

The Man Who Built Seattle's Paramount Theatre

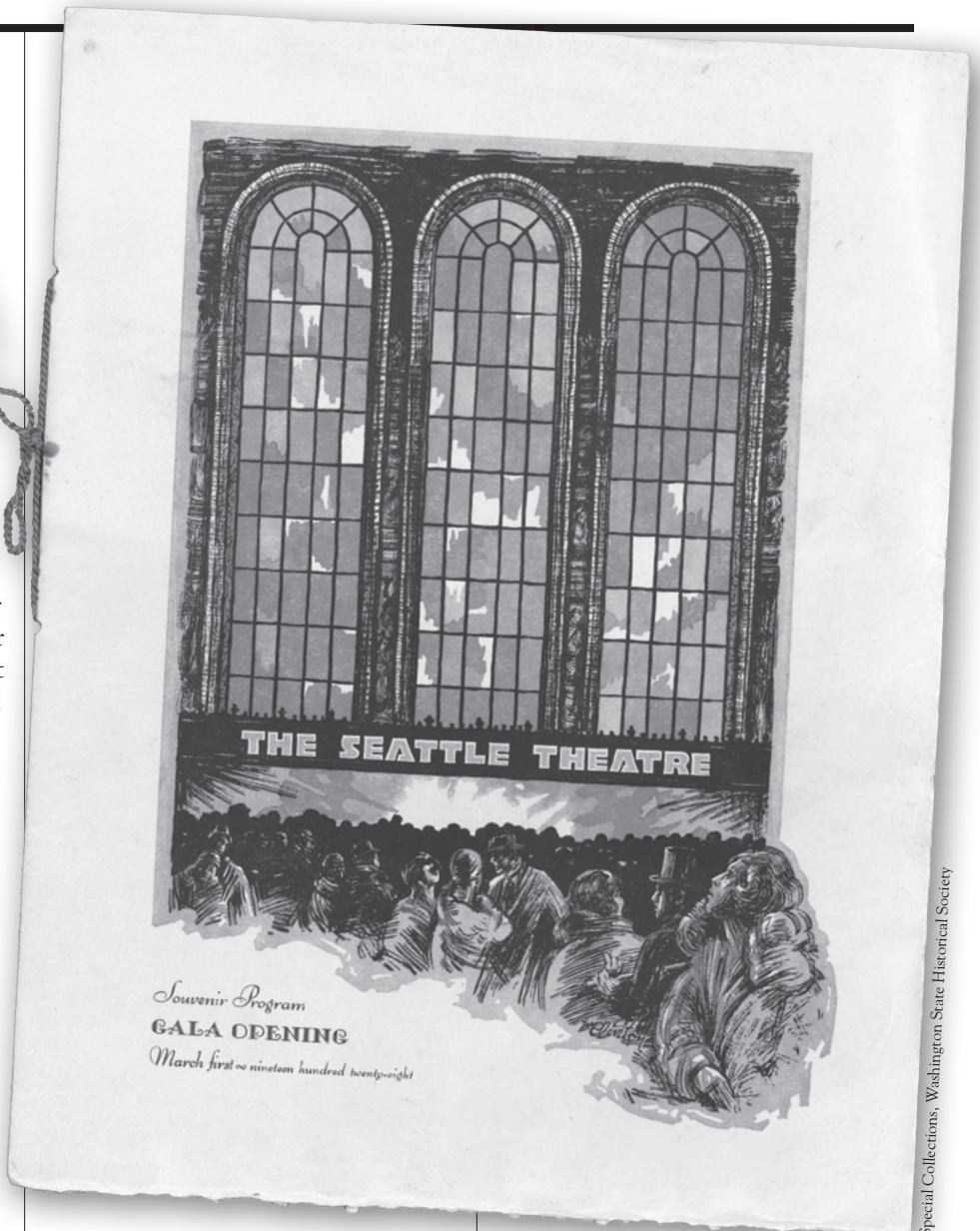
L. N. Rosenbaum

By Judith W. Rosenthal

The gala opening of the Seattle Theatre lit up the corner of Ninth and Pine on the evening of March 1, 1928.

Described as "a palace of splendor," the theatre had seating for approximately 4,000, opulent furnishings, state-of-the-art facilities for stage, vaudeville, and silent films, fireproof construction, and a \$100,000 gilded Wurlitzer organ. At the time, there were only four other theatres in the United States that equaled or surpassed it in terms of size, cost, and luxury.

In 1930 the Seattle was renamed the Paramount Theatre, thereby indicating its connection to New York City's magnificent theatre of the same name. It closed temporarily during the Depression and again in the 1960s, and through the years its programming evolved (from vaudeville shows to film, concerts, live entertainment, and productions by touring companies). Although the Paramount was placed on the National Register of Historic Places by the National Park Service and the United States Department of the Interior in 1974, its financial problems were mounting and its interior was in dire need of repairs, updating, and restoration. By the early 1990s there was talk of its demolition. But the Paramount Theatre is a survivor; since undergoing extensive renovations



in the mid 1990s, it has remained an important Seattle landmark and a premier performing arts center.

Today it is hard to imagine that at one time the southeast corner of Ninth

Described as the "most beautiful theatre west of Chicago," the Seattle offered screen presentations, fine music, and "Publix stage shows from the Paramount Theatre, New York...."

Special Collections, Washington State Historical Society

Broke and threatened with disbarment, Rosenbaum fled Seattle in 1914, only to return a millionaire in 1927.

and Pine was considered too far from the Seattle metropolitan area to be of any commercial value. A *Seattle Times* article described the property as “a great hole in the ground,” “the site of a deep ravine where a creek once ran into Lake Union.” In 1877 August and Joseph Schoenbacher purchased this property for \$225; over time it changed hands and increased in value. Then along came Lewis Newman Rosenbaum, a New Yorker, who represented a syndicate of East Coast businessmen and capitalists. Included among their many real estate purchases in Seattle was the property between Pike and Pine on the east side of Ninth Avenue for approximately \$240,000.

Rosenbaum—or LN, as he was called by family, friends, and business associates—had persuaded movie mogul Adolph Zukor, president of the Famous Players-Lasky Corporation, and W. S. Hammons, head of a banking house of the same name, to build a theatre on this property, leasing it from Rosenbaum and his associates. Seattle’s newspapers published article after

article about L. N. Rosenbaum, the properties he and his syndicate were buying in Seattle, and details of the plans for the “de luxe” theatre. All of this must have astonished those who had previously known him. Broke and threatened with disbarment, Rosenbaum fled Seattle in 1914, only to return a millionaire in 1927 and a business associate of numerous wealthy and influential easterners.

Lewis Rosenbaum was born in 1881 in Ungvar (also known as Uzhhorod), a city in Austria-Hungary (now the Ukraine). His parents, Fani and David Rosenbaum, had nine children—some born in Ungvar and some in New York City. The Rosenbaums emigrated to the United States in 1887 and, like many other Jewish immigrants, settled in the lower east side of New York City. They became United States citizens in January

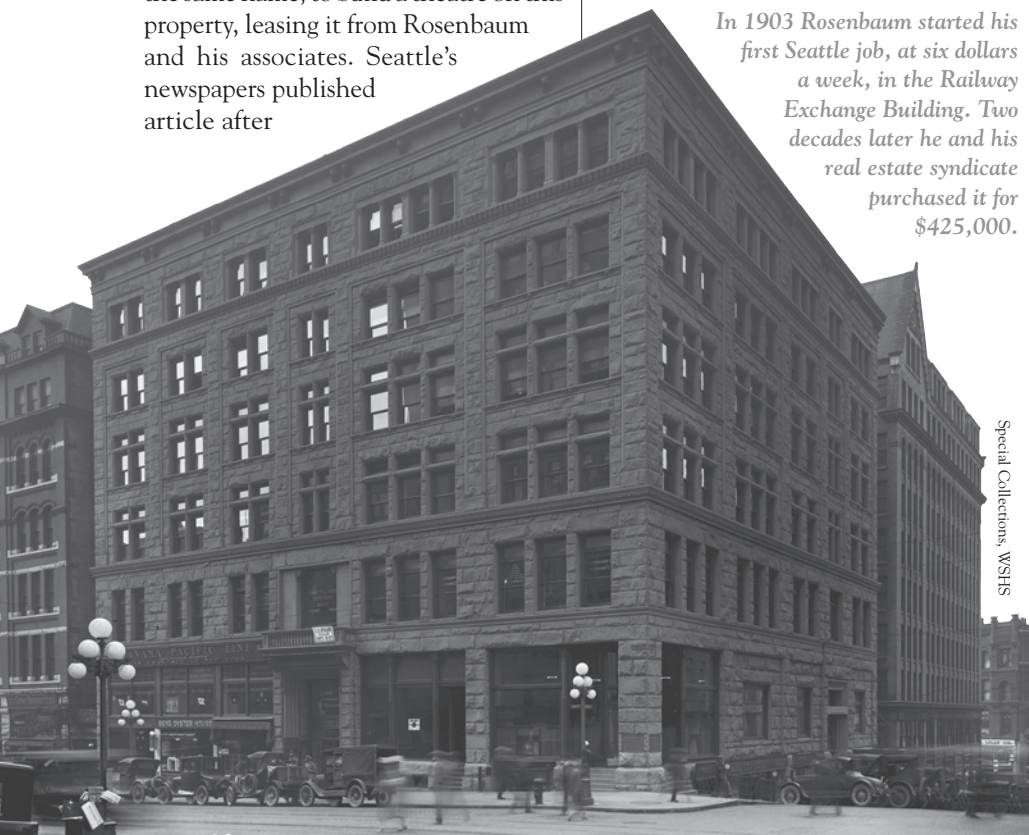
In 1903 Rosenbaum started his first Seattle job, at six dollars a week, in the Railway Exchange Building. Two decades later he and his real estate syndicate purchased it for \$425,000.

1892. The family was poor, especially after David abandoned Fani and the children. To help support their mother and younger siblings, the older children went to work as soon as they could find employment. LN apparently only stayed in public school for two years; his first job, for which he earned two dollars a week, was as an office boy for William Sulzer, a lawyer and politician.

Once he had saved enough money, LN purchased a train ticket and headed for Nashville where one of his uncles, Edward Rosenbaum, was a supposedly wealthy cigar manufacturer. LN hoped to find his father there and to work for his uncle. Neither of these aspirations was realized. Instead, LN obtained work as a legal assistant for Nashville attorney Moreau Estes. Estes paid LN three dollars a week and allowed the young man to sleep in the office, study his law books, and help in his law practice. After a year or so of working for Estes, LN was considered qualified to practice law. He was 19 years old when admitted to the Tennessee Bar on March 4, 1901.

How often LN read the Jewish newspapers while living in Nashville is unknown, but a brief announcement in an issue of the *American Israelite* apparently caught his eye and eventually brought him to the West Coast. The *American Israelite* carried news of interest to Jewish Americans and also gossip—engagements, weddings, Bar Mitzvahs, university graduations, trips abroad, and so forth—from Jewish communities across the United States. In the June 6, 1901, edition, at the very end of a column describing Seattle goings-on, was the following announcement: “Among the graduates of the University Law School is Miss Bella Weretnikow. Miss Weretnikow received her bachelor’s degree only last year.” LN wrote to Bella to congratulate her and inquire about Seattle; she wrote back describing the wonders of Seattle and Puget Sound. The correspondence continued, and soon LN was on his way to the Pacific Northwest.

LN took up residence in Seattle and began courting Bella. His first Seattle job, which was at the Railway Exchange



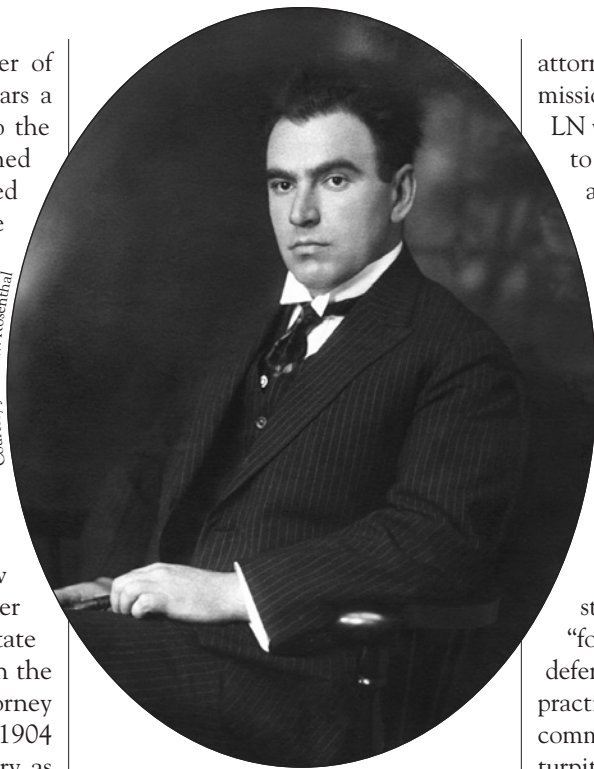
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Building on the southwest corner of Second and Cherry, paid six dollars a week. In 1903 he was admitted to the Washington State Bar and opened his own practice. He represented clients in the Justice Court and the U.S. District Court and sometimes worked with another Seattle attorney, Burton E. Bennett.

Bella Weretnikow, the young woman whom LN would marry, was the daughter of poor Russian-Jewish immigrants who arrived in Seattle in 1893 after residing in Winnipeg, Manitoba, for 11 years. In 1901 Bella was one of two women in the law school's first graduating class. After admission to the Washington State Bar, she promptly went to work in the law offices of young Seattle attorney Frederick R. Burch. From 1901 to 1904 Bella is listed in the city directory as a lawyer. It is not unusual these days for a woman to become a lawyer, but in the 1903 Seattle city directory only two names in the list of 413 lawyers are those of women, and Bella's is one of them.

Bella and LN wed on March 19, 1905, in the home of Bella's mother, Eliza Marks, at 917 East Jefferson Street. By then, several members of LN's immediate family also lived in Seattle: his mother Fani, his sister Dora, and three brothers—Edward, James, and William. Bella and LN's first two children, Adrian and Joseph, were born in Seattle in 1905 and 1909, respectively. In 1912 Bella, LN, and their children were living with Eliza Marks in the Jefferson Street house.

Apparently not content with being a lawyer, LN's interests turned to investment and real estate. The city directory business listings between 1907 and 1913 indicate that he was president and manager of Lewis N. Rosenbaum Company, Inc., an investment company dealing in municipal and corporation bonds, as well as a lawyer, notary, and financial agent. Then, abruptly, the 1914 city directory states that L. N. Rosen-



Courtesy Judith W. Rosenbaum

When this photo was taken, c. 1917, L. N. Rosenbaum was dealing in commercial loans, stocks, and bonds from his Manhattan office while residing with his family in Brooklyn.

baum & Company, Inc., had relocated to 80 Wall Street in New York City; not surprisingly, there is no 1914 listing for an L. N. Rosenbaum residence in Seattle.

Rosenbaum's early ambition evidently surpassed his success. As later reported in the *Post-Intelligencer*, "Rosenbaum struggled ineffectively in Seattle from 1901 to 1914, attempting to rise as a real estate man. He admits now that he did not know real estate then. Real estate, he says, is a science to be mastered by study and travel, travel with eyes wide open." LN also had become "greatly discouraged with his progress in practicing law in the State of Washington." In fact, in addition to his financial problems, Rosenbaum was threatened with disbarment.

It seems that in May 1910, LN had signed an agreement with the Syverson Lumber and Shingle Company of Montesano, Washington. Acting as "attorney and bond broker" he was to sell, on Syverson's behalf, \$50,000 worth of bonds for which he would receive a \$200

attorney's fee as well as a 1 percent commission on the bond sales. In addition, LN was paid \$50 to travel immediately to Portland, Oregon, to negotiate a temporary loan of \$10,000. In the March 29, 1912, "Motion for Disbarment" filed against Rosenbaum by the State of Washington, H. Syverson, manager of the Syverson Lumber and Shingle Company, alleged that LN had deceived and attempted to defraud the company and its officers by indicating he had gone to Portland when in fact he had not. John F. Murphy, the prosecuting attorney representing the state, asked the court for an order "forever disbarring and removing said defendant [L. N. Rosenbaum] from the practice of the law...for reasons of...the commission of an act involving 'moral turpitude, dishonesty, and corruption.'"

Represented by attorney Lionel A. Michelson, LN denied "each and every allegation." Unfortunately, Rosenbaum did not have the financial resources (an estimated \$500) to defend himself in court against the motion to disbar; furthermore, he would have had to remain in Washington during the proceedings. Acting on the advice of attorney Thomas P. Revelle, LN resigned as "an attorney of the bar of the State of Washington" on November 14, 1912.

Three months later, on February 20, 1913, the action against Rosenbaum was dismissed. However, his reputation was by then already sorely tarnished. His friend, T. J. Moore, Seattle ticket agent for the Great Northern Railway, "staked him" to the train ticket he needed to head back east. Rosenbaum left his family in Seattle and, according to a late 1920s article in the Seattle *Post-Intelligencer* found pasted into a family scrapbook, "borrowed \$100 in New York and started in the loan business, renting desk room at 80 Wall Street at \$25 a month, and taking a little cheap room on the East Side.... With no money of his own, Rosenbaum sought people who needed money and did not know where or how to obtain it, and then persuaded capitalists to supply their wants, charging such

brokerage as they would pay for his services." This time, Rosenbaum's business thrived. Bella and the two boys followed LN back east, and between 1915 and 1919 three more children were born: son Francis and daughters Ruth and Doris.

From his office on Wall Street, LN somehow befriended a number of very wealthy businessmen—attorneys, bankers, and capitalists—and provided them with advice about businesses and properties in which to invest their money. The same *P-I* article noted that between 1914 and 1926 LN handled \$100 million worth of investments, including the purchases made in 1925 of the Flatiron Building in New York City, the Coca Cola and New York Life buildings in Kansas City, Missouri, and the Transportation Building in Minneapolis, Minnesota. Yet, despite his newfound success as a millionaire and financier in New York, LN was preparing his triumphant return to Seattle.

An unusual display ad appeared in the July 20, 1924, *Seattle Daily Times*. It indicated that L. N. Rosenbaum & Co., Inc., of 130 West 42nd Street, New York, was "in the market to purchase large or small office buildings and business properties—which require constructive management, remodeling or rejuvenation—provided price, terms and conditions are inducing." The ad went on to state, "Our recent purchases include the 12-story Metropolitan Life Building in Minneapolis and the 10-story New York Life Building in Kansas City."

The overall response to this advertisement is unknown, but one Seattle realtor, Henry C. Ewing, apparently wrote to LN and made a winning sales pitch. Ewing recommended the purchase of the Railway Exchange Building (today called the Broderick Building—the same building LN first worked in when he came to Seattle in 1903). Rosenbaum not only bought and remodeled the

Railway Exchange Building but made it his West Coast business headquarters for a time. He also moved Bella and their five children back to Seattle, buying a home at 2834 11th Avenue.

As for Ewing, he became LN's confidant and friend, and according to a 1925 article in the *Pacific Northwest Business Chronicle* ended up selling him "39 other distinct and separate parcels of Seattle realty of value of roundly \$3,000,000." Rosenbaum and his backers believed that "Seattle has greater development

office of L. N. Rosenbaum. His syndicate bought heavily in Seattle and Spokane. LN had cards printed listing his offices in the Flatiron Building in New York and the Railway Exchange Building in Seattle and stating: "This office negotiates loans and financings in amounts of one million dollars and upwards for realty and industrial projects."

Rosenbaum, now president or treasurer of a number of corporations, was appointed honorary trustee to the Columbia Basin Irrigation Project and listed in *Who's Who in America* for the first time in the 1930-1931 edition. The Rosenbaum family moved again, this time to 1000 E. Garfield Street.

Like the rest of the nation, Rosenbaum and his associates were oblivious to the impending economic "downturn" that was just around the corner. The crash of the stock market on October 29, 1929, was just the first indication of the financial woes that were to beset the United States and countries across the globe. Banks collapsed, mortgages were called, and businesses failed. Despite the fact that some of the syndicate's properties went into foreclosure (for example, the Flatiron and Coca Cola Buildings), real estate proved a much better investment than the stock market. Quoted in the *Seattle Times*, LN stated, "And when you consider that many foremost stocks selling

a year ago for 100 are now down to 25, but that well selected realty has suffered virtually no depreciation in price, it is not to be wondered that I am a strong advocate of realty investments in Seattle." A few months later, in the *Seattle Post-Intelligencer*, he continued along the same line: "I have absolute confidence that 1931 will reaffirm our economic stability and growth and that Seattle is destined to achieve a great place in [sic] American cities."

Even so, Rosenbaum took his business and his family back to New York

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The TRANSPORTATION BUILDING & ANNEX, Minneapolis, Minn.
The NEW YORK LIFE BUILDING Kansas City, Mo.
The RAILWAY EXCHANGE BUILDING Seattle, Wash.
The METROPOLITAN LIFE BUILDING Minneapolis, Minn.

Courtesy Judith W. Rosenbhal

This 1925 United States Investor ad promoted upscale office space in business properties owned by Rosenbaum's real estate investment group.

possibilities than all the other Pacific Coast and Northwest cities put together," according to the May 31, 1925, *Seattle Times*. Local papers ran news articles about Rosenbaum and his syndicate's real estate ventures, and they carried numerous advertisements about properties available for purchase, long-term lease, rent, or development through the

City. He opened his main office at 60 Wall Tower, with a branch office in Los Angeles. His advertised services included “loans,” “mergers,” “insurance company financing,” “private financing,” and “consultant work undertaken in financial, corporate estate, and individual problems, of substantial proportions, for rehabilitation objective.” In reference to the impact of the Depression, Rosenbaum claimed in a 1933 interview that real estate “represents more than one-half of the total wealth of the United States.” “The frightful damage suffered these past three years has been due primarily to the utter breakdown of our credit system. When it is impossible to get credit, loans, or financing on more than one-half of the nation’s wealth, we do not need to talk about other facts of demoralization.” With LN’s office now on prestigious Fifth Avenue in Manhattan, and his home a Park Avenue penthouse apartment, the Rosenbaums came through the Depression seemingly unscathed.

Known as a “financial wizard” and a “business troubleshooter,” LN remained involved in both national and international business deals. He helped reorganize the “financial structure” of the Brooklyn *Daily Eagle*—buying up two competing newspapers in the process and merging them into the *Eagle*—and in a landmark legal maneuver, leased from the Pennsylvania Railroad the “air rights” over the Journal Square passenger station in Jersey City so that he could develop the space over the railroad tracks and Hudson River tubes for business and retail use. He visited the White House several times and provided financial advice to President Franklin D. Roosevelt and other Roosevelt family members, was mentioned “as a possibility by President Roosevelt” to serve as ambassador to Poland, and allegedly

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attempted to “secure the appointment as Ambassador to Russia.” He knew and socialized with politicians and other prominent individuals, including Charles A. Lindbergh and Albert Einstein.

Although LN lived out the rest of his days on the East Coast, he still had unfinished business in Seattle. His mother, Fani Rosenbaum, had died

Dedicated on September 12, 1937, the Fani Rosenbaum Memorial Chapel, designed by B. Marcus Priteca, remains in use today.

The other Seattle matter involved repairing the damage to LN’s reputation by his alleged disbarment. Despite the fact that he was not disbarred and all charges were dismissed against him in 1913, LN applied in 1939 to the board of governors of the Washington State Bar Association for reinstatement. The petition presented by his attorneys states that the petitioner, L. N. Rosenbaum, “has found as the years have gone by that the matter of filing this disbarment proceedings has been referred to continuously and more so at the present time by different people as a serious blot upon [his] character and reputation”; therefore, the petitioner “files this proceedings for the purpose of clearing his name and his record for all time, setting at rest the unjust accusations contained in the motion for disbarment....”

The petition was accompanied by numerous letters from well-known rabbis, lawyers, judges, bankers, publishers, and the like from cities across the United States, all attesting to LN’s integrity, excellent character, honesty, success in business, and to his role as a husband, father, and family man. As a result, on June 22, 1939, LN was reinstated to the Washington State Bar.

Reinstatement was not enough, however, to remove the hint of scandal that accompanied LN and his achievements. It was alleged that he misrepresented and omitted “material and factual data in preparing his reports to clients on proposed loans,” and that “his analysis of his client’s business would always recommend actions which would net him [Rosenbaum] the greatest fee possible.” Furthermore,

Courtesy Judith W. Rosenbaum

Toward the end of February 1928, ads began to appear in Seattle newspapers boasting of “an acre of seats in a palace of splendor” and “The Show Divine [sic] at 9th and Pine.” This opening night ad ran on March 1, 1928.

there in 1910 and more was buried in Herzl Memorial Park. Now that he was wealthy LN, having been devoted to his mother, donated \$7,000 to Seattle’s Herzl Congregation to build a chapel in her memory in Herzl Memorial Park.

Only L. N. Rosenbaum could envision that the corner of Ninth and Pine would someday be part of busy downtown Seattle.

while “considered to be a very shrewd businessman” he supposedly completed “many questionable deals.” Some of the shadier matters are described in an FBI investigative report over 100 pages long dated March 30, 1953, much of which was based on reports made by “confidential informants.”

Part of this FBI document is concerned with L. N. Rosenbaum and his eldest son (and partner), Adrian, and their business relationship during 1940 and 1941 with a Russian company called the Amtorg Trading Corporation. The latter was interested in purchasing cranes, railroad cars, oil refineries, airplane motors, propellers, and other heavy-duty equipment, and having the Rosenbaums broker the deals. According to an FBI interview with LN held on June 11, 1952, Rosenbaum insisted that he sought permission from the U.S. State Department as well as the advice of others to insure that such transactions were “legal and permissible.”

The real concern of the FBI, however, was determining if LN was engaged in “espionage activities” or had been a member of the Communist Party or “any Communist front organization.” After “tailing” LN (and Adrian) and investigating LN’s entire life and business dealings, as well as looking into the lives of Bella and the five Rosenbaum offspring (and their spouses), the FBI concluded there was “insufficient evidence to warrant a conclusion that the subject [Lewis N. Rosenbaum] is a person who has knowledge of or has received an assignment in the Espionage Service of a foreign government....”

Bella and LN eventually purchased a home in Rye, New York. Their daughter Ruth lived down the street with her husband and two daughters. LN lived to

celebrate his 50th wedding anniversary, but less than a year later, following illness and surgery, he died at home in his sleep on January 9, 1956.

Bella, who early on had given up her own law practice to devote herself

favorite dessert was chocolate soufflé. He smelled of garlic from the cloves he ate daily for medicinal reasons. Also an art collector, he filled every inch of wall space in his Rye home with paintings. His grown children recalled that LN was popular with the ladies and bought his wife expensive jewelry to compensate for his infidelities. LN failed however to achieve his ambition of “making the Rosenbaum family in the State of Washington what the Astor family [has] been in New York.”

Bella stood by him through every adversity. LN did not “brood over errors,” she recalled, nor did he show any distress to his family when a business deal failed or he “lost a considerable sum of money in speculation.” While others might disagree, Bella described her husband as having “a reputation for honesty and integrity.” Whatever he was, for better or for worse, Lewis Newman Rosenbaum lived the American dream. With almost no formal education, he became a lawyer, financier, millionaire, real estate giant, business consultant, and friend of politicians and people of influence.

He had a special affinity for Washington and the Emerald City, where he met and married Bella. Many of his business ads extolled the virtues of Seattle—its growing population, booming industries, bustling port, mild climate. Only LN Rosenbaum, back in the early 1920s, could envision that the corner of Ninth and Pine would someday be part of busy downtown Seattle. The thriving city and its magnificent Paramount Theatre confirm that LN’s vision—that Seattle would become one of the greatest cities on the West Coast—was not mistaken. 🐾

Judith W. Rosenthal is a biology professor at Kean University in Union, New Jersey, and granddaughter of Bella and L. N. Rosenbaum.



Courtesy Judith W. Rosenthal

In March 1955 Bella and LN celebrated their 50th wedding anniversary at the Community Synagogue in Rye, New York.

to her husband and children, described her husband as a “sitting giant,” meaning that with his “broad shoulders and powerful neck...you would judge him to be about six feet tall, whereas he was actually about five feet four inches.” He was charismatic but also pretentious and eccentric, wearing only “custom-made suits that bore his ideas of design,” and keeping his hair “rather long.” An opera lover, he advertised his services as a private financier in the Metropolitan Opera House’s program. He smoked imported cigars, drank cognac, and his