

"Previous to 1825 David Shields had been in the employ of the firm of Morgan Brown & Guthery who were engaged in the iron business in Greene county Tennessee- Whilst so engaged, he acquired a small capital, as the savings of his (what would now be considered very inadequate) salary, and made the acquaintance of David Johnson and shortly after John Rice- Both of whom were good mechanics, and mill-rights and who had assisted in the erection of the best mills then mining-

With these men, said David Shields formed a partnership, and embarked in the business of paper making- at what was called the Holston paper Mill- They purchased a site for their mill, and with their own hands, principally erected their mill- The first stick was cut, as Respondant is informed about the ___ day of October 1825 and the mill was started with one rag engine the first paper made about the 1st May 1826- This firm continued their course of industry and frugality, by which it soon was made apparent, that they were doing a very prosperous business- The manufacture of paper, and the running of the mills was to some extent attended to by said Johnson & Rice- But, the entire burden of the financing department was confided to & fell upon said David Shields- And in consequence of the sudden and unparalleled increase of their business, said David found himself wholly unable to keep up with his business- and as early as March 1829 he pressed your Respondent into said business as a clerk-

Respondent had commenced business as a merchant in partnership with his father in Greene county, and was building up a very healthy and profitable business. But as his brother, who was looked up to, by all the family, declaimed his inability to perform the labors which had devolved upon him, and required Respondants assistance- and had previously procured the assent of his father & partner- Respondant was induced to abruptly close his store- and go, from being the head of merchantile house, to be the clerk of Shields Johnson & Rice in their business of Rag buying and paper selling- where he continued for better than two years- laboring night and day, in doors & out in which service he acquired the significant cognomen of "the rag Man."

When said David Shields applied to Respondant to enter said service he said to Resp- that hey (the firm) considered themselves small fry, and his partners were not accustomed to paying clerk's salaries and would think any reasonable sum extravagant, and he would therefore fix upon one hundred and fifty dollars per year which would buy his clothers- But, that as t between them, it should all be right- That the business was going to be unusually prosperous & he(Resp) should be amply rewarded by him for all his exertions.

Relying upon & obeying the wishes of his brother Respondant as before stated abruptly closed his business in Greene county and entered into the service of said company-

Respondant, in the mean time had entered into partnership with his brother Sam Shields & one _____ Johnson & put up a store in Claiborne county near Cumberland Gap- in which concern he put his little capital, being \$1000- every dollar of which he had made in his Greene county business in the five years he was engaged in selling goods in partnership with his father- In the spring of 1831 Sam Shields called upon Respondant and told him that said Johnson to whose management said store in Claiborn had been confided, had gotten btheir business in a ruinous condition, and that unless he could be got to go and attend to winding it up, they wou

had gotten their business in a ruinous condition, and that unless he could be got to go and attend to winding it up, they would loose all their property- On this information said David Shields was induced to give up respondent on his securing to the company Frank Bryd's services as his successor- which was done- so that from May 1831 untill February 1835 Respondant was not in the regular service of said company- But during these four years of respt as well as before 1829 & from the very beginning, althe not in the regular emply of said company, Respondant was frequently required by said David Sheilds to transact business for him- For all which, he never received a farthing- not that said David, was unjust- but death and misfortune in business, which will hearafter he refered to, prevented his doing that justice he intended.

So for from said David Sheilds intending to forfeit his word with Resp- in regard to his compensation, your Honor will swe that complaymant says, said David at one time executed some sort of a will- which will, Respondant will again refer to, only stating here, that by said will, your Respondent is the principle legatee, having bequeathed to him said David's interest in his said business- This will was executed on the 10th of Sept. 1826- and was by said David deposited with his father with instructions to place it in the hands of said Milton afterhe should be buried-

Respondant states, that the liberal provision made for him by his Brother in his will of 1826 was in consideration of his unpaid services. From his beginning with Johnson & Rice in 1825 said David's prosperity began, and he embarked in other adventures- He was interested with his Brother John and others in merchandizing at Beanstation, Cumberland River Ky & Surgeinsvill Tenn- But, his principle business and the basis of his growing fortune, was the Holston Paper Mill and her trade- and Respondant will continue the sketch of said business-

The operations of Shileds Johnson & Rice Commenced as before stated in 1825 under a verbal contract of partnership, which contract was seduced to witing & signed by the parties on the 20th of Feb 1827- and said partners so continued until 1832- when James S. Whiteman was admitted as a partner, and the firm name changed to Shields, Whiteman & Co- At the time said Whiteman was admitted as a partner a paper mill in Knox county known as the Middle Brook paper mill was purchased (said Whiteman being one of the former ~~partners~~ owners) for which property said firm gave \$15,000.00. With this purchase began to rise the clouds and difficulties that grew so thick and lowering about the time of said David's death-

In 1834 in January John Guthery was admitted as a partner- At these various changes in the firm, no new articles were executed, nor settlement made. A mere conjectural estimate of the profits that had been made from time to time, was made by said David Shields- and credits were entered on the Books of the firm to each partner so much as capitol, on which by the terms of the partnership they were to draw interest- Thus, at he time said Guthery was admitted as a partner, it was estimated that the firm had made, as profits at Hohston paper Mill from 1832 when Whiteman entered the firm up to 1834 \$12,000 and a credit was therefore entered on the books of Shields, Whiteman & Co for \$9,000 in favor of Shilelds, Johnson & Rice- and a credit in favor of Jas. S. Whiteman for \$3,000-

At the same time on account was opened on the Books of said firm with John Guthery in the same manner that it had been done with the other partners & he was credited with whatever he put into said business- Being principally the value of certain slaves brought by him into said business-

It was also estimated that from 1832 to 1834 Middlebrook had made as profits \$4177.23 and each partner, Shields, Johnson, Rice & Whiteman took credits on the Books of said firm at Middle Brook for \$1044.30 $\frac{3}{4}$ each as capital.

Shortly after said Guthery became a partner differences arose between said Whiteman & Guthery, and said David Shields became satisfied that said Whiteman was a dangerous partner- and it was determined to purchase him out- Said Whiteman agreed to go out of said business, provided said Guthery was forced to go out also- This was agreed upon & said David Shields purchased said Whiteman's interest at & for \$15,000 in the name of himself, John Rice & David Johnson- but really for the joint benefit of Shields, Johnson, Rice & Guthery-

In making this purchase, said David was greatly defrauded by said Whiteman, who in making out an exhibit of the ~~the~~ Middle Brook branch of said Business made a false exhibit of the condition of the business, adopting which, said David Shields, with his own estimate of that branch of the business under his own immediate control, estimated the business to be nominally worth \$100,000. From which estimate it was settled that Whiteman interest was worth \$15,000 for which it was purchased as before shown-

From the time of Whiteman's entering into the business, until he went out, he had been the active partner at Middle Brook, and now that he was out, the partners were compelled to supply his place- and said David Shields, upon whom the adjusting of all such matters devolved, at once determined to secure again the services of Respondant-

It is necessary for Respondant here to state, that he had in the mean time, after leaving the service of the company in 1831 commenced the merchantile business anew in partnership with his brother Sam Shields near Blaine's X Roads in Graninger county- Where from commencing literally in the woods, they had built up a business that will compare in point of prosperity with any business, in proportion to the capital, that has been done in E. Tennessee. Respondant's personal attention was given to said business, being by necessity (as his brother was a practicing physician), the active partner-

Thus in the prime of life, with as bright prospects before him, as any man of his age & time, with no start in life, save what he had himself made- was Respondant again called by his elder Brother to assist in conducting the, then almost unwieldy business of the firm of Shields, Whiteman & Co, as it was then called. Said David, called upon his brother Sam (who is the elder brother of S. & M. Shields) and told him, that he must in any event have the services of Milton Shields- and proposed, that if he would consent to give up the services of Respondant, that they (the firm) would give them an equal interest in the business of Shields, Whiteman & Co- taking the services of Resp as being equal to the capital of each of the other four partners- Said Samuel Shields after going up to the Holston Paper Mill & hearing said David's account of the condition of the business, agreed to said David's

proposition on condition said Whiteman's interest was purchased- and by the agreement of the parties the firm name was changed to D & M. Shields & Co- after said purchase was made-

Respondent was at the time in upper E. Tennessee on a business tour & when he returned called by the Mills and was surprised to find himself a partner & the name of D & M. Shields & Co on the bails being loaded for transportation. This was in February 1835- from which time untill the death of D. Shields Respondant gave himself up to the business of said firm.

When S. & M. Shields were admitted into said firm, no settlement was made, other than the exhibit made out by said Whiteman for the purpose of selling his interest as aforesaid- But said business was represented to be very prosperous by said David Shields so much so, that they did not wish any further capital, having as much as they could profitably wield- But, soon after the purchase, & before Respondant reached the Mills, said David found that there were some debts pressing at Middle Brook- and he immediately posted Respondant off with all the money they had on hands at the Holston Paper Mill, with instruction to go by Sam Shields and get what money they (S & M Shields) had on hands, and pay off the most urgent and pressing debts. Stating he would refund to S. & M. Shields their money in time to make their spring purchases of goods in the north.

But in this he was mistaken, for the demand for money to meet the liabilities created by said J.S. Whiteman became so great that the company found it all they could do, to raise means to meet them. This state of things was wholly unexpected to said David Shields, who had supposed said Whiteman had given a fair showing of the business in his exhibit- Respondant, as directed took \$1000 or more of S & M Shields money which they had provided to purchase a spring stock of goods. Thus at the very outset, Respondant & his brothers business was crippled by being drawn into said business of David Shields, under a mistaken view of the facts- and such advances were made from time to time untill it amounted to some \$5,000- which was never refunded untill after the death of D. Shields as hereinafter explained. But, Respondant was now fairly embarked in the business, and he gave himself night and day to the interest of the company- He was required to take upon himself, the hazard and exposure of the river transportation, said David Shields requiring him to go on every boat, that was freighted after his return to the service of the company in 1835- In this department of his labor, Respondant was very greatly exposed & his life put often in peril- One or two incidents may suffice to illustrate the life Respondant led- Flat boats were at that day the only available means of transportation for their paper, boards &c- and these were regularly sent out every season- mostly in the winter or spring. In the winter of 18__ when the mush ice was running, Respondant was going down the river with two large boats lashed together- Having on board some twelve to thirteen thousand dollars worth of (sic) boards & paper- when in attempting to go through what is known as little river shoals, the boats were thrown by the tide upon the right ~~side~~ hand wings of the little river dams- The steersman- an experienced Boatman, and all the hands dispaired of saving either the boats or loading, as the river was falling and it being impossible to get the boats off of the dam they would soon dip & sink- But, Respondant determined to use every exertion to save so valuable a cargo and at once went to work, plunged into the river up to his armpits, and labored all night &

& the next day, placing levers & props under the boat. Thus by the most extraordinary labor and exposure, Respondant succeeded in rescuing the property of the company- amounting to some \$13,000- This is but an illustration of what for years, this Respondant had to do & suffer. He was required to make long trips and in the shortest time possible- so that following in the footsteps of his brother, he became accustomed to traveling in the night, and often traveled all night. One instance may suffice to illustrate Respondant's disregard of personal ease in this particular- On the trial of the case of Shields, Smith & Co vs. McBride & Dyke, in the circuit court at Greeneville, late in the evening, it was discovered, that to meet a technical objection, raised by defendants counsel, that it was absolutely necessary to produce the Books of Shields, Smith & Co- It was the adjourning hour of the court at Greeneville- The Books were at Marshalls ferry paper mill thirty miles distant, yet in midwinter, Respondant undertook to have the Books in court by the meeting of court in the morning, which he did- Traveling sixty miles through the mud packing a cart load of Books on horse back. This, though occurring after the death of said David Shields may enable the court to form some idea of the life of labor & suffering which this Respondant has led. And as your Honor will see in the further development of the case, Respondant and his partner S. Shields suffered loss on account of the loss of the use of their funds, as before stated, but they have lost the entire services of Respondant from February 1835 to September 1840 five years & about seven months-

On the progress of the business it was discovered that said Whiteman had practiced a fraud in making out his exhibit of the property & effects and liabilities at Middle Brook, and Respondant communicated said discovery to his brother David, with the view of injoining the collection of the residue of the \$15,000 agreed to be given him- said David Shields first said he would do it- But, finding that said Whiteman was wishing again to get back into the firm and being advised he would have a chance to do so, if a Bill filed against him, he determined to pay up the obligation of \$15,000 and keep Whiteman out of the company- saying that if Whiteman got into the company again, they would all be broke up. Previous to discovering the Whiteman fraud said David Shields conceived the idea, that to charge S & M. Shields with the Whiteman purchase, and all charges against Whiteman, and give them credit for all Whitemans credits it would form a correct basis on which S. & M. Shields would be enabled to draw one fifth of the profits from the time they came into the partnership- and without consultation with any one, he directed the entries to be so made- These facts were all made fully to appear in the case at Greeneville and a final decree pronounced at the May term 1850- which decree, Respondant pleads & relies upon as final and conclusive of all equities therein settled- But, Respondant & Sam. Shields, or rather the firm of S & M. Shields was one of the partners of the firm of D & M Shields & co; which was a continuation of the firm of Shields, Whiteman & co which last firm, was a continuation of the original firm of Shields Johnson & Rice; and being also a member of said firm, were liable jointly with their partners for the contracts of the firm- After they became such partners, David Shields who was still recognised as the head of the firm made a contract by which said firm of D & M Shields & co, become one of the partners of a firm engaged in the Iron business known as Shields, Smith & Co- This company was composed of D & M Shields & Co, M.C. Rogers, & Andrew Smith. By this contract, as will more fully appear from a copy of the original articles of copartnership ~~xxxxxx~~ here to annexed as a part this

answer marked exhibit C- said firm of Shields, Smith & Co "agree to fill M.C. Rogers' engagement for pig iron with Wm. K. Love & Brothers during said partnership"- the partnership was to continue five years-

The nature of the contract between Rogers & Loves was, that Rogers, was to furnish a very large amount of pig iron per annum to the Loves at a given price & was to receive ~~for~~ bar iron at a given price in payment. This contract which was a very advantageous one to Loves formed a part of the consideration of the sale of the Short Mountain furnace by sd Loves to said Rogers- which property as will be seen by exhibit C constituted a part of the property of Shields, Smith & Co-

For a time, this contract with Loves was complied with by sending pig iron from Bright Hope furnace in Greene county- But on making a test of the ore at Short mountain, which by said Rogers had been represented as being superior to any bank in Tennessee and equal to the Sweden Iron mines, the ore was found to be utterly worthless- and this purchase of no value- On discovering that nothing could be done in Sevier county & that that property was a dead loss, said Shields, Smith & Co refused to fill the contract of Rogers with the Loves- This produced litigation of the most serious character- Loves sued Rogers for failing to furnish the pig iron as per contract for damages for this first year, and obtained a judgment as Respondant remembers for \$10,000- and they were threatening to following up with suits for the failure of each year according to their contract- They also filed a Bill against the firm of Shields, Smith & Co(after said David's death) to hold them liable under the articles of partnership for the fulfillment of Rogers' contract & was so preparing to do, when said David died. At the time of said David Shields death, these heavy liabilities were hanging over the firm of D & M. Shields & Co. and Respondant well knew that, not only, the earthly all, of the other partners, but of S & M. Shields, depended upon the successful defence of these Love suits- For if Shields, Smith & Co were held liable on the part of said contracts, not only the entire assets of D & M Shields would be sweped, but those of S & M Shields. For notwithstanding the contract before alluded to, that they were in no event to be liable for losses other than the services of Respondant, still, Respondant knew that this was a private contract- That to the public they were general partners- and as such liable- Hence his refusal to take the advice of his co-administrator, before mentioned, to abandon the entire business & let all go-

Had ti not been for these overshadowing liabilities, Respondant & his brother would have filed their Bill to recind the contract of copartnership which they were advised & and Respondant is yet advised, they could have done- and Respondant recovered the full valie of his services- But there was no alternative left Respondant that he could see, but to go on, and if possible, extricate himself and friends, as best he might, from the impending ruin- Respondant gave himself to the task, and under the guidance of his counsel, he had the ore of Short Mountain tested on a large scale, and by demonstrating that it was worthless, he finally succeeded in getting rid of said suits and contracts- and thus saved a remnant of the wreck- As Respondant understands the records have been burned, or he would produce them to the Hon court. Respondant states that in the Shields, Smith & Co partnership the firm of D & M Shields lost about \$3000.00. ~~But~~ By the burning of their mill in 1838- and again in 1839 their losses were very

heavy- and it must be born in mind, that on the final investigation of the business at Middle Brook during Whitemens supervision, instead of making profits, they had actually lost money- all of which was made appear in taking the accounts in the case at Greeneville before refered to- In which case Respondant is advised all questions concerning the estate of David Shields were adjudicated and settled, and Respondant pleads and relies upon that record and the several decrees therein pronounced in Bars of all relief sought in this case- Respondant herewith files copies of the decrees pronounced at the May term 1850- and the May term 1857 marked exhibits D & E and prays that the same may be taken as a part of this answer- and pleads and relies upon them as conclusive of every question settled and adjudged-

And here, Respondant will state the facts in relation to the notes of Sam Shields and Milton Shields in the hands of Respondant as Administrator- It is true the notes were executed for the purchase money given for the Holston Paper Mill & lands and two slaves belonging to D & M Shields & Co After these notes were executed, which are as follows- \$5075.00- Two years after date we or either of us promise to pay to Milton Shields & Co surviving partners of D & M Shields & co five thousand and seventy five dollars for value received- Witness our hands and seals this 7th day of Sept. 1840. Saml Shields (seal) Milton Shields (seal) Also note for 1535.00, like above, but payable twelve months after date, 7th Sept. 1840.

Notes were about to be attached by Whiteman and were turned over to Respondant Milton Shields and became property of David Shields estate; also one other on John Rice for \$5075.00. Respondant tried to make payment and "would full justice be done him, he would be found to be but little if any in the arrears."

Respondant and brother Sam Shields were in firm and Milton expected pay for services from 1835 to 1840. Had to employ other counsel after death of McKinney. When accounting taken in 1850 Hodsdens and wife came but left before work completed, but Jane's guardian failed to attend. New counsel would not present to C & M Respondant's claim for pay for years, 1835 to 1840 since said counsel represented all parties interested in estate of David Shields.

The contract of partnership was, that the firm of S & M Shields were to be an equal partner in the entire business of Shields Whiteman & Co- were to have one fifth of the profits- (there were five partners-) The services of Respondant being the only capitol to be advanced- That in the event of losses S & M Shields were not to bear any part of the losses, only, to loose the services of Respondant- As before stated, to induce S & M Shields & Co to enter into this contract, it was Represented by David Shields that the business had been unusually prosperous, and that large sums had been made- These representations it is and ever has been believed were made in good faith on the part of David Shields, he believing his representations to be true- But, they were neverthe less wholly, and to Respondant's & his brother Sam Shields, ruinously untrue- So Milton believed this fraud relieved him from contract, and he could be paid for services, but counsel in taking account in 1850 believed that since he had "elected to remain as partner after discovered that Whiteman had misled David Shields and all

others that instead of making profits had lost money "he could only claim the terms of his contract loose his servises & be freed from other losses." Counsel therefore refused to present Milton's claim for pay.

"Will it be said that here is a young lady now of full age, who was an infant upon her maothor's lap when this administration was granted- That she is an heress, and yet has never been able to get money enough out of her father's ample fortune, to furnish her pin money! and the answer not be heard that this fortune of her father's creation once so imposing in this country, was by a few unluckey trades made just before her father's death, totally wrecked, and what now remains of that fortune is the fruits of Respondant's exertions- That the unremitted labor, day & night for six years of the prime of his life, has been required of Respondant without one farthing of compensation."

David Shields had no interest except in firms mentioned, but he did enter into "partnership with John Morris, Sam Riggs & Wyatt Stubblefield in the merchantile business at Morristown, & with Frank Boyd at Athens." These firms dissolved at death of David Shields, and business closed by Respondant as shown by exhibit D. "It is true, as before stated, that he was with said firm interested in the iron business in Greene & Sevier counties, by which he & his partners were near being ruined, loosing forty odd thousand dollars- and but for the exertions of Respondant, guided by the advice of his counsel, the firm would have had no fortune over which to litigate." David Shields up to 1832 had invested only \$2692.77 in business and his debts to that time were \$717.25, leaving him due only \$1974.86. See exhibit H. "David Shileds estate consisted as before stated, principlly in the profits made by his operations at Holston paper mill- It is true, he entereded into other adventures that made some money such as the store at Athens, with Boyd- at Morristown with Morris & others- But, it is equally true, that he started without capitol, and that he lost much of what he made, by the importunate trades made just before he died-" Your Honor will see that advances of David Shields were little sums form one dollar up- no item over fifty dolllaars; some was "goods bought by him from Beanstation where he & his brother John Shileds had been engaged in merchanddising." All this taken account in case at Greeneville and no use in this case.

"It is charged in the Bill, that said David Shields had some interest in his father's estate &c- By reference to page 8 of this answer it will be seen that Respondant on the 12 of August 1844 charged himself with the sum of \$162.52- the full and exact amount coming to said David's estate from his father's James Shields' estate." Also charged that Respondant received of estate of Rufus Morgan sum of \$3000.00. David Shields was administrator of Morgon, and in adjusting and settling this estate he had advanced considerable money by taking from drawers of firm of D & M Shields & Co. He was entitled to compensation and was allowed this for his services by clerk of court at Kingston- after David's death Respondant and co-administrator made settlement with H.L. McClung administrator said Morgon's estate at Kingston on 5 July 1841. It was found that \$1194.27½ due D & M Shields for money used by David Shields in settling this estate, and this amount with interest paid by Respondant to D & M Shields & Co as shown in Greenevillesettlement. Also found that David due \$323.17 for servises in case at Greeneville of Morgon, Brown & Gutherie, and said David s allowed \$926.89½ for servises as Administrator of Morgon.

Respt allowed \$23.81 for making sd. settlement and clerk's fees, \$3.75, making in all sum of \$2971.90 which Respt charged himself with, and respt also charged himself with \$531.01 int sd sums due from Morgan's estate. Has received from Morgan estate total of \$3502.91.

Complainant's bill charged respt overpaying John Guthery as partner some \$3000 and that Guthery died insolvent. Error of fact. When settlement made with partners in 1841 appeared to be due Guthery on account \$5,764.98½. Guthery "who was going to leave the country" allowed to draw \$2100. part payment of his capital. Then in 1850 because of heavy losses discovered that Guthery been over paid by some \$1500.00. Then money due Guthery in Greenville from Peter Brown estate, and this was obtained leaving Guthery estate owing only \$50. to \$70.

Bill also charged that real estate owned by David Shields, David Johnson and John Rice; all real estate belonged to firm. Also said that Respt and Sam Shields claimed one fifth of real estate. S & M Shields partners under contract already given, but claimed no part of property of firm—only capital they had was services of Milton. Firm of D & M Shields borrowed money from S & M Shields and never repaid during lifetime of David, but S & M Shields took for this money barter, paper, books etc of firm much to injury of S & M Shields. If never member of sd. firm respt. would like payment for services from 1835 to 1841, but unfortunately S & M Shields were partners and ruined them.

Complaint made about Middlebrook property and said that it is valuable. Respt stated that they had no control over this property. When property sold J.S. Whiteman bought it for \$13,200. Whiteman gave note with G.M. Hazen as security; at this time, 1840, Hazen engaged in large mercantile business and indebted "at the north,"; this was known but other securities were: L.S. Marshall, John Pryor, William Smedley and Wm R. Bowen and this considered good paper. "Operation of the General Bankrupt law in 1841, soon changed the face of affairs." Whiteman failed and retired, all securities "except Hazen retired behind a decree in Bankruptcy." Hazen forced close his business, and called parties together and showed them his indebtedness to northern creditors, about \$30,000, and stated frankly if he could not be relieved forced him into an assignment. Suit already started in Knox County vs him; Hazen proposed if they would release him from liability and take the property he would pay them \$2000.00. Partners decided was to their interest hold on to sale, and give Hazen time and induce him take Whiteman's place which finally he did. Property not worth amt of debt at that time. Property now worth more because Hazen has improved it with new machinery and change in times has helped; Hazen given time relieve himself of northern debt and make arrangements to pay Whiteman debt. This matter been before court at Greenville "time and again" and always Hazen's agreement recognized. Last time before court in May 1857 and Hodsdon present and matter settled so can not be issue in this case.

True that S & M Shields bought Holston paper Mill for \$10,150, and also farm for \$5,000 and another farm for \$200 all of which are in deed of trust. Paper mill been improved and more valuable now