Memo. The exhibits referred to in the aforegoing answer, will be found returned with the commission.

And at the same time came the defendant William Schley, and filed in the said cause his answer to the said bill in the words following, to wit:—

The seperate answer of William Schley, one of the defendants, to the bill of complaint of Richard W. Gill, trustee, and others, in chancery, exhibited against him and Israel Griffith.

This respondent, now and at all times, saving all exceptions to the imperfections and mis-tatements of said bill, nevertheless for answer to the same, answering, says, that he admits that said Richand W. Gill was appointed trustee, as in said bill is alleged, and that he has duly given bond as such trustee; and this respondent also admits the passage of the several orders, and the decree as in said bill alleged; and that writs of fieri facias were issued on said decree, as stated in said bill; and that a large balance remains due on said decree; but he further states, that he is entitled to certain credits, filed with the auditor, in the principal case, since the filing of this bill.

And this respondent further answering, says, that all the statements and allegations of said bill, touching the transactions between this respondent and his co-defendant, so far as such statements and allegations are variant from the contents of this answer, are wholly untrue.

This respondent files herewith, as a part of this answer, a statement marked exhibit W. S., shewing in detail the transactions between said Griffith and this respondent, respecting the indebtedness secured, or intended to be secured, by the several mortgages in said bill mentioned.

And this respondent answering more specifically, now states, that on the 6th of March 1845, he applied to said Israel Griffith for the use of his name as endorser to the extent of ten thousand dollars, offering to him, (at the same time and as part of the application,) as security, what this respondent believed to be, and represented to be, sufficient and even abundent security: but said Griffith did not agree to endorse notes to so large an amount as ten thousand dollars, but after much hesitation and difficulty, he did finally agree to endorse three notes, each for the sum of two thousand dollars, and payable, respectively, at sixty days, at four months, and at six months after date; and all bearing date on said sixth day of March 1845: said notes were endorsed on the basis of an express agreement in writing, signed by this respondent, whereby this respondent engaged to execute to him a mortgage on his property in Allegany, and also a mortgage on his library and household effects. At the time of this transaction, this respondent was indebted to said Griffith to the amount of about seven hundred dollars, for so much money temporarily borrowed, and which he meant to repay out of the proceeds of said notes, when discounted; and which notes this respondent had ascertained from inquiries previously made, would be discounted at the Bank of Baltimore. As Mr. Griffith was the only endorser on said notes, this respondent knew that the nett proceeds would be carried to his credit on the books of the bank, and that his check, or his endorsement, on the discount ticket, would be necessary to draw the money from the bank. Mr. Griffith and this respondent therefore went together to the bank, and the money was paid to him at the counter of the bank: and by him—less the aforesaid amount of borrowed money—immediately handed to this respondent, whilst they were together in the bank.

Mr. Griffith received no commission for his endorsement, and nothing of the sort was exacted by him, nor proffered by this respondent. This respondent indeed, intended, that on his part some return should be made for what was done for his accommodation by Mr. Griffith; and whether this was expected by Mr. Griffith or not, this respondent does not know; but he says positively, that there was no contract to this effect, as part of the arrangement for the endorsement of said notes, Mr. Griffith's only inducement, he is very sure, was a feeling of kindness and good will towards this respondent; and a belief on his part, that with some reasonable aid, this respondent would be able to extricate himself from embarrassment of pressing debts; and he further felt satisfied, that the proffered security was quite sufficient to protect him against any eventual loss. And this respondent further answering, states, that at the time he so applied to Mr. Griffith, he verily believed, and stated to him, that the desired sum of ten thousand dollars would relieve him from pressing demands, and enable him to devote his whole attention to his profession, and thereby accomplish, what for some years past has been the great aim of all his exertions, and the sole object of his ambition, namely, the payment in full of all his debts of every description, without regard to their origin. At that time this respondent did not contemplate as at all probable, that there would be any default on his part in the punctual payment of said notes, if his life was spared. Nevertheless he was desirous, and he intended, that Mr. Griffith should run no risk of eventual loss; and he therefore offered in limine, as the basis of his application, the securities as aforesaid.

This respondent believed them, and represented them to be, abundant for the whole amount applied for; and he truly represented to Mr. Griffith all that he knew about the real estate in Allegany. He stated to Mr. Griffith that he had paid for it only five hundred dollars, some ten years since, and that he had been offered for it as much as five thousand dollars; and had been asked, in fact, whether he was willing to take a much larger sum. At that time this respondent had not seen said property, and did not even know its precise location, but he knew that it abounded in valuable cement, and in iron ore; and from certain other circumstances, this respondent then verily believed, that it was intrinsically of great and increasing value; and he now states, that from his then impressions, he thinks that an offer of ten thousand dollars would not, at that time, have been accepted by this respondent for said property; at least, not without consultation with others, in whose judgment in such matters he could repose confidently. This respondent therefore felt, that he was tendering to Mr. Griffith the most ample security—and he intended to do so. He was asking a favor at his hands, and he did not expect or desire that any risk should be incurred by Mr. Griffith; and although Mr. Griffith was prompted by feelings of personal good will, in acceding to the request, it was nevertheless very apparent, that he meant and expected to be effectually secured. This respondent had no especial claim on Mr. Griffith;—and the whole transaction, in its inception and in its consummation, was based on the idea of specific security to be given and received. And this respondent now states, that on the 22nd March 1845, in pursuance of the aforesaid agreement and arrangement, he executed and delivered to said Griffith, a mortgage ou his property in Allegh[illegible]any, and a mortgage on his personal property, to secure him in respect of his liability as endorser on said three notes of this respondent; and either at that time or previously, this respondent assigned to him a policy of insurance on his life.

And this respondent further answering, states, that on the 21st of April 1845, he again applied to Mr. Griffith, and requested him to increase the amount to the sum originally desired: and after a good deal of negotiation and much hesitation on his part, he finally agreed to endorse, and did endorse this respondent's two notes, both dated the day and year

last aforesaid—one dated at six, and one at eight months after date, and each for the sum of two thousand dollars. The notes so endorsed were delivered by him to this respondent, and were by this respondent used and disposed of, and the proceeds thereof received by this respondent. Mr. Griffith received no part of the proceeds, nor was there any agreement or understanding for the receipt by him of any commission for his endorsement.

As before, Mr. Griffith's sole inducement was a willingness to befriend this respondent, and his only ground of hesitation, (and he did hesitate for a good while,) was the apprehension, as this respondent believes, of the adequacy of the security. What this respondent considered so abundent, was by him considered, as this respondant supposed, and now believes, very limited security, and in other respects undesirable. Nevertheless it was from a conviction on his part of the actual sufficiency of the security, that he consented to enlarge his liability, and the whole transaction, as was the former one, was based on the idea of specific security. Indeed, on the very day of the endorsement of these additional two notes, and as part of the res gesta, this respondent executed and delivered to Mr. Griffith the mortgage on his property in Allegany, in said bill referred to, and on the sixth day of May 1845, this respondent executed and delivered to said Griffith a mortgage on his personal property, to secure all the said five notes so endorsed, as aforesaid, by Mr. Griffith. These mortgages were executed according to express agreement; and as the basis of the endorsement of said additional two notes. This respondent further answering, states, that he had great repugnance to having said mortgages placed on record, and so informed Mr. Griffith; and further stated to him, that the mortgage on the real estate, if recorded within six months, would relate back to its date; and that although the mortgage on personal property would be of no efficacy as a security, if not recorded within twenty days after its date, yet that this respondent would, in case he did not place it on record, renew it from time to time, so as to give him the same continued security as if it were actually placed on record. There was, however, no agreement that they should not be placed on record:—it was a request on the part of this respondent, made after the completion of the whole transaction. This respondent had no doubt then, and has none now, that the security to Mr. Griffith would have been no more effectual, by actually placing on record these instruments at once, than by compliance with his request: and if he had entertained any doubt on this point, he would have directed him to place them both on record. Mr. Griffith, it now appears, did not, as regards the property in Allegany, comply with the wishes of this respondent, for he actually placed on record that mortgage, within a very few weeks after its date. He did not consult this respondent about doing so, nor tell him that he meant to do so, nor inform him afterwards that he had done so.—Undoubtedly he had the clear right to do so, as there was no promise, much less any agreement, that he would not do so: but this respondent certainly expected that he would not do so, without notice to him of his intention; nor did this respondent suspect that he had done so, until actually informed long afterwards of the fact that said mortgage was recorded. This respondent greatly regrets that he did so place the same on record, as that act did in fact produce in its consequences serious and immense injury to this respondent; and when he was apprized of the fact, that said mortgage had been placed on record at that early date, he was then able to account for certain reports and rumors in relation to his pecuniary condition, which he could not previously comprehend. It was from apprehension of such reports and rumors, so injurious to any one who is exerting himself to pay his debts, and which are so readily and so generally exaggerated, even without any intention to do injury, that this respondent was so solicitous, that said mortgages should not unnecessarily be placed on record. This respondent shall ever regret that Mr. Griffith placed said mortgage on record, in the manner above mentioned, without informing this respondent of his intention to do so:—or after having so placed it on record, without informing this respondent of the fact that he had done so. In either case, this respondent could have avoided many troubles, which, as ultimate consequences, he verily believes flowed from this abrupt proceeding. In justice to Mr. Griffith, however, this respondent adds, that he is very sure that Mr. Griffith did not intend to do him any injury, but merely to secure the recording of his said mortgage in due time; and he believes very confidently, that Mr. Griffith would have complied with his request, if he had supposed or apprehended that any embarrassments would have thence arisen, from the immediate recording of said mortgage. The mortgage on this respondent's personal property, was renewed from time to time, (not always with strict observance, however, of the period of twenty days, in consequence of this respondent's occasional absence, or other like cause,) up to the fourth September 1845:—on this last mentioned day, said Griffith, at this respondent's request, discounted this respondent's own note at two months, for two thousand dollars; and this respondent's draft on F. A. Schley, Esq., of Frederick city, at four months, for the further amount of two thousand dollars; and it was understood as the basis of this transaction, that said note and draft should be secured by the policy of insurance then held by Mr. Griffith, and by a lien on this respondent's personal property; and as a part of the very transaction of the discount of said last mentioned note and draft, this respondent executed and delivered to said Griffith a mortgage of that date, on his personal property, embracing said last mentioned note and said draft. And this respondent here states, that he well remembers to have prepared on said 4th day of September 1845, a new mortgage on his property in Allegany, and on his personal estate, which he designed to execute and deliver to said Griffith, and that the same were drawn so as to secure said two notes, of the date of the 21st of April 1845, and a new sum of $6000, to be divided into three amounts of six thousand dollars each: this respondent intending and proposing to settle up and close by this new arrangement all other transactions between said Griffith and him, except the said notes so intended in said mortgages to be secured. But Mr. Griffith preferred to let the mortgage remain as it was originally drawn, and he agreed to take up at maturity the last of the series of notes given on the 6th March 1845; and hold the same, and limit the proposed new transaction to the sum of four thousand dollars. To this arrangement this respondent had no objection; and in lieu of the mortgages prepared by this respondent, the principal clerk of Mr. Griffith prepared a mortgage on said 4th September 1845, including therein a note of $1500, endorsed by Col. Lewis Kemp, (of which a full explanation will hereinafter be given,) and including, also, said new note and draft, as also the three notes of the 6th March 1845, and the two notes of the 21st April 1845. On reading the same, this respondent stated, that it was informal, and suggested certain alterations; but the principal clerk of Mr. Griffith, in whose handwriting the same was, and with whom the interview was had, (Mr. Griffith not then being present,) stated, that Mr. Griffith preferred having the papers in their original form; and as this respondent did not suppose for a moment, that any difficulty could possibly arise from this circumstance, he executed the paper in the form in which it was presented. The said mortgage was delivered to Mr. Griffith, and was afterwards renewed from time to time, with no material variation, except that he remembers to have pointed out at one time the incongruity of the proviso with the recital of the notes as they were all