flood occurring on September 12, 1890, flooding the same portion of town and an earlier storm, even more powerful, occurring in 1852.

Floodwaters from Tropical Storm Agnes (beginning on June 21, 1972) contributed to more than fifty deaths and billions of dollars in damage to homes, businesses and farms. The staff of Peoples Bank saved what they could from the flooded building in Glen Rock and then focused on the business at hand.

By May 1, 1973, when a new position was added to the Bank’s operations, the storm cleanup had been accomplished; but, no doubt, the new employee, the Bank’s first Comptroller, heard many anecdotes about the efforts it took to get the Bank back into operation after this once-in-a-lifetime event.

In a general assessment of this period, Kapp wrote, “It seems that we were always outgrowing our banking facilities.”

Kapp’s memoir, which spans the forty-year-plus period from 1939 to 1981, is a remarkable document because of its candor, its intensity and its unique place in the archives of Peoples Bank. In the conclusion to his recollections, the former Bank President views history with some nostalgia. And, as the reader expects by this point, he waxes philosophical about his achievements, at the same time wondering if anyone will ever read them:

The Bank had some good years. I mean some very good years. One year, after examination by State Bank Examiners the chief wrote on the final page where the criticisms were made, "No Comment."

This remembrance must come to an end and so I close it now. I think that I worked long and hard at the job, that there were good times and bad but I conclude that some employees liked me, that some members of the Board of Directors appreciated me, that some customers felt that I was their BANKER, and I am extremely proud that when the Holding Company was formed (I thought that forming a holding company was unnecessary and a waste of money) the Board of Directors of the Peoples Bank of Glen Rock selected me to be the first Chairman of the Board of the Codorus Valley Bancorp.



After Kapp retired from the Bank's presidency, two board members mentioned earlier served brief periods as the Bank's President, until well into 1981.

On August 4, 1981, Larry J. Miller, Executive Vice President since 1980, was elected President and Chief Executive Officer. He was thirty years of age and ready for the challenges that lay ahead.

Chapter Five

PeoplesBank, A Codorus Valley Company (1981–Present)

By 1980 when the Peoples Bank of Glen Rock came under the executive leadership of Larry J. Miller, and having benefited from a continuation of the purposeful motivation of its Board of Directors, the Bank's assets had exceeded \$50 million. The York New Salem office, northwest of Glen Rock, was marking its tenth year of service. The Jefferson Financial Center, a few miles north, had been a Peoples Bank Branch Office for seventeen years, and the Jacobus Branch, northeast of Glen Rock on the Old York Trail, was entering its third decade of service to the Borough of Jacobus and the surrounding communities. Bank officials renovated and expanded the 1912 Glen Rock building on the site where the Bank moved in 1874, ensuring that spot would continue its role as the Bank's epicenter. The Civil War, the historic event most associated with the roots of the Bank, seemed to many a distant event, so far in the past it held little relevance to the Bank or the community. Some thought this was a short-sighted view, indeed.

The industrialism associated with Glen Rock's early days was mostly gone by now and people from nearby Maryland counties were migrating into southern York County, dramatically changing the Bank's primary ser-

vice region. The population of the county had exceeded 312,000 and planners projected York County would continue to grow well into the future—partly because of the influx from Maryland into the southern tier of the county. Population in the City of York was declining as were cities of its type across the nation, but growth in the outlying regions provided opportunities for growing businesses and growing families.

Larry J. Miller, named Chief Executive Officer in 1980 and President and Director in August 1981, is quick to credit the Bank's former President and Chairman of the Board of Directors, William U. Kapp, for the growth and prosperity of the Bank over the previous years, and the opportunity Kapp provided for him to learn banking at close range.

"Mr. Kapp was one of my most important mentors," Miller recalled more than three decades after he (Miller) joined the Bank: "I served as his Assistant for over two years before his retirement in 1980 and my own appointment as CEO of the Bank."

Miller said Kapp was an able teacher and he remembered that some of Kapp's most interesting philosophies were delivered in his dry sense of humor in off-the-cuff remarks.

"Someone asked Mr. Kapp one day why he didn't authorize higher cash dividends to stockholders," Miller noted. Kapp's response was quick, "Simply because you can't do both, keep assets and give them

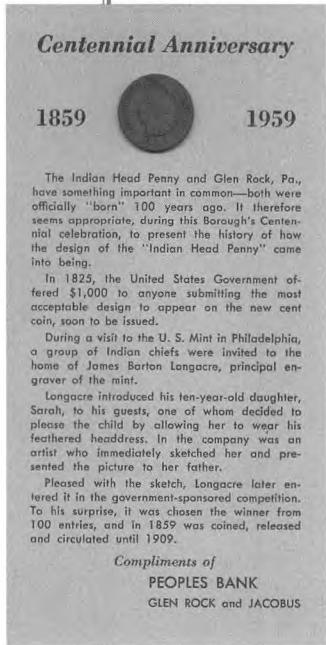
away, too.” Kapp was affirming one of the key principles in successful bank management: at the end of the day building bank assets pays the best dividends.

Kapp had a direct way of communicating, Miller remembered. He would often call someone on the telephone, engage the person in a conversation and then hang up without saying good-bye.

“Bill was equally known for telling anyone who would listen that he worked for the Bank during six decades,” Miller recalled. “Upon closer examination, he would clarify by saying he began his career in 1939 and retired in 1980.”

Bill Kapp passed on principles that became part of the Bank’s modus operandi: “Bill’s advice for dealing with bank examiners,” Larry Miller recalled, “has served me well throughout my career. I have utilized it in all of my interactions—not only with bank examiners—but also with shareholders, clients, co-workers and our community. The mantra is simple and effective: ‘Promise only that which you can deliver, and always deliver what you promise.’”

When Kapp died in February 2007, his obituary summarized a career filled with contributions to the Bank, to the community and to his country. Kapp served with the United States Marines in the Pacific theater of operations, participating in the assaults on Guadalcanal, New Britain and Peleliu. He was



wounded on September 19, 1944, in the fighting on the island of Peleliu for which he was awarded a Purple Heart.

After he returned to the States and to his banking career in Glen Rock, Kapp served on the Board of the York County Bankers Association and was a member of the American Institute of Banking, attending classes at the Institute's school at Bucknell University.

Kapp made many friends for the Bank, and solidified relationships through his community associations, serving as a member of the York County Industrial Development Authority, the Glen Rock School Board and then the Southern York County Joint School Authority. He served as chairman of the Special Events Committee for the Glen Rock Centennial and was an active member of his church. He was serving as treasurer of Zion Lutheran Church when the sanctuary was flooded in 1972, and consequently helped with renovations to the church in the wake of Tropical Storm Agnes.

Reflecting community values—still important, and continued, today—for the conduct of business in communities served by the Bank, Kapp was a longtime member of the Glen Rock Lions Club and supported the Glen Rock Hose and Ladder Company, the Glen Rock Firemen's Relief Association and the

During Glen Rock's Centennial Celebration Peoples Bank of Glen Rock gave away "keepsakes" like the one above, tying the history of the borough, formed in 1859, to the history of the "Indian Head" from the same year. Courtesy Jeffrey C. Bortner.

Glen Rock Ambulance Club. Working comfortably in the distinct culture of the community Kapp served in many other capacities and set a pattern for those who followed.

After the retirement of William U. Kapp, associated with the Bank for decades and chief executive of the Bank for more than thirteen years, two Bank Directors became President of the Bank, for short periods.

George A. Goodling, best remembered as a longtime congressman, served as President from May 5, 1980, to May 5, 1981. Then Paul W. Shepperd briefly served in the position from May 5, 1981, to August 4, 1981. During these periods, Miller served as Executive Vice President and Chief Executive Officer of the Bank.

Miller recalled events that shaped the Bank and his own career: "Bill Kapp was President/CEO/Director when he retired," Miller said. "Then I was named Executive Vice President and CEO. I was not named President because under Pennsylvania statutes, I would have to also be named to the Board of Directors. The Board felt, at age twenty-nine, I was too young to be a Director. Once I turned thirty, however, I was named President/CEO and a member of the Board of Directors of Peoples Bank of Glen Rock."

It would be difficult, if not impossible, to find a parallel for Miller's rise to the top echelon of the Bank, though the industry is resplendent with stories of officials beginning at entry levels and rising to key posi-

tions after long years of training and dedication. Like most companies in central Pennsylvania, however, Peoples Bank of Glen Rock has enjoyed its share of employees who were appointed at an early age, continued growing with the Bank and, eventually, retired as lifetime employees—a feat increasingly rare in any United States industry.

These individuals can recall cycles in the business and the general economy that inspire awe at the accomplishments of the past—and inspire a similar awe at the potential for the future.

When Larry Miller graduated from Hereford Junior/Senior High School, in the Class of 1969, he had little thought of a career in banking, or in any business. He was already a worker on the family farm and was inclined to continue on that path, with some college classes rounding out his education, unless called to serve his country.

He enrolled in York College of Pennsylvania, living on campus and commuting on the weekends to work on the farm in Freeland, Maryland. Then a farming accident changed everything.

In a recent interview, Miller looked back and detailed events that put him on a path as head of a diversified financial services holding company now listed on the NASDAQ Global Market under the symbol

CVLY, which offers a full range of commercial and consumer banking and wealth management services, through fourteen full-service Financial Centers in southern York County, Pennsylvania.

"It was the summer of 1970," Miller reminisces. "I was helping on the farm and we were putting away timothy hay. I was up on the bed of the wagon pulling bales from below and lifting them up one level over my shoulders. Since bales of timothy hay can have long strands coming out the sides, it is necessary for the bales to be cut clean, one bale from the next."

"The way the equipment handled them," Miller related, "you can have two bales stuck together because the bottoms of the plants may be in one bale and the tops in another. You have to make sure the machine has cut clear through the bales. One bale can weigh sixty or seventy pounds – something a strong boy or man can handle, but two bales, well that's something else."

"That day on the farm I grabbed a bale that was connected to another one. I wrenched the two of them upward and suddenly I felt excruciating pain in my lower back. I fell on the spot where I was working and had to be carried off to the hospital. I couldn't walk or even turn."

Later, at the hospital, the doctors told Miller's parents that, because of his extensive injuries, he should never lift anything heavier than a newspaper for the rest of his life. (Happily this prognosis was too

severe.) Miller underwent weeks of therapy and finally was able to walk again painfree, but he was told he could never go back to work on the farm.

Moving the story forward, Miller related: "My mother was doing her grocery shopping at 'Nardie's' in New Freedom and she ran into the owner of the store who was on the Board of Directors of the Peoples Bank of Glen Rock." Bernard Young, source of the store name, 'Nardie's,' greeted Mrs. Miller and asked how everything was going.

In the course of conversation, Mrs. Miller told Nardie about Larry's farming accident.

"I need to find him a job," she explained, "that doesn't require lifting."

"Well, we have a vacancy at the Bank for a Manager trainee," Young told her. "Tell Larry he can come in and fill out an application if he's interested."

Miller applied for the management trainee position and was hired the next spring. A year later he became Assistant Manager at the Jefferson Office. After working in that position for three years, he became Assistant Manager of the main office in Glen Rock.

In June 1977, Miller was appointed Assistant to the Bank President and Cashier. In November 1979, he rose to Executive Vice President, proving himself a fast learner and an able assistant to President William Kapp.

Miller was promoted again in October 1980 when he became Chief Executive Officer—and when Paul W. Shepperd retired on August 1, 1981, Miller was appointed as President and Director.

In the report issued to stockholders distributed in early 1982, Miller outlined some of the highlights of that “busy and productive” year for the Bank. He noted the vault facilities at the Jacobus office had been enlarged with additional safe deposit boxes and a new computer system had been installed to allow the Bank to continue to grow in the years ahead. He reported the Bank had retired a \$500,000 Capital Note, upon its maturity, without acquiring new debt. Under the direction of Gerald K. Dellinger, Vice President and Trust Officer, assets in the Trust Department, formed in December 1979, had exceeded \$1 million by the end of 1981, only two years after its formation, and total assets of the Bank exceeded \$60 million for the first time.

If Miller’s rise in the Bank structure seems remarkable in the first ten years of his affiliation with the financial institution, the growth of the Bank since the time he took the role as President and Director is all the more remarkable. No doubt, the measurement easiest to understand is the rise in total assets of the Bank through the decades to come.

When Miller joined the Bank in 1971, the institution had assets of about \$23 million. As seen above, Bank assets in Miller's first year as President and Director had exceeded \$60 million. In 1982 the Bank reported assets of \$68 million; in 1983, \$78 million; in 1984, \$88 million; and in 1985, \$97 million.

In 1986 when the Bank opened its Leader Heights Financial Center, also moving its Data Operations Center into the new facility, the Bank had assets exceeding \$108 million. Meanwhile, Miller had proved himself not only a diligent student of banking but was assuming leadership roles in banking and community activities. In August 1978 he graduated from the Pennsylvania School of Banking held at Bucknell University. He earned three certificates from the American Institute of Banking, the Basic Certificate in 1982, the Standard Certificate later the same year and the Applied Banking Certificate in General Banking in 1984.

He was active with numerous community organizations, serving as Director and Treasurer of the Credit Bureau of York and Adams Counties, Inc.; Director of the York-Adams Chapter of the American Institute of Banking; Member of the Senior Advisory Council of the York-Adams Chapter of the American Institute of Banking; Director, Treasurer and Chairman of the York County Economic Development Corporation; Director and Chairman of the Board of Directors of the United Way of York County; and many others.

While the Bank's influence was reaching the far corners of York County and beyond, the heart and soul of the Bank remained in Glen Rock. But Glen Rock was a different place in the 1990s than it was in 1864 when community leaders created it as a solution to a local challenge, managing—indeed, stewarding—the tremendous amount of money rising out of the workforce of the Borough. In the early years of the banking business, Glen Rock had hundreds of small one- or two-person businesses, one historian pointed out, and sometimes the town had more than one blacksmith or carriage maker at the same time.

John C. Hufnagel, a native whose roots grow deep in the region, noted, “We had buggy makers, coopers, painters, rug makers, boot makers, music publishers, plumbers, tinsmiths, general merchandise stores, garages, marble cutters, grocery stores, dentists, barbers, doctors, veterinarians, lawyers, insurance agents, harness and saddle makers, jewelers and printers. We had our own newspaper and a network of friendly and helpful churches.” Reading from old business directories, Hufnagel named businesses that shaped the area and gave people jobs: a shoe factory, a drug store, several livery stables, photography shops, millinery shops and clothing stores. His eyes zigzagging through a collection of directories, he reads some of the entries: Hoshour, Dise & Co., Heathcote, Herbst & Co., Fry, Herbst & Co., Glen Rock Manufacturing Company, the Glen Manufacturing Co., Glen Mixer, the Dise Furniture Company, Cosmo Carriage Factory, the Rope Mill, the Woolen Mill, the Industrial Sewing Factory, Glen Rock Electric Light and Power Company, the J. F & H. O. Neuhaus Company, the J. C. Winter Company, Shepperd Industries, Foust Distillery and a host of cigar manufacturers.

"Here's the Glen Rock Ice Cream Company, the Magic Remedy Company, the Keystone Machine Company, G. W. Geiple and Son, Star Cycle Works, the Glen Rock Stamping Company, the Glen Rock Lifting Jack Company and Bixler's."

The foundries were the largest employers within the Borough during their operating years, Hufnagel noted: 'In particular, AMF and Savada Brothers Sewing Factory played an important role in the employment of local people from the mid-1930s until each of the companies closed.' Most residents have their own theories of why the community lost businesses, Hufnagel confided, "but I believe it was the easy access to the many shopping centers within a short distance that brought the dramatic change." These shopping centers offered easy parking and prices so low, Hufnagel said, the small business owners could not compete. Then, Hufnagel observed, the floods of 1972 and 1975 had enough impact on the downtown business area that some decided not to reopen in the flood zone. In the next forty years or so, Hufnagel said, the population has increased by about 350. The increase came about, he postulated, because many of the old store stands along Main, Water, Hanover and Manchester Streets that had closed for one reason or another, had been sold to individuals who converted them into rental housing or retail units. "There has been a minimal amount of new home construction within the Borough," Hufnagel added, "and the busy, industrial community has become a bedroom community for residents traveling North or South on Interstate 83 to their places of employment." Concluding his observations, Hufnagel noted the community of Glen Rock has weathered the years well with certain businesses still intact after

more than a hundred years. At the top of the longevity list, he notes PeoplesBank with more than 140 years followed by the Glen Rock Flour Mill with Geiple Funeral Home, the Glen Rock Drug Store and Geiples Furniture Store.

By 2000 the population of Glen Rock had reached 1,908, and the Bank formed mostly for use by the Borough during the American Civil War had reached into a majority of the eighty-seven municipalities (townships, boroughs and cities) of York County, with an eye to expanding across the state line into Maryland. The population of York County was growing, in part because of the influx of people from Maryland. By 2000, the County had 381,000 people and census figures showed the County was growing by two to three percent each year. Authorities projected steady increases annually for the next decade, or longer.

The City of York, still a busy county seat providing many of the region's cultural offerings, had a declining residential base. By 2000 the City's population was down 20,000 inhabitants since reaching a peak population about 1950. By 2000, in fact, the city's population was at the level reached in the decade between 1900 and 1910—about 41,000 people. While the 1860 Census put the population of Glen Rock Borough at 289, the succeeding decades showed gradual growth: 537 in 1870; 687 in 1890 and 1,263 in 1910.

While York County's population has increased every year since its founding in 1749, a boom occurred in the decades after World War II. The County population more than doubled from 178,000 residents

counted in 1940 to 400,000 in 2000. Not surprisingly, this population surge was quite evident in the 1980s when many of the banks in York County and elsewhere began “merging” with larger banks. Soon, the number of local banks making decisions based on local affairs dwindled to a small number.

The Peoples Bank of Glen Rock began an ascent into distinction as the lone survivor of an industry that once had many locally owned and locally operated banking operations. To better deal with the new realities, in 1987 the Bank’s Board of Directors formed Codorus Valley Bancorp, Inc., a holding company of Peoples Bank of Glen Rock. The future of the company, planned carefully by the Bank’s President and CEO and its Board of Directors, was taking shape.

Larry Miller, looking back to those years of reorganization, asserts he could not have achieved his goals and objectives without the support and encouragement of the Bank’s Board of Directors. “Throughout the years, the Bank has been blessed with capable, wise and confident directors. They have set the tone for our stability, our growth and our continuing commitment to the communities we serve. Without them, it is accurate to say, and without their business and leadership talents, we would not be where we are today.”

With a confidence earned in hard work and experience, the Bank continued to grow. In 1988, the Bank added an Investment Services Department to its Trust Department. Bank assets totaled \$137 million at the end of that year; and in the following year grew to more than \$155 million.

In 1990 the Bank moved its Trust and Investment Services Department into a new location at Pine Grove Commons at Leader Heights, and in 1991, the Bank formed SYC Realty Company, Inc., as a non-bank subsidiary of Codorus Valley Bancorp, Inc. The rest of the decade was full of events marking growth and expansion. In 1993, the Bank opened the Cape Horn Financial Center and in 1994 the Stewartstown Financial Center.

The years following were filled with accomplishments. A press conference held in early 1997 at the Leader Heights Office brought a spotlight to a new Corporate Center under construction on the adjoining property. Larry Miller, flanked by Bank directors and staff people, unveiled the Bank's new name and new logo.

"Starting about eighteen months ago," he said, "Baublitz Advertising in York put together a series of focus groups at the Bank's request." Among Baublitz's findings, Miller reported, was the fact that many people did not know that the Bank had branches beyond Glen Rock. The name Peoples Bank conveyed a sense of warm service to individuals participating in the focus groups and in the process of adapting to market conditions, Bank officials agreed to move forward with the shorter name, and remove the space between the two words, PeoplesBank, adding the tag, "A Codorus Valley Company."

Miller unveiled a new logo that encircled the initials "PB" in the "vapor trail of a shooting star." On some literature the Bank's new slogan also made its debut: "People committed to you."



PEOPLES BANK
MEMBER FDIC
A Codorus Valley Company



PEOPLES Bank
what's next.

Changing the name of the Bank and changing perceptions about where and how it did business were matters of utmost concern for all the officials associated with PeoplesBank, from drawing board to implementation of changes. Deliberations probed every aspect of competition, stability, growth, integrity and customer service.

All these elements seemed to come together in the spring of that year when the Corporation's common stock was listed on the NASDAQ Global Market, trading under the symbol CVLY.



During the same spring, the Bank opened its East York Financial Center in Springettsbury Township, and by summer 1997, the Corporation's new headquarters on Leader Heights Road, a four-story structure featuring windows running from its ground floor to its roofline, was ready for use. Built by Hogg Construction, Inc., the building offered 42,380 square feet of modern space for Executive Offices, and several other divisions of the Bank, including Trust and Investment Services, formerly located at Pine Grove Commons. The Data Operations Center remained in an adjacent facility.

The Codorus Valley Corporate Center opened in the summer of 1997 at 105 Leader Heights Road, York Township. The building to the right is the Leader Heights Financial Center, which opened in 1986, also home of the Data Operations Center and the Client Care Center. PeoplesBank Archives.

Assets continued to grow and by the time the Bank formed SYC Settlement Services to provide real estate title and real estate settlement services, in 1998, the Bank had \$273 million in assets. In the following year, the Bank incorporated SYC Insurance Services as a PeoplesBank subsidiary to offer non-deposit investment products. In 2001 PeoplesBank opened its South Hanover Financial Center and then later that year, a Financial Center in Downtown York, its tenth location, added its Client Care Center and created a Mortgage Banking Division.

On September 9, 2002, PeoplesBank acquired Market Street Financial Services, Inc. with assets at acquisition of \$32 million. This addition to the Corporation would bring new expertise and allow expansion of nontraditional banking services, such as life insurance, long-term health care insurance, annuities, mutual funds, wealth management, financial planning and retirement planning.

The Bank opened its eleventh Financial Center on December 12, 2002, in the Susquehanna Commerce Center at 221 West Philadelphia Street, York, and its twelfth, in the village of Brogue, on October 4, 2004. The Brogue Financial Center filled the banking needs in an area between Red Lion and Delta.

Facts, figures and other information embedded in recent publications distributed by the Bank—including Annual Shareholder Reports for 2005, 2006, and 2007—provide meaningful snapshots of the marketing, positioning and financial growth sides of PeoplesBank.

"In 2005 we took the time to reflect on the image of our principal subsidiary, PeoplesBank, A Codorus Valley Company," one publication explained. "As part of that process, we performed a thorough analysis of our identity and how to better convey what we stand for through our rebranding efforts. Then, we worked hard to ingrain this brand vision in all of our communications, from our new tagline and distinctive signage to our redesigned website."

This has become part of PeoplesBank's presence in the community, the report said: "and it [the new branding campaign] was there as we opened two new Financial Centers [1477 Carlisle Road, York, and 26 East Main Street, New Freedom] and renovated two more. It was even evident in our charitable donations and community involvement. Most importantly for our customers, it was clear in our increased focus on service excellence." For PeoplesBank, the writer summarized, "2005 was a year of strategic advancement, intended to heighten our presence."

Developments of the banking year and the direction for the future were clearly expressed in the President's message of this annual report. Larry Miller wrote, "Reflecting on the 2005 financial accomplishments of Codorus Valley Bancorp, Inc. once again shows improvement in the critical measures of our success." He pointed out net income for the year was \$4.6 million, up 15 percent from 2004; total deposits grew \$56 million, up 17 percent from year-end 2004; total assets grew 17 percent, to end the year at \$476 million; net loans ended the year at \$365 million, up 23 percent; and return on average stockholders' equity improved to 12.3 percent for 2005."

The Annual Report added, “The West York location is adjacent to one of the largest retail and business expansions currently under way in York County and the New Freedom location, which is within a stone’s throw of the Mason-Dixon Line, serves communities in the southern portion of the County.” Both locations met officials’ initial expectations “and strategically placed the Bank for expansion of its footprint in the future.”

Always mindful of its roots and its longtime customers, the report emphasized: “While we are pleased to be doing business in new and robust markets, we are also mindful of the existing locations that service many of our clients’ needs.”

“The York New Salem and the Leader Heights financial centers, which opened in 1970 and 1986, respectively,” it was noted, have long been “pillars of our community banking office network” and both locations were extensively modernized.

Moving an office less than a block from its original location was significant enough to deserve a mention in the annual report, which noted, “The Financial Center at 118 East Market Street in the City of York was relocated to 48 East Market Street, within the Yorktowne Hotel, positioning the office closer to the downtown business district and providing increased visibility.”

In the realm of lending, the Company’s business plan for 2005 included the opening of a Loan Production Office to serve Baltimore, Carroll and Harford Counties, in Maryland, it was noted, and to

fulfill the plan, the Bank hired a twenty-year veteran of the financial services industry. The Loan Production Office opened in Towson at 40 West Chesapeake Avenue.

The Bank's Mortgage Banking Group completed another productive year, stockholders learned, generating in excess of \$40 million in residential mortgage loans, the vast majority of which were sold to the secondary market. The gains on the sale of mortgage loans for 2005 were up 18 percent from the prior year.

On the Wealth Management end of the spectrum, officials reported the Trust and Investment Services Division continued to generate revenue and increase assets. Total assets under management at year-end were over \$120 million with clients nationwide in more than thirty states.

This was the year, too, when the Bank changed the name of its Market Street Financial Services subsidiary to Codorus Valley Financial Advisors, Inc. This subsidiary had assets of \$92 million three years after opening. The new name, authorities believed, better reflected its affiliation with Codorus Valley Bancorp., Inc. and PeoplesBank.

In a statement about leadership, which held strong direction for the Bank's future, it was noted: "The containment of costs and management of product sales are keys to future profitability in the financial services industry."

"As the number of retail locations increases," Bank staff recognized, "so does the number of employees necessary to staff and support our financial center network. While we constantly scrutinize staffing levels in all areas of the Company, there are other costs that we must also continually review and control. Effective, ongoing sales leadership is paramount for maximizing cross-selling opportunities. As we are fast becoming a one-half-billion-dollar company, it was necessary to restructure the Leadership Team at PeoplesBank in order to manage our costs and improve product sales." The company was continuing its efforts, too, to continually upgrade and expand capabilities of its Information Technology Division.

In less than a year after the 2005 annual report was distributed, PeoplesBank reached the symbolic milestone referenced in the report, as its assets rose officially to a half billion dollars.

In the Shareholders Letter distributed in February 2007, a year after the annual report quoted above, Miller summarized the state of the Bank and offered an optimistic, if guarded, statement about the future. "Everyone associated with your Company," Miller wrote, "has diligently worked in executing our strategic plan, and as a result, I am pleased to report that we have continued to achieve strong earnings and balance sheet growth."

For the full year 2006, Miller reported, earnings were \$5,322,000, or \$1.53 per share (\$1.49 diluted), up 15 percent from the \$4,617,000, or \$1.33 per share (\$1.30 diluted) for 2005.

The 2006 Shareholders Report said the Bank had added a new limited service facility at the Zimmerman Place Residence on the Shrewsbury Lutheran Retirement campus and that the Bank had been recognized

as a finalist for the *Central Penn Business Journal's* Corporate Citizen of the Year for the central Pennsylvania market.

In the interview about PeoplesBank, held thirty-five years after he joined the Bank, Miller philosophized and set the mood for future service: "Our success derives from a talented staff that cares about the needs of our clients, our communities and each other," he said. "Our people make the difference by actively searching for opportunities to provide financial solutions for our clients and by offering products and services that our clients need in order to improve their way of doing business or their quality of life. We are grateful for their dedication and hard work."

"How do you describe PeoplesBank to those you come across outside of town?" Miller was asked in his interview. "It is a bank headquartered in York," he responded easily, "which traces its roots back to 1864. At the end of 2007 Bank assets stood at \$595 million and assets under management in the wealth management division were an additional \$321 million. These results have been achieved via organic growth, primarily in York County."

The 2007 Annual Report showed net income rose from \$3,432,000 or \$1.00 per share (\$0.99 diluted) in 2003 to \$6,374,000 or \$1.72 per share (\$1.69 diluted) in 2007. Cash dividends, in the same period, rose from \$0.39 cents to \$0.58. Return on average shareholders' equity rose from 10.3 percent in 2003 to 13.91 percent in 2007.

Miller explained in a recent interview, “I look back at the 1980s when interest rates peaked at 21 percent. We still made loans to our business clients, even though a lot of banks shut down lending operations. Those banks were afraid that their business borrowers could not afford their debt, that they couldn’t pay the interest rate and costs. Those customers we served during those uncertain times paid us back every last dollar. We have never stopped lending to a certain type of clientele because we had a whim to change our corporate direction or philosophy. We serve that client until that customer’s needs are fully met. It is important to maintain that level of trust. Our customers know, for them, we’re here for the long haul.”

What else would you tell an interested person about PeoplesBank, the interviewer continued. Miller replied quickly, “We remain an institution tied to the community we serve. In both 2006 and 2007, we provided more in charitable contributions to local non-profit organizations than we spent in advertising and promoting the Company’s brand! We feel strongly that the money was invested wisely.”

Miller said one of the greatest satisfactions he derives from his job today is to see the children, and even grandchildren, of customers he served in his first days with the Bank return to the Bank as customers.

“If you ask Al [Algard P.] Shaffer,” Miller said, anecdotally, “he’ll tell you he is dealing with the grandchildren of his first clients on a regular basis. He jokes with me that he knows it is time to retire when the grandchildren of his early customers begin to establish banking relationships with him.”

Shaffer's service record with PeoplesBank, while longer than any other employee, is not unlike many colleagues who took jobs with the Bank at an early age and remained until retirement from the workforce. Still working for the Bank in his forty-fourth year, Shaffer explained how he became part of the Peoples Bank family.

"In December 1962, while attending Penn State, I inquired about a college loan at Peoples Bank in Glen Rock," Shaffer related. "This was the main office at that time. Paul Seitz, the Executive Vice President of the Bank, asked me if I would consider working in their office as a Teller. They had just entered into an agreement to purchase the Codorus National Bank in Jefferson and needed additional help. After considering my options, I decided to accept the bank's offer. I started working for the bank February 13, 1963. In December 1970 we opened the York New Salem Office and I was offered the Manager's position, remaining there until I was appointed Manager of the Glen Rock Office. I held that job from December 1985 to January 1989 and then returned to the York New Salem Office. I have enjoyed working in this office, and in many ways, it seems like home."

Larry Miller, concluding his thoughts about PeoplesBank and the Codorus Valley Corporation, thought for a moment and noted, "It is truly satisfying to enjoy the longevity and the trust customers and shareholders place in you as their banker and community steward."

"In fact," he summarized, "longevity and trust, along with community involvement and community leadership, would be the key elements that reflect the history of PeoplesBank and its current and future perspective."

Since 1864, PeoplesBank has enjoyed two key resources: the people, as Miller suggested in commentary from his recent interview, and geography. The people bring a superb work ethic, along with skills and talents, all focused on a common goal.

From its early days, one general location and one focus have remained stable. The site at the corner of Hanover and Manchester Streets in Glen Rock is still the epicenter of the PeoplesBank business, a foothold in a strong community for more than 140 years. The focus, on excellent customer service—the kind that builds lifelong relationships and increases assets over the long term—is still intact and as solid as the name Glen Rock, where it all began.

Geography, with a moderate climate and fertile soils, and with its northward-flowing creek with three branches—the Codorus—provides the Bank with a stable and nurturing home. The line of demarcation—the Mason-Dixon Line—brought to the region by geography *and politics*, is more history these days than the powerful line of division it once was.

The people—employees and customers—of PeoplesBank continue to bring their frugal and wealth-building cultures to the Bank and crucial conversations take place that nurture trust, integrity and evolution to benefit all. The Bank has served well in times of economic prosperity and has weathered adversity, local, regional and national. Throughout the decades, full of challenges and opportunities, it has increased assets and built all its dealings on the Golden Rule of good banking.



Rodney L. Krebs (left) and Larry J. Miller (right.) PeoplesBank Archives.

Epilogue

As Georg Sheets has so eloquently described, the history of PeoplesBank is intricately woven in the birth, growth, and development of Glen Rock and the Codorus Valley. In that context alone, we are indebted to Mr. Sheets and Dr. Charles Glatfelter for their efforts in bringing the history of PeoplesBank to life. For me, their collective work was a revelation of sorts as I learned that two of my early ancestors, Jeremiah and Jacob Krebs, were both stockholders in the bank; and both also served as members of the Board of Directors of the bank.

Five years following the birth of Glen Rock Borough, community leaders set out to open the First National Bank of Glen Rock in an effort to *meet the needs of the community's prospering businesses and ever-growing workforce*. And despite the devastation and financial challenges that began with the Civil War and continued through the Great Depression, PeoplesBank became one of the bedrocks of our community.

In 1980, Larry Miller was elected President and Chief Executive Officer of the bank. Larry's election has proven to be one of the bank's most significant decisions. Under his leadership, the bank has grown more than ten-fold and fostered one of the most professional and customer-centered workforces in the industry. His resolve and dedication have contributed immeasurably to the bank's remarkable growth and prosperity.

Today, as Glen Rock has become a bedroom community for Harrisburg to the North and Baltimore to the South, PeoplesBank has risen to become one of the leading full service financial institutions in South

Central Pennsylvania. With 15 financial service centers and \$600 million in assets, PeoplesBank provides state-of-the-art services to over 18,000 households throughout the area. Additionally, through the financial services activities of other subsidiaries of PeoplesBank and our parent corporation, Codorus Valley Bancorp, Inc., total assets of the company are fast approaching \$1 billion.

The Board of Directors of PeoplesBank understands that the benchmark for success in the financial services industry rests alone in customer satisfaction. And that means ensuring that the bank has the highest level of safeguards in place to protect and serve its customers' investments and thereby earn, and maintain, their trust. Moreover, if a bank is to prosper, it must be a partner in the communities it serves and, at the same time, be diligent in its efforts to have a positive impact on the local economy.

Above all, PeoplesBank remains focused on its mission. With the financial support of our shareholders, the dedication of our staff and management team, and one of the most loyal customer bases in the industry, we have survived and thrived. Neither the pillage of war, nor the devastation of natural disaster, nor the desolation of economic ruin could alter the course set by those early community leaders who were committed to *meet the needs of the community's prospering businesses and ever-growing workforce.*

Then as now, the history and growth of PeoplesBank is embodied in its commitment to make a meaningful and positive difference in our community. We will continue on our mission!

Rodney L. Krebs
Chairman of the Boards of Directors
Codorus Valley Bancorp, Inc.
PeoplesBank, A Codorus Valley Company

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Acknowledgments

It has been said that every writer stands upon the shoulders of writers that came before him, and this statement is particularly true of people who write history. In York County, Pennsylvania, the names of the early historians are thrown about as if they are casual friends: Carter and Glossbrenner, Prowell, Gibson and others. These are the writers who plowed the soil, sowed the seed and harvested the crops before the age of the computer and the Internet. Their names, along with the names of more recent tillers of York County history, are found in the Selected Bibliography that precedes this piece, but there are a few people who deserve special mention in reference to this history who may or may not show up in a list of publications and articles.

One of those is Jeffrey C. Bortner, who in many ways is the father of this book, a generous advisor and a superb writer in his own right. The esteemed professor emeritus of Gettysburg College, Dr. Charles H. Glatfelter, is a native of Glen Rock, the place where this story begins and ends, and his writings, along with his experience, inform this book and countless others. In addition, Dr. Glatfelter read an early draft of this book and made many helpful suggestions. I am sincerely grateful for his observations and his seasoned views. I hasten to add the work at hand borrows from his research, some of it unpublished, though my own research, analysis and expression result in a very different product than he would have achieved.

Today's historian can hardly proceed without tapping the resources at the York County Heritage Trust and the Pennsylvania Room at the Guthrie Memorial Library, Hanover's Public Library. In particular, I am grateful to Lila Fourhman-Shaull and Josh Stahlman at the Heritage Trust and to Priscilla Greco

McFerren at the Hanover Library for their warm assistance. The volunteers at those libraries also deserve a large measure of thanks.

I could not have completed this book without the encouragement and support of Larry J. Miller, a quintessential gentleman and a banking leader who questions, prods and encourages with assiduous curiosity and a focus on results.

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Georg R. Sheets

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