

The Cohen Brothers of Baltimore: from Lotteries to Banking

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DURING A SPEECH to the Maryland Historical society in 1875 Henry Stockbridge reminisced about the numerous lotteries operating when he arrived in Baltimore thirty years before:

But the traffic most obtrusively and flauntingly carried on, in highways and byways and thrust upon the attention by all the schemes for attracting notice that ingenuity or greed could devise, was the traffic in lottery tickets. Advertisements in the papers, small circulars setting forth the peculiarities of this particular scheme—the vast number of prizes—the absolute certainty of drawing a prize which prize should be a fortune or two—and big posters in colored letters making proclamation of the same rare chances met the traveller through our streets in every square and at every corner.¹

Baltimore, like many American cities, was engulfed by the lottery fever which swept the nation during the first half of the nineteenth century. Competition between lottery promoters was often intense and to succeed an agent needed skill and ingenuity. The Cohen's Lottery and Exchange Office was a leading vender during some of the most fiercely competitive years. Although they are remembered today almost exclusively by legal scholars because they were party to a landmark John Marshall Supreme Court case,² the firm was an integral part of Baltimore's financial development. Operations of the company provide an interesting case study of early nineteenth century business and promotional practices. Their lottery activities helped supply badly needed capital for local institutions and gave the company the skills and financial backing to move from lotteries to banking.

The Cohen family moved to Baltimore in 1803 when Judith Cohen, the widow of a Bavarian Jewish immigrant, moved there with her seven children from Richmond, Virginia.³ The first publicised connection between a Cohen and a lottery occurred in 1812 when an advertisement for the Medical College of Maryland lottery listed Jacob I. Cohen Jr. as one of three men selling tickets in the venture.⁴ Jacob, twenty-two and

¹ Henry Stockbridge, Sr., "Baltimore in 1846," *Md. Hist. Mag.*, VI (March, 1911), p. 25.

² *Cohens v. Virginia*, 6 Wheaton (U. S.), (1821).

³ Aaron Baroway, "The Cohens of Maryland," *Md. Hist. Mag.*, XVIII (December, 1923), 363-364.

⁴ *Baltimore American and Commercial Daily Advertiser*, March 11 and April 29, 1812.

the eldest son of Israel and Judith Cohen, was associated with the Medical College lottery office. Several lottery offices in Baltimore sold tickets in the scheme, and it is not clear whether Cohen was operating the office for the managers of the lottery or for himself. Whatever the case, the experience was a profitable one, and within a month Cohen's Lottery and Exchange office opened in the same office used by the Medical College lottery.

The Cohen's office continued to serve Baltimore for almost twenty years. As business increased, Jacob Cohen brought his brothers into the company until five of them were associated with it. Five branch offices were opened between 1819 and 1826 in Norfolk and Richmond, Virginia, Philadelphia, Charleston, and New York City.

Initially the office was almost exclusively devoted to selling lottery tickets. Buying large blocks of tickets at a discount, they were one of several firms in the city that resold such tickets to the public. That they were successful testifies not only of a public mania for lotteries but to the effectiveness of their advertising and business methods. Activities of the office, however, were never limited to just selling tickets. The company managed some lotteries but also engaged in a wide range of financial services. The variety of bank notes received in payment for tickets led naturally into the exchange business. Performing services which would later be the exclusive domain of the banker, the Cohen's office exchanged banknotes over a large portion of the United States. They further entered the domain of the banker or broker when they advertised seeking gold or banknotes and when they offered stocks and bank drafts to the public. These increasing banking activities led easily to de-emphasising the sale of lottery tickets and to concentrating exclusively on banking, which in fact happened, and culminated in the opening of Jacob I. Cohen, Jr., and Brothers, Banking House in 1831.

When the Cohen's office opened in 1813, lotteries were common in Maryland. Lotteries in the state, however, were undergoing a change toward professionalism which lotteries throughout the nation experienced. The earliest lotteries had usually been employed by local citizens as a painless way to raise money for a school, road, or church without raising taxes. The local trustees obtained approval from the state legislature and then oversaw the lottery themselves. Lotteries slowly changed as trustees began hiring professional managers to run them. Professional ticket salesmen were also increasingly used, and they soon took the place of the local promoter who had offered chances to his friends or the newspaper office or bookstore that had stocked a few tickets in a local venture.

Four years after the Cohen's office was opened, the Maryland state legislature in 1817 drastically changed the state's lottery system. A 5 per-cent tax was placed on all prizes. All lotteries were now to be directed by a state commission. Any lottery, which had been approved by the state legislature, but had not been completed, would be allowed to continue, but it had to register with the commission. After each had registered, a schedule of lotteries was to be drawn up. Each lottery would then take its turn in appealing to the public. When the authorized lotteries completed drawing,

the lottery commission was to create a state lottery and the proceeds of it would be placed in a special state fund for assisting schools, internal improvements, etc.⁵

A series of lotteries advertised by the Cohen's office to raise money for a Baltimore monument to George Washington illustrate how the system worked. The state legislature approved a lottery to finance the \$100,000 monument in January, 1810.⁶ But the \$100,000 was too large to be raised in one drawing, so the lottery was divided into several classes, each of which raised part of the total amount. The lottery continued to run for twelve years and ended with the sixth class in 1824.

The plan of the fourth class of the Monument Lottery, advertised by the Cohen's in 1820, is fairly typical of most Maryland lotteries, although there were differences in the number of tickets sold, price of tickets, and prizes as managers tried to design the most attractive scheme. Prizes in the Monument Lottery ran from one grand prize of \$40,000 to one thousand prizes of twenty-five dollars each. The 5,000 tickets were designed to sell for twenty dollars each and raise \$100,000 which was also the total amount to be awarded in prizes. The prizes, however, were subject to a 15 per cent discount, which would provide \$15,000 to meet lottery expenses and give some profit for the monument.⁷ These expenses included a discount to the ticket salesmen. This discount was usually 5 per cent but might rise to 10 per cent if a promoter agreed to dispose of all the tickets in the scheme.⁸ Salesmen also profited from the increased cost of tickets which usually accompanied the scarcity of tickets near the close of a lottery. Most lotteries were designed to increase the demand for tickets by scheduling the drawing of the largest prizes near the end of the venture. Tickets in the Grand State Lottery increased from \$8.50 to \$9.00 on September 5, 1823.⁹ They continued to increase until by the end of February, 1823, they cost \$14.00 each.¹⁰

It took a great deal of courage for the managers to award the same amount of money in prizes as they collected in ticket sales. Unsold tickets were always a problem and managers often delayed announcing the date on which a lottery would start drawing until a certain number of tickets were sold. In a few rare cases, such as the sixth class of the Washington Monument Lottery, a lottery was stopped in the midst of drawing to allow more time for ticket sales.¹¹ Until the state stopped the practice in 1828, an additional discount was sometimes placed on prizes to compensate for unsold tickets.¹² After 1828 when most lotteries in the state were controlled by the lottery commission, the schemes usually provided a margin by awarding fewer prizes than the total amount raised by ticket sales.

⁵ *Laws Made and Passed by the General Assembly of the State of Maryland . . .* [1817-1818] (Annapolis, 1818), pp. 169-174.

⁶ John Samuel Ezell, *Fortune's Merry Wheel, The Lottery in America* (Cambridge, 1960), p. 119; and *Baltimore American*, July 17, 1811.

⁷ *Baltimore American*, April 27, 1820.

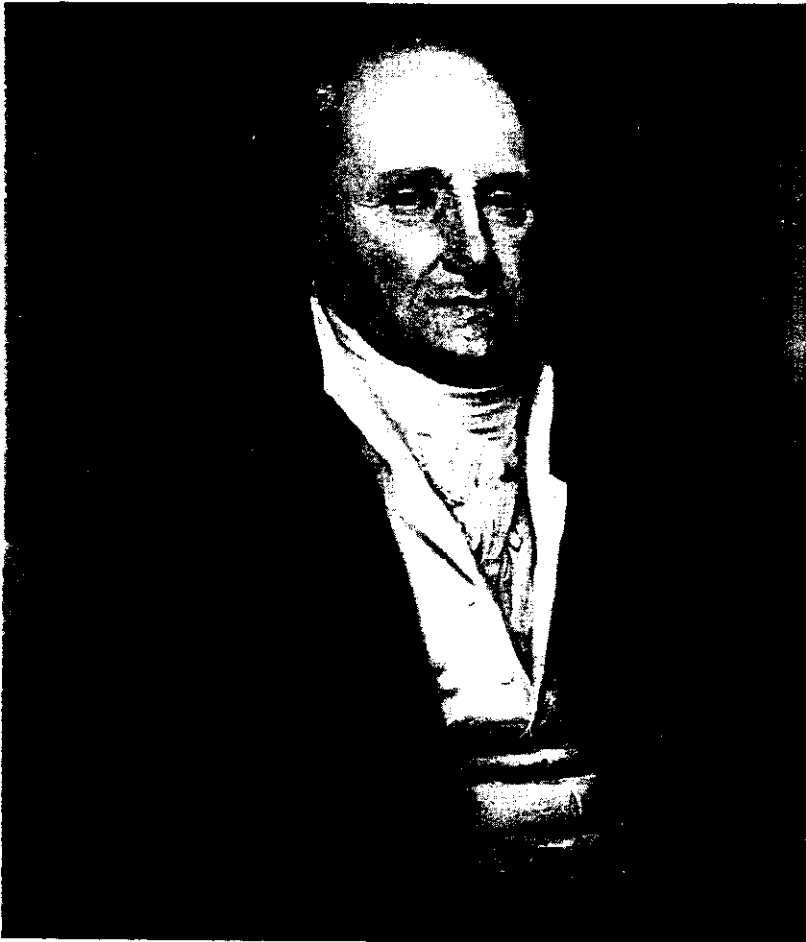
⁸ *Laws . . . of Maryland . . .* [1828], Chpt. 129.

⁹ *Cohen's Gazette and Lottery Register*, Aug. 29, 1822.

¹⁰ *Ibid.*, Feb. 27, 1823.

¹¹ The Washington Monument lottery delayed one drawing eight months. The eight drawing took place Oct. 28, 1823 and the ninth on June 29, 1824. *Ibid.*, Nov. 7, 1823 and June 30, 1824.

¹² *Laws . . . of Maryland . . .* [1828], Chpt. 129.



Jacob I. Cohen, 1744–1832. By Rembrandt Peale. *Maryland Historical Society*.

The drawing of a lottery was an exciting event. Two large wheels were generally employed. Into one of the wheels went all ticket stubs. The other wheel was filled with slips of paper, most blank, but a few designating a specific prize. A ticket stub was drawn from the first wheel and then a slip from the second to see what prize, if any, the ticket had won. Drawing thousands of tickets in this manner was a time-consuming process and so only a limited number of tickets could be drawn each day. The next drawing might take place a week or even a month later. Such drawings usually took months to complete. Various methods were developed to reduce the time required for the drawings. Several lotteries decided to draw only the prizes.¹³ The

¹³ *Cohen's Gazette*, July 4, 1822.

drawing was done in the usual manner except no blanks were added to the prize wheel. This method was shortened even more by the odd and even system patented by the Cohen's office in 1824.¹⁴ The method, which was used in a majority of Maryland state lotteries, determined the smaller prizes by the last digit of the largest prize winning ticket. If the ticket ended with an odd numeral, all tickets ending with an odd number would receive a small prize, about equal to the price of the ticket, while all tickets ending with an even numeral would win if the drawn ticket ended with an even digit. A variation of this method awarded prizes to all tickets ending with the same last digit as the first three or four tickets. If the first drawn ticket ended in a seven, then all tickets ending in seven would receive a prize and so forth until the desired number of prizes had been awarded.¹⁵

Drawings were usually held in a public place, and when an especially large prize might be awarded, a considerable crowd often gathered. The state commission drew the tickets or appointed someone else to do it. They were also responsible to protect the ticket stubs and prize tickets to be sure that no one tampered with them. Henry Stockbridge's description of later drawings could easily apply to the earlier lotteries.

A high state official had supervision of the drawings of the lotteries which took place almost daily with open doors in an upper room of the Post Office building— . . . a cylinder constructed of glass—so that its contents could be seen—with a length of perhaps a foot and a half and a diameter of probably three feet was placed in elevated position so that all could see it. . . . The wheel was then rapidly revolved till its contents were most thoroughly mixed, when it was stopped, the door opened and a carefully blindfolded boy drew out one of the numbers, which was then announced to the assemblage, the wheel again whirled and another number drawn and announced. . . .¹⁶

Lottery offices purchased large blocks of tickets in these lotteries and vied fiercely with each other for the patronage of the local populace. The Cohen's office was very successful in this battle for patronage. Advertisements for the Cohen's office had a dual assignment; it had to exhort the virtues of a particular lottery and also to explain why the office could supply tickets better than a rival. Advertisements in newspapers, broadsides, and posters proclaimed the advantages of a particular lottery. Large letters proclaimed the grand prize and ads often reprinted the entire scheme—number of tickets, price of tickets, number and amount of prizes, and how much the prizes would be discounted. Additional information was given about the advantages of this particular scheme: the limited number of tickets, the large capital prizes, large number of prizes, or the low ratio of prizes to blanks, etc.

The Cohen's office went a step further than most offices in these advertisements and published their own four page newspaper from 1814 until 1830. Published weekly, the full sized *Cohen's Gazette and Lottery Register* contained not only advertisements for current lotteries but results from drawings, half a page of news, and

¹⁴ M. D. Leggett, *Subject Matter Index of Patents for Inventions* . . . (Washington, 1874), II, p. 889.

¹⁵ See Maryland State Lottery Number 6 for 1828, *Baltimore American*, Jan. 1, 1829.

¹⁶ Stockbridge, "Baltimore in 1846," pp. 25-26.

a wide variety of financial news—the latest Baltimore price current, a list of discount rates on various bank notes, and a chart containing prices for selected stocks. The *Gazette*, however, was designed to supplement the other advertising methods not to replace them.

One of the most effective ways to gain patronage was to create the impression that tickets from your office were particularly successful. Some offices such as Allen's Truly Lucky Office and Waite's Truly Fortunate Lottery Office made it an explicit part of their title.¹⁷ All offices loudly proclaimed that the last success enjoyed by a ticket was sold by their office. The Cohen's office was quite successful in comparison with other offices. During the first month that the *Gazette* was published, tickets purchased from the company drew more than \$125,000 in prizes.¹⁸ The *Gazette* soon carried a list of all prizes over \$5,000 won by company tickets. The list of winners became very impressive in containing over \$1,500,000 worth of prizes.¹⁹ Cohen's ads soon carried the impressive if hard to prove notation that, "MORE CAPITAL PRIZES have been obtained at COHEN'S than in any other office in America."²⁰

Prompt payment of prizes was a second area used to demonstrate the advantages of purchasing tickets at Cohen's office. Most lotteries agreed to pay winners sixty days after the drawing had finished. That might lead to a very long delay if the winning number had been drawn during the first days of a large lottery which took several months to draw. All Cohen's tickets were redeemable as soon as they drew a prize. Notice after notice in the *Gazette* stressed that payment had been made immediately after a drawing and invited other winners to present their tickets for cash. The company took great delight in telling that the two owners of ticket number 7616 in the Washington Monument lottery had been paid \$1,000 cash in ten minutes after the prize was drawn.²¹ This prompt payment is more impressive when it is noted that the office was required on three different occasions to redeem prizes of \$100,000 and on several other occasions to redeem \$50,000 prizes.²²

The success and prompt payment of Cohen's tickets were further enhanced by the use of winner's names. As soon as permission was received, the *Gazette* published the winner's name and place of residence. This was often followed by a short biographical sketch and a note telling how and when the ticket was purchased. On one occasion *Gazette* readers learned that one-fourth of a \$5,000 prize was won in 1823 by Mrs. Williams of Fell's Point Baltimore, whose husband had purchased the ticket for her before sailing on a voyage to South America.²³ On another it was reported that Mrs. Hannah Proctor, an "industrious widow," from Milton, Albemarle County, Virginia, would be able to use the \$1,000 to help support her family.²⁴ Prize winners

¹⁷ *Baltimore American*, Jan. 31 and Sept. 1, 1820.

¹⁸ *Cohen's Gazette*, May 30, 1814.

¹⁹ *Ibid.*, Sept. 1, 1830.

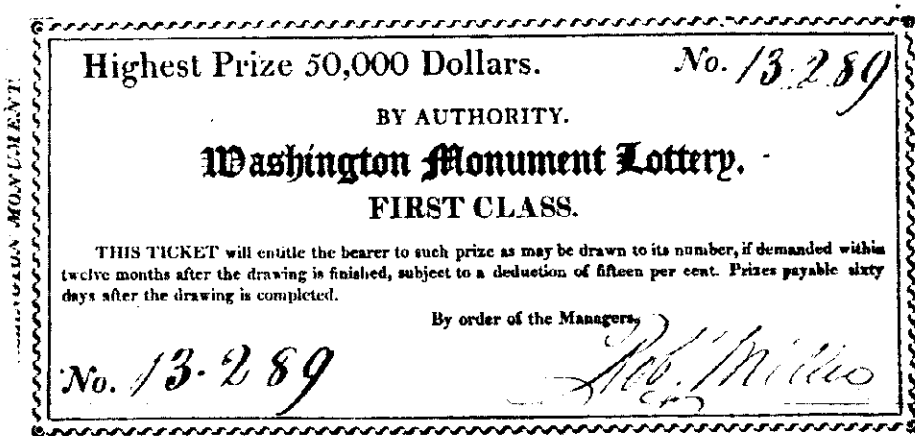
²⁰ *Ibid.*, April 17, 1818.

²¹ *Ibid.*, Oct. 4, 1822.

²² *Ibid.*, Sept. 1, 1830.

²³ *Ibid.*, Feb. 27, 1823.

²⁴ *Ibid.*, March 11, 1825.



Washington Monument Lottery. *Maryland Historical Society.*

were always of the finest character. Mr. Elisha Tarver, from Crawford County, Georgia, who won \$50,000 in 1824, had born misfortunes which brought him to poverty "without a murmur." He possessed "those desirable qualifications which make him a firm friend, good neighbor, and estimable citizen."²⁵

For losers the *Gazette* gave them a sense of vicarious pleasure to read articles on the travels of ticket number 1191, the \$50,000 winner in the Surgical Lottery. In tracing its history the Cohen's office reported that it had sold it and nine other tickets in 1818 to Ralph Huntington of Boston who in turn resold five tickets to a farmer who lived a few miles away in the country. Later while visiting Boston, the farmer checked to see if his tickets had won any prizes. When he found that one of them had won a fifty dollar prize, he, making a twenty dollar profit, sold all of them back to Huntington. Mr. Huntington then resold the ticket, presumably at an increased price, to Benjamin Eaton, who owned it when it was drawn.²⁶ How many other lottery patrons were like Ralph Huntington who had been so near fortune? How many other prizes were within easy grasp of the readers?

The theme of lost opportunity was a frequent one in the Cohen's publication. Much to the disappointment of many people who had not yet purchased their tickets, tickets in a lottery to help finance a surgical institution quickly sold out in December, 1817.²⁷ Advertisements for months afterwards reminded readers of the event and encouraged them to purchase tickets early to avoid a similar disappointment.²⁸ Advertisements for many lotteries indicated that only a few tickets remained and of course that they would sell quickly.²⁹

²⁵ *Ibid.*, Aug. 12, 1824.

²⁶ *Ibid.*, Jan. 9, 1818.

²⁷ *Ibid.*, Dec. 12, 1817.

²⁸ *Ibid.*, Dec. 12, 1817 and Feb. 27, 1818.

²⁹ *Ibid.*, Dec. 5, 1817 and April 24, 1818.

A second method used to stress the lost opportunity was to emphasize any prize won by an unsold ticket. During the Cathedral Lottery one-half of the \$40,000 grand prize ticket remained unsold in the Cohen's office. The company "twisted the knife" when they recounted that upwards of one hundred people had talked to them since the drawing saying that they had intended to buy a ticket the morning of the drawing but for one reason or another they had not. If a fraction of them had made a purchase from the tickets, which were also sold in "shares" or fractions of a ticket, the paper said, one would have been \$20,000 richer because the office had only thirteen and one-half tickets remaining.³⁰

A variation of this lost opportunity theme was the triumphant reporting of tickets sold just before a drawing. The *Gazette* reported that the other half of the \$40,000 winning ticket in the Cathedral Lottery had been purchased minutes before the drawing.³¹ But the company had to be careful not to overemphasize these late sales, lest they cut into earlier sales, and so the *Gazette* usually reported when all winning tickets were sold.

The Cohen's office not only sold tickets in the Baltimore area, but soon specialized in mail order sales as well. The *Gazette and Lottery Register* was mailed to customers throughout the nation, and newspaper ads were placed in a large number of papers to attract the notice of "Distant Adventurers." The scope of their advertisements before they established branches can be seen in the list of newspapers in which they proposed to publish the prize list for the Maryland State Lottery in 1819. Included were: *The Philadelphia Aurora and Freeman's Journal*, *York Gazette*, *Harrisburg Republican*, *Easton (Maryland) Gazette*, *National Intelligencer*, *Georgetown Herald*, *Richmond Enquirer*, *Norfolk Herald and Beacon*, *Petersburg Intelligencer*, *Raleigh Star*, *Charleston City Gazette and Courier*, *Savannah Republican*, *Augusta Chronicle*, and *Pittsburg Gazette*.³² A footnote to almost every one of Cohen's ads assured that mail orders from any part of the nation would be promptly filled. Advertisements also often contained an indication of the large number of bank notes and winning lottery tickets which would be accepted at *par* in payment for tickets.

The *Gazette and Lottery Register* was designed not just to inform the prospective client but to give him the impression that he was learning the inner workings of the lottery. Although its reports were highly favorable to every lottery, the reader was told the particular advantages of the current venture. A weekly report on the demand for tickets, prizes drawn during the week, and the state of the wheel—the number of prizes remaining in the wheel, gave the distant customer the same information available to a customer in Baltimore. One of the most valuable services performed by the *Gazette* was to furnish a complete list of tickets drawn. This was especially important before the abbreviated methods of drawing were introduced. Distant ticket owners could learn the fate of any ticket when receiving such a list—no small satisfaction to an isolated lottery patron in an era of slow communications.

³⁰ *Ibid.*, Nov. 30, 1820.

³¹ *Ibid.*

³² *Ibid.*, Jan. 15, 1819.



Jacob I. Cohen, Jr., 1789–1869. *Maryland Historical Society.*

Special arrangements were also made for orders received after a lottery was over. The money was either returned in the next mail or invested in the next lottery.³³ An unidentified patron in Powelton, Georgia ordered a ticket in the Grand State Lottery in 1824. By the time his order was received, the lottery had finished drawing, and so the office invested his money in two tickets in the Washington Monument Lottery and allowed him the option of returning the tickets by return mail. It proved to be fortunate that he did not return the tickets because one of them won \$1,000.³⁴

Winners of prizes, especially small prizes, were urged by Cohen's office to reinvest the money in another ticket to gain a second chance at the large capital prizes. Many lotteries were designed to encourage this "renewal of tickets." Most of the smaller prizes were commonly awarded near the beginning of the drawings. This not only encouraged early investment, but allowed time for the owner of a winning ticket to "renew" his ticket before the lottery was completed. The Masonic Hall Lottery in 1818, for example, awarded the first three thousand tickets drawn a twenty-five dollar prize even if they drew blank stubs.³⁵

³³ *Ibid.*, Sept. 9, 1824.

³⁴ *Ibid.*, Oct. 29, 1824.

³⁵ *Ibid.*, May 1, 1818.

These small prizes could run as high as ninety dollars in some lotteries, but ticket costs were in the same price range. Such sums were obviously too large for many small investors, and it soon became an almost universal practice to sell shares or fractions of a ticket. This was another variation which the Cohen's office used to great benefit. Their ads usually indicated the price of various shares and the highest amount each could win. On paper the breakdown looked very impressive. For example, a one-eighth ticket in the Grand State Lottery cost only \$1.50, but it could win \$12,500.³⁶ Many prize winning tickets which were obtained from the Cohen's office were sold in shares and included capitals of \$100,000 and \$40,000.³⁷ The tickets were often highly fragmented and parts of a ticket might be sold in distant parts of the country. Ticket number 5859, a \$500 winner in the Cathedral Lottery in 1820, was divided into seven shares: one-fifth was held in Baltimore; one-fifth in Marietta, Pennsylvania; one-fifth on the Eastern Shore of Maryland; one-tenth in Harrisburg; one-tenth in Lexington, Kentucky; one-tenth in Emmitsburg, Maryland; and the final one-tenth in Baltimore.³⁸ Such winning tickets, sold in shares, always received a special notice in the *Gazette*.

In addition to these methods which the Cohen's office used in some way to advertise almost every lottery, the *Gazette* also contained specific appeals occasioned by a particular lottery or event. After the odd and even system of drawing gained favor and it was known that one prize was assured for every two tickets, the office started offering certified tickets. If a customer wanted to buy two tickets and did not wish to claim the low prize one of the tickets was certain to win, he could pay only the cost of the two tickets less the guaranteed prize. He would receive a certificate valid only for the higher prizes.³⁹ This idea was carried a step further in 1826 during the Grand State Lottery number eight was a restricted ticket which was not eligible for the lowest prize.⁴⁰ The only difference between the two kinds of tickets was that an individual could buy one restricted ticket but was required to purchase two certified tickets—or parts of two certified tickets.

Some individuals joined together to purchase tickets dividing the winnings among themselves. This process was formalized by the Cohen's office during the Maryland Grand State Lottery in 1821. Four "companies" were organized with a block of one hundred tickets set aside for each. Twenty shares were offered in each company for \$45. The ticket numbers were published in the *Gazette*, and the tickets were deposited in the Union Bank of Maryland. Winnings were to be divided equally among the subscribers.⁴¹ It appears that such companies were only partially successful because they were only advertised during two lotteries.⁴² One company, however, did win a one thousand dollar prize in the Grand State Lottery.⁴³

³⁶ *Ibid.*, May 22, 1823.

³⁷ *Ibid.*, July 22, 1824, April 17, 1818; *Baltimore American*, June 11, 1814.

³⁸ *Cohen's Gazette*, Sept. 11, 1820.

³⁹ *Ibid.*, Aug. 11, 1825.

⁴⁰ *Ibid.*, Sept. 29, 1826.

⁴¹ *Ibid.*, May 29, 1821.

⁴² *Ibid.*, May 29, 1821 and March 26, 1823.

⁴³ *Ibid.*, Dec. 7, 1821.

1825



BALTIMORE, MARCH 8, 1825.

Maryland State Lottery,

NO. III.

☞ Highest prize \$40,000.—The payment of all prizes guaranteed by the State.

Original Scheme.

TO BE COMPLETED IN TWENTY DRAWINGS.

1 prize of	\$40,000	is	\$40,000
1 do.	20,000		20,000
2 do.	10,000		10,000
50 do.	5,000		10,000
2 do.	1,000		90,000
50 do.	500		10,000
50 do.	100		5,000
100 do.	50		5,000
5000 do.	10		50,000

5205 Prizes—14,795 Blanks. \$180,000

☞ Prizes subject to a deduction of 15 per cent. payable in 60 days after the drawing is finished.

The drawings are conducted under the superintendence of the Commission^{rs} appointed by the state.

☞ PRESENT STATE.

Sixteen drawings over—only four remain—and all of the following prizes still undrawn!

1 prize of \$40,000 is	\$40,000
1 do.	20,000 - 20,000
1 do.	10,000 - 10,000
1 do.	5,000 - 5,000
12 do.	1,000 - 12,000
6 do.	500 - 3,000
13 do.	100 - 1,300
51 do.	50 - 2,550
1919 do.	10 - 19,190

Amounting to \$113,040

☞ DRAWING.—All the prizes are now in the wheel floating except the \$40,000, which will be deposited on the opening of the wheel, for the 19th day's drawing, to take place on Wednesday, 30th inst. Should the \$40,000 prize come out on the 19th drawing, the lottery will be completed the next day; if not, in order to afford opportunity for renewals, the 20th and last drawing will be deferred to Tuesday, the 12th of April, when the lottery will positively be completed.

Whole Tickets,	\$12 00	} Present Prices: {	Quarters,	\$8 00
Halves,	6 00		Eighths,	4 50

Tickets and Shares,

In the greatest variety of numbers, warranted undrawn, for sale at

CONINE'S OFFICE,

FORTUNE'S HOME, NO. 32, MARKET ST. BALTIMORE,

Who has had the pleasure lately of selling and paying to his customers, prizes to the amount of SEVERAL HUNDRED THOUSAND DOLLARS.

☞ As the tickets in the above brilliant lottery are rapidly going off, immediate purchases are consequently recommended in order to prevent any disappointment in obtaining chances. ☞ Remittances will not be invested unless when received the state of the wheels justify it, and returned on receipt, or if requested invested in other lotteries.

☞ Such as have been denied a proportionate share of the favors of Fortune heretofore, are respectfully invited to make a trial in the above Lottery at Conine's Office.

MATHEW, PRINTER

Maryland State Lottery, 1825. Maryland Historical Society.

The Cohen's advertising occasionally responded to an event or news item. On one such occasion the *Gazette* in 1823 carried a story that they said had been authenticated by their Richmond agent. Chastine Clark of Richmond, the article reported, dreamed that number 2929 would win the one hundred thousand dollar prize in the

Grand National Lottery. He went to several lottery offices in Richmond and finally secured the number. The ticket did indeed win the prize and Mr. Clark found himself one hundred thousand dollars richer.⁴⁴

A notice in the next issue of the *Gazette* indicated that anyone wanting a specific number could get it through the Cohen's office, but should apply early.⁴⁵ A somewhat similar notice was given during the Maryland Grand State Lottery number three when readers were informed that the Cohen's office had received the book containing tickets numbered one through one hundred. Any one wishing a ticket corresponding to their age or the ages of anyone in the family was advised to apply early because such tickets usually sold quickly.⁴⁶

Other incidents were also used to increase ticket sales. When winners of a thirty thousand dollar prize and a forty thousand dollar prize proved to have been visiting Baltimore when they purchased their tickets, all visitors were urged not to leave the city without first buying such a lucky Cohen's ticket.⁴⁷

The company prospered to the point that in 1819 a branch office was opened in Norfolk, Virginia and was run by two Cohen brothers—Philip I. and Mendes I. Cohen.⁴⁸ About a year after the office had opened the two proprietors soon found themselves in difficulty. They were fined for selling a ticket in the Grand National Lottery for violating a Virginia law banning the sale of tickets in out of state lotteries. The Cohen brothers argued that the lottery, which had been authorized by Congress, was a national institution, like the national bank, and could not be taxed or regulated by a state. The case proved to be a landmark in Constitutional law and was appealed to the United States Supreme Court in the case, *Cohens v. Virginia*, where the Virginia fine was upheld. Unsuccessful at the bar the Norfolk office now limited themselves to selling tickets in Virginia lotteries and ordering tickets for individual customers from the Baltimore office.⁴⁹

Later in 1824 the two brothers opened another Virginia office in Richmond.⁵⁰ A fourth company office was opened in June of the next year in Philadelphia.⁵¹ The offices were operated under different names until 1825. The Baltimore office was called J. I. Cohen Jr. The two Virginia offices were operated under the name P. I. and M. I. Cohen, while the Philadelphia office was called Jacob I. Cohen Jr. and Brothers. The name of all offices was finally changed to correspond with the Philadelphia office in 1825.⁵² Two later offices, Charleston in 1825 and New York City in 1826, were organized under the same name.⁵³ The office in Charleston was operated in

⁴⁴ *Ibid.*, Jan. 9, 1823.

⁴⁵ *Ibid.*, Feb. 6, 1823.

⁴⁶ *Ibid.*, Nov. 10, 1824.

⁴⁷ *Ibid.*, Oct. 24, 1822.

⁴⁸ *Ibid.*, May 13, 1819; *Norfolk and Portsmouth Herald*, April 26, 1819.

⁴⁹ *Cohens v. Virginia*, 6 Wheaton (U. S.), (1821); *Norfolk and Portsmouth Herald*, Aug. 21, 1820.

⁵⁰ *Cohen's Gazette*, July 22, 1824; *Richmond Enquirer*, Feb. 19, 1824.

⁵¹ *Cohen's Gazette*, Aug. 11, 1825.

⁵² *Ibid.*, Sept. 7, 1825; *Richmond Enquirer*, Oct. 7, 1825.

⁵³ *Richmond Enquirer*, Feb. 9, 1826; *Charleston Courier*, Nov. 1, 1825.

partnership with William F. Redding, while Mendes Cohen operated the New York office; the third he had opened for the company.⁵⁴

The exact nature of the business done by these branches and their relations to the main office in Baltimore remain obscure, primarily because the *Gazette* published only information about the Baltimore office. The *Gazette*, which was now printed only after drawings rather than weekly, advertised only lotteries from Maryland. The one exception was the Consolidated Virginia Lottery which the Richmond office managed.⁵⁵ It appears that all of the offices sold tickets or took orders for tickets in at least some Maryland lotteries besides selling tickets in local schemes.⁵⁶ The branch offices also advertised as exchange offices and no doubt sent notes and bank drafts from one office to another. After the addition of other offices the company advertised in the *Gazette* as a unit. Ads in the paper carried a list of all offices and their addresses. The practice was used for two years, but it was discontinued in 1828 after which only the Baltimore office was listed.

Judged by either the number of prize tickets sold or the distribution of those prizes, the success of the Cohen's office is impressive. In almost every lottery advertised in the *Gazette* the office sold at least one-half of the prize tickets. During the Grand State Lottery number two, for example, tickets purchased from the office won the \$100,000 prize, the \$20,000 prize, one of two \$10,000 prizes, one of two \$5,000 prizes, plus an undisclosed number of smaller prizes.

All of these prizes were sold in shares and illustrate the large customer area served by the office in 1824. Winners came from Crawford County, Georgia; Fauquier County, Virginia; Savannah Georgia; Northampton County, North Carolina; Norfolk, Virginia; Lisbon, Ohio; Kingston, New Jersey; Shelbyville, Tennessee; Warrenton, North Carolina; Northampton, Massachusetts; Richland District, South Carolina; Louisville, Kentucky; Rensselaer County, New York; and Baltimore, Maryland. It is interesting that of all the major winners only one-eighth of the \$5,000 prize was owned in Baltimore.⁵⁷

This success took place against a background of increasing competition. The six lottery offices which were large enough to advertise in the *Baltimore American and Commercial Daily Advertiser* in 1820 had more than doubled by 1825 to thirteen.⁵⁸ Three of these thirteen offices were branches of national firms: Yates and McIntyre, Allen's Lottery and Exchange, and Waite's Lottery and Exchange office.⁵⁹ The com-

⁵⁴ Mendes Cohen, "Mr. Mendes Cohen on 'the Cohen Collection of Egyptian Antiquities,' and its collector, Colonel Mendes I. Cohen." *Johns Hopkins University Circulars*, IV, no. 35 (Dec., 1884), pp. 21-23.

⁵⁵ *Cohen's Gazette*, Nov. 24, 1825; Oct. 18, 1826; May 29, 1828.

⁵⁶ *Ibid.*

⁵⁷ *Ibid.*, July 22, 1824.

⁵⁸ *Baltimore American*, Jan. 1820 and Jan. 1825.

⁵⁹ *Ibid.*, March 5, 1825 and Jan. 3, 1825; Hugh G. J. Aitken, "Yates and McIntyre: Lottery Managers." *The Journal of Economic History*, XIII (Winter, 1953), pp. 36-58; *Baltimore American*, Jan. 4, 1825; Henrietta Larsen, "S & M. Allen, Lottery, Exchange, and Stock Brokerage." *Journal of Economic and Business History*, III (1930-1931), pp. 424-445.



Mendis I. Cohen, 1796–1879. *Maryland Historical Society.*

petition was often intense. All the offices advertised the same Maryland lotteries, and twelve of them were located on the same street, Market Street.⁶⁰

In addition to ticket selling the Cohen's office entered many activities which went beyond this. As early as 1813 the company, acting as a middle man, bought large blocks of tickets from the managers and resold them to other lottery venders at wholesale prices.⁶¹ The company advertised that tickets in the Liberty Engine Lottery could be purchased in a group of fifty or more for "Manager's prices."⁶² Tickets sold to other salesmen in Philadelphia and Richmond won prizes in the Washington Monument Lottery in 1814, the Grand National Lottery in 1815, and the Surgical Lottery in 1818.⁶³ Even after the company's expansion, the *Gazette* announced in May, 1826, that the same liberal commissions would be given to agents and postmasters who took orders in the Grand State Lottery number seven.⁶⁴

⁶⁰ *Baltimore American*, Jan. 1, 3, 4, 10, and 14, 1825.

⁶¹ *Ibid.*, Jan. 20 and July 30, 1813.

⁶² *Ibid.*, June 11, 1814.

⁶³ *Ibid.*, May 4, 1814; *Cohen's Gazette*, Dec. 13, 1815 and Jan. 16, 1818.

⁶⁴ *Cohen's Gazette*, May 14, 1826.

In addition to such selling of large blocks of tickets in several lotteries, the Cohen's office contracted to sell all the tickets in at least three classes of the Maryland State Lottery.⁶⁵ The state commissioners encouraged such agreements by offering a larger commission for selling all tickets—usually increasing the amount from 5 to 10 per cent.⁶⁶

A further step toward managing took place in at least seven lotteries when the company acted as "secretary to the managers."⁶⁷ The exact nature of the position is unclear. In at least two classes of the Washington Monument Lottery it involved complete management of the lottery. During the fourth class the Cohen's office managed the lottery and paid all expenses—from printing the tickets to furnishing the wheels and keeping the official prize list—from the \$500 paid to them by the managers. In the fifth class the Cohen's office managed the lottery without charge, but the commissioners paid the fees. The role the office played in the various lotteries may well have been quite different, but it seems to have at least included handling "all communications and orders."⁶⁸

Other facts give circumstantial evidence of the firm's managerial activities. The company wrote the executors of Thomas Jefferson's estate in an unsuccessful effort to manage the lottery of the Virginia President's belongings.⁶⁹ The office also patented two methods of drawing lotteries.⁷⁰ The first was the odd and even method which was widely used in Maryland state lotteries, and the second was a complicated system drawing four classes of one lottery—a plan which was used only once.⁷¹ Whether or not the office was the official manager in these lotteries is a moot point, but it is clear that they were a major force in planning many of them and that their activities extended far beyond being just ticket salesmen.

The variety of banknotes received for lottery tickets and the large amounts of capital involved soon led the Cohen's office, and most other lottery companies, into offering a variety of financial services. Training in lottery offices, in fact, not only helped the Cohen brothers move into banking, but it also gave valuable experience to at least two others who made similar movements from lotteries to banking—Enoch W. Clark who founded the banking firm of E. W. Clark & Company of Philadelphia and John Thompson who established both the First National Bank of New York and the Chase National Bank.⁷²

⁶⁵ *Ibid.*, Nov. 18, 1818, Aug. 9, 1827, and Oct. 25, 1827.

⁶⁶ *Laws . . . of Maryland . . .* [1828], chpt. 129.

⁶⁷ The Cohen's office was Secretary to the Managers in The Liberty Engine Lottery (1814), Washington Monument Lottery, Classes 4, 5, 6 (1820, 1821, 1824), Cathedral Church Lottery (1820), Virginia Consolidated Lottery (1821), and Grand State Lottery of Virginia (1821), *Cohen's Gazette*, Aug. 22, 1814, Sept. 11, 1820, March 13, 1821, May 3, 1821, Nov. 8, 1821, Sept. 9, 1824.

⁶⁸ *Baltimore American*, Jan. 12, 1814, and "Committee Minutes," Book V, March 23, 1820, and Sept. 26, 1821, Papers Relating to the Washington Monument, Md. Hist. Soc.

⁶⁹ *Calendar of the Correspondence of Thomas Jefferson*, Part II *Letters to Jefferson* VIII (November, 1894), *Bulletin of the . . . Department of State*, (Washington, 1895) p. 124.

⁷⁰ Leggett, *Subject Matter Index*, II, p. 889.

⁷¹ *Cohen's Gazette*, July 28, 1825 and Sept. 4, 1828.

⁷² Ezell, *Fortune's Merry Wheel*, p. 84.

Banknotes were issued by a large number of banks throughout the nation that varied widely in their ability to redeem their notes with specie. This led to an intricate system of exchange with each banknote being discounted or given a premium according to a local merchant's faith in the bank. As a city grew these discount rates were usually standardised throughout the city. The *Gazette* published a list of discount rates for Baltimore, and the Cohen's company was soon providing a weekly list of discounts on bills issued by more than 130 banks for the *Baltimore American and Daily Commercial Advertiser*.⁷³

An exchange office profited by buying distant banknotes at a discount and then either trading them with an office near the bank of issue for notes from their city or by returning the notes to the bank of issue for specie.

The Cohen's office attracted customers by accepting banknotes which would ordinarily be discounted at face value or *par* in payment for lottery tickets. As early as 1813 the company advertised that they would accept "foreign bank bills" without discount.⁷⁴ This was part of a company policy which also allowed winning lottery tickets and approved promisory notes to be received for tickets. The company always accepted a large number of notes at *par*, but changing economic conditions forced them at various times to limit the notes they received at face value. Following the Panic of 1819 the company agreed to receive notes from state banks in North Carolina, South Carolina, and Georgia together with Virginia district banknotes and notes from most Maryland banks.⁷⁵ A year later, in September, 1820, the company accepted any notes which were not discounted more than 5 per cent in Baltimore.⁷⁶ The company never again gave blanket acceptance for any bill. Usually a list of states from which bills would be accepted at full value was included in the advertisements for a lottery.⁷⁷ The closest to a blanket invitation came in 1826 when the company agreed to accept at *par* the notes of any specie paying bank in the United States.⁷⁸

The exchange business was always subordinate to lottery transactions but was occasionally advertised on its own right. This could range from a simple notice that Eastern and Southern banknotes were exchanged at the office or a notice that a traveler could receive banknotes suited for his destination by giving or receiving premiums at Cohen's office to an appeal for specific notes.⁷⁹ The Cohen's office wanted North Carolina notes from either Newbern or Cape Fear in 1815;⁸⁰ South Carolina and Georgia notes in 1819;⁸¹ Bank of Virginia notes payable at Norfolk in 1820;⁸² and North Carolina, South Carolina and Georgia bills in 1821.⁸³

⁷³ *Baltimore American*, Sept. 7, 1819 to Oct. 30, 1820.

⁷⁴ *Ibid.*, Feb. 16, 1813.

⁷⁵ *Ibid.*, Nov. 8, 1819.

⁷⁶ *Cohen's Gazette*, Sept. 11, 1820.

⁷⁷ *Ibid.*, March 20, 1821 and Oct. 18, 1826.

⁷⁸ *Ibid.*, May 24, 1826.

⁷⁹ *Ibid.*, Nov. 1, 1815.

⁸⁰ *Baltimore American*, Jan. 5, 1815.

⁸¹ *Norfolk and Portsmouth Herald*, Aug. 27, 1819.

⁸² *Baltimore American*, Jan. 11, 1820.

⁸³ *Cohen's Gazette*, Sept. 4, 1821.

Closely allied to the appeal for specific bank notes was the buying of gold and silver. The company issued periodic appeals for specie.⁸⁴ The most complete statement on what the company was seeking came in a notice telling about the new branches of the company and the services they offered: "DOUBLOONS. American, English, French, Spanish, Portugese and Colombian GOLD of every description, DOLLARS. Five Francs and French Crowns, purchased, and for which the highest premium will be given."⁸⁵

Service as a stock broker came quite late in the Cohen's office history—1823.⁸⁶ Most notices made a blanket offer to buy and sell stocks.⁸⁷ An exception to this occurred in an 1827 advertisement for the Richmond office. The advertisement said that stock in the United States Bank, Bank of Virginia, Farmer's Bank of Virginia, and other governmental stock was available.⁸⁸ The company also emphasized the value of their new New York office in obtaining stocks. The office, located at 33 Wall Street, was "next door but one to the new exchange."⁸⁹ The weekly list of stock prices and dividends in the *Gazette* also helped to increase interest in this company service.

The Panic of 1819 produced an interesting use of these financial transactions by some lottery offices. The economic dislocation produced by the panic was especially hard on lottery promoters. Money available for such purchases was drastically reduced. The University of Maryland Lottery with a grandiose prize of \$250,000 collapsed, and the *Cohen's Gazette and Lottery Examiner* suspended publication for over a year.⁹⁰ To meet such pressures some lottery offices used the large amount of money they had collected in undrawn lotteries to speculate in banknotes. The Virginia legislature reported that some offices bought Virginia banknotes at a discount in Northern cities and presented them to Virginia banks for specie. The practice was disconcerting enough that the Virginia legislature passed a law prohibiting the sale of tickets in any lottery not approved by the state legislature.⁹¹ No lottery office was mentioned by name, and so it is not known if the Cohen's office was involved, but it illustrates the kind of activity necessitated by the hard times.

It was not this kind of economic pressure, however, that caused the company to change from lottery vending to banking. A combination of increasing competition, enlarged state regulations, and waning public support provided much of the rationale for the change. The increasing competition is graphically shown in the increasing number of lottery offices in Philadelphia. There were three lottery offices there in 1809, four a year later, sixty in 1827; the number almost tripled four years later to 177

⁸⁴ *Ibid.*, Jan. 11, 1815; Oct. 30, 1822; March 18, 1825.

⁸⁵ *Ibid.*, Feb. 16, 1826.

⁸⁶ *Ibid.*, Nov. 7, 1823. The offices may have sold stocks before this date. A list of stock prices was published in the *Gazette* as early as 1817. *Ibid.*, Nov. 20, 1817.

⁸⁷ *Ibid.*

⁸⁸ *Richmond Enquirer*, Sept. 11, 1827.

⁸⁹ *Ibid.*, Feb. 9, 1826.

⁹⁰ *Cohen's Gazette* stopped with the June 9, 1819 issue and resumed publication on September 11, 1820.

⁹¹ *Richmond Enquirer*, Feb. 9, 1826.

THE COALE LOTTERY.

VALUABLE REAL AND PERSONAL ESTATE,

To be disposed of by Lottery, under the superintendence of Trustees, appointed by the Legislature of Maryland, February, 1835.

By Peculiar circumstances attending the small property left by the late EDWARD J. COALE, induced the Legislature, to grant to the undersigned, his widow, the privilege of thus disposing of the following Property, which has been appraised by Commissioners duly appointed; and the property vested in Trustees, who have bonded for the regular and punctual appropriation of the same, according to the following

SOLEMNLY.

PRIZE No. 1.—A tract of Land, called "Morvess," in Bedford county, Pennsylvania, containing as per survey, 424 acres.....	\$2,541 00
PRIZE No. 2.—A Tract of Land, called "Conner," in the same county, containing as per survey, 401 acres.....	2,106 00
PRIZE No. 3.—A Tract of Land in Huntingdon county, Pennsylvania, containing as per survey, 291 1/2 acres.....	1,717 00
PRIZE No. 4.—A Tract of Land, in same county, containing as per survey, 411 acres.....	1,011 50
PRIZE No. 5.—A magnificent RING, in a superb case, presented to the deceased by the Emperor Alexander, of Russia, containing 175 diamonds of various sizes, and a rich central oriental Topaz.....	1,000 00
PRIZE No. 6.—Three shares of Baltimore and Ohio Rail Road Stock.....	225 00
PRIZE No. 7.—Three do. do. do.	225 00
PRIZE No. 8.—Portrait of Washington, by the elder Peale,.....	100 00
PRIZE No. 9.—A folio volume of splendid Engravings, from the paintings in the Gallery of the Marquis of Stafford, with descriptions.....	100 00
PRIZES No. 10 to No. 364.—Containing a rich and valuable collection of Books, many of which are splendidly bound, in every department of science, literature, the fine arts, &c. &c. &c. more than 1200 volumes, of various prices, from \$15 the set, to \$2;—all of which are catalogued, numbered, carefully packed up, and insured.....	3,008 50
2,000 Tickets at \$5 each \$15,000 00	

N. B. The Taxes are paid on all the Tracts.

PLATS of the REAL ESTATE, are deposited with the Trustees, John G. Proud and David Hoffman, Esqs. to either of whom, the friends of the estimable and philanthropic deceased, and others, inclined to promote the object, will please address themselves.

MARY ANN COALE.

Baltimore, September, 1835.

The Coale Lottery, 1835. *Maryland Historical Society.*

in 1831 and increased to over 200 by 1833.⁹² The Cohen's office in Philadelphia certainly faced stiff competition.

Moral opposition to lotteries as a form of gambling together with stories of fraud and corruption increased the activity of those groups working for greater state regulation of lotteries. State legislatures in Vermont, Massachusetts, and North Carolina rejected proposed lottery schemes in 1827. Several states required large licenses for

⁹² Ezell, *Fortune's Merry Wheel*, p. 99.

dealers. Maryland in 1819 required venders in Baltimore to pay a \$500 fee and to post a \$200 bond. Connecticut starting in 1825 charged \$100, and a year later Louisiana lowered their fee to \$5,000. Vermont enacted a \$500 fee on lottery dealers in 1826 and then doubled it to \$1,000 the next year.⁹³ Most of these fees were payable on a yearly basis and allowed only one office for each license. The high costs were often intended to prohibit lotteries rather than just to regulate them.

Other methods of regulation were also attempted. A legislative committee in Pennsylvania recommended stopping the Union Canal scheme when it expired in 1829. The recommendation was not followed but did generate increased opposition to lotteries. Connecticut enacted stiffer penalties for unauthorized lotteries in 1828 and 1830. An unsuccessful attempt was made in 1834 to pass an amendment to the Maryland Constitution forbidding all lotteries.⁹⁴ Most of these statutes proved effectual. Unauthorized lotteries flourished in many areas of the country, but increasing opposition and statutes showed that tighter regulation was clearly the trend of the future.

This new opposition was also reflected in a decreasing public interest as measured by ticket sales. This is illustrated by the percentage of tickets sold by Yates and McIntyre, professional lottery managers, in various classes of the New York Literary Lottery. The firm sold about 99 per cent of the tickets in 1823. The company was still selling 93 per cent in 1826, but a slow decline had already set in. The percentages fell to new lows in June and December, 1828—67 per cent and 61 per cent respectively. By 1829 the company lamented that they could rarely find a scheme that would sell over one-half of the tickets, and in April of that year they sold only 38 per cent.⁹⁵

The Cohen's office in Baltimore using Maryland lotteries also found itself unable to compete successfully in the national lottery market. The state's lotteries had been among the richest in the nation. They commonly offered prizes of \$50,000 or \$100,000 and attracted a great deal of money from other states. But the state's new schemes were not in the same class. Not only were the grand prizes greatly reduced—\$5,000 and \$10,000 being common—but the designs for the schemes were inferior. As the state assumed tighter control over lotteries, the practice of awarding all money collected in ticket sales as prizes was discontinued. The Grand State Lottery of Maryland number two, for 1829, for example, sold 20,000 tickets at four dollars each but awarded only \$60,000 worth of prizes. This constituted a 25 per cent discount on the prizes and, understandably, made the scheme less attractive to out of state buyers.⁹⁶ This change was probably the most important factor in the Cohen's office decision to move into banking. Maryland lotteries had provided the base for much of the company's success but the changes had made the company less able to compete for the patronage of lottery customers.

⁹³ *Ibid.*, pp. 98-99, 195, 197, and 199.

⁹⁴ *Ibid.*, pp. 104, 197, and 202.

⁹⁵ *Ibid.*, p. 219.

⁹⁶ *Cohen's Gazette*, May 21, 1829.

Sometimes during 1829 the brothers decided to retrench their offices and to concentrate on banking activities. Mendes Cohen, who at one time or another managed three of the company's offices, closed the New York office in 1829 and started a six year tour of Europe.⁹⁷ The last advertisement for the Richmond office in the *Richmond Enquirer* appeared in August of that year.⁹⁸ The partnership with William F. Redding in the Charleston was dissolved six months later in February, 1830, after which Redding continued the lottery business under his own name.⁹⁹ The Baltimore office stopped advertising in the *Baltimore American and Commercial Advertiser* in May, 1829¹⁰⁰ and in the *Richmond Enquirer* during July, 1830.¹⁰¹ *Cohen's Gazette and Lottery Examiner* stopped publication two months later with the September 1, 1830 issue. The next public notice of the Cohen's office came in August, 1831, in a *Baltimore American* announcement that the banking house of Jacob I. Cohen, Jr., and Brothers was now open. The company indicated that it would accept private deposits and pay from 3 per cent for deposits payable on demand to 5 per cent for deposits requiring a ninety day notice before withdrawal, or left with the company for a year.¹⁰²

The opening of the banking office severed the long and profitable connection between the Cohens and lotteries. The brothers had helped collect large amounts of money for various enterprizes while rising to positions of leadership in the community. The family sponsored the Hebrew congregation in Baltimore,¹⁰³ and Jacob I. Cohen and Benjamin I. Cohen were leaders in seeking the repeal of a law prohibiting Jews from holding public office in Maryland.¹⁰⁴ Immediately after the law was repealed in 1826, Jacob I. Cohen, Jr. was elected to the city council.¹⁰⁵ In financial circles he was elected a director, and finally president of the Baltimore Fire Insurance Company, and a director of the Baltimore and Ohio Railroad.¹⁰⁶

Philip I. Cohen stayed in Norfolk and appears to have run a branch of the banking house for a short time.¹⁰⁷ He was later appointed postmaster for the Virginia city.¹⁰⁸ Benjamin I. Cohen and David I. Cohen, in addition to their banking activities, were among the leaders in organizing the Baltimore stock exchange. Both served as vice

⁹⁷ Cohen, "Mr. Mendes Cohen," p. 22.

⁹⁸ *Richmond Enquirer*, Aug. 19, 1829.

⁹⁹ *Charleston Courier*, Feb. 25, 1830.

¹⁰⁰ *Baltimore American*, May 25, 1829.

¹⁰¹ *Richmond Enquirer*, July 16, 1830.

¹⁰² *Baltimore American*, Aug. 8, 1831.

¹⁰³ Herbert T. Ezekiel and Gaston Lichtenstein, *The History of the Jews of Richmond From 1769 to 1917* (Richmond, 1917), p. 31.

¹⁰⁴ Baroway, "Cohens of Maryland," pp. 365-369; 55-56; Benjamin H. Hartogenis, "Unequal Religious Rights in Maryland Since 1776," *Publications of the American Jewish Historical Society*, XXV (1917), pp. 93-107.

¹⁰⁵ Baroway, "Cohens of Maryland," p. 369; Ezekiel, *Fortune's Merry Wheel*, p. 30; J. Thomas Scharf, *The Chronicles of Baltimore* (Baltimore, 1874), p. 420.

¹⁰⁶ *Baltimore American*, July 22, 1829 and April 9, 1869; Baroway, "Cohens of Maryland," p. 365.

¹⁰⁷ *Norfolk and Portsmouth Herald*, May 7, 18, 1832.

¹⁰⁸ Ezekiel, *Fortune's Merry Wheel*, p. 30.

president of the organization, and Benjamin was president at the time of his death in 1845. After Mendes Cohen returned from abroad, he joined his brother Jacob as a director of the Firemen's Insurance Company and of the Baltimore and Ohio Railroad. He also served a term in the Maryland state legislature.¹⁰⁹

The Cohen brothers thus made the transition from small lottery venders to owners and managers in a wide variety of financial enterprises. Their twenty year association with lotteries, far from being unworthy preparation for their later activities, was, in fact, the basis on which those later successes were built. They learned well the practical lessons in the highly competitive appeals for lottery patronage. When they did move into banking, lotteries had given them not only the capital they needed but financial skills and connections.

¹⁰⁹ Baroway, "Cohens of Maryland," pp. 54-55, and 376.