

LEWY BROS., JEWELERS, FAIL

New York Times

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Settlement Involving \$1,400,000 Defeated by Court Action

Special to The New York Times

CHICAGO, Nov. 23---An involuntary petition in bankruptcy against Lewy Brothers, Jewelers, filed today in the United States Court, upsets a plan which would have benefited the creditors, Attorney Edward Sonnenschein announced today.

The petition placed the liabilities at \$1,400,000 and the assets at \$650,000, the latter mostly in diamonds, pearls and other valuable gems. Poor business was given as the reason for the embarrassment of the concern by persons directly interested in the plan to appoint a receiver so that the Christmas rush can be conducted under the direction of the United States District Court, with the probable cooperation of a creditors' committee.

Mr. Sonnenschein of counsel for Lewy Brothers said that under the supervision of the Committee of National Jewelers the firm had agreed to pay its smaller accounts and to give its larger creditors 40 to 50 per cent. of their claims in preferred stock. "The creditors have held several meetings and apparently were getting to a point where the business could go on," said Mr. Sonnenschein, "but the petition in the Federal Court upsets the apple cart. Some kind of composition under court direction will probably be attempted now."

Courtesy of Mark Baber

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