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5. Shares of empire

The VOC's problem of conflicts over share ownership

One of the ways in which the Dutch East and West India Companies raised capital for their operations was by selling shares to the public.¹ Residents of the Dutch Republic and foreigners could invest their money in the chambers of the company and they did at a rapid rate when VOC subscriptions opened in 1602.² Investors, large and small, pledged their money in the hopes of spectacular returns. The Amsterdam Chamber attracted investments that ranged from a servant's *f*50 to Isaac Le Maire's *f*85,000, the single largest investment across all chambers.³ From the outset, company shares were transferable, and very quickly a secondary market was underway for each chamber's shares.⁴ At this time, Amsterdam was the economic heart of the Republic, and beyond. The city had risen to prominence, having overtaken Antwerp as a centre of world trade.⁵

The VOC has been hailed as the first joint-stock company, the first multinational, and the forerunner of today's limited liability company (*naamloze vennootschap*).⁶ It was a catalyst of financial and corporate innovation in Amsterdam and the Republic more generally. The transferability of shares and the contract enforcement mechanisms which underpinned share transfers were central to these developments. Shareholders used the courts in Holland to manage disputes over share ownership and transfer. These conflicts encompassed disputes between shareholders themselves, and between shareholders and the issuers of those shares, the company chambers. Lodewijk Petram's research on the former type of dispute has shown how shareholders used the courts and the impact of the sentences. In the first three decades of the seventeenth century, Petram argues, shareholders used the courts of Holland – the Amsterdam court and the Court of Holland for appeals – to test the limits of the legal framework and determine the legal principles which underwrote the secondary market. The sentences passed by the Holland courts provided sufficient clarity and predictability on how the courts would deal with contract enforcement cases so that after the 1630s share traders no longer turned to the court to

¹ They also received subsidies – the WIC in particular was supported financially by the States General – and raised funds through the sale of return goods in the Republic, and issuing bonds. On VOC financing see Gaastra, *The Dutch East India Company*, 26-29. On the WIC's financial support from the States General see Bick, "Governing the Free Sea," 100; Heijer, *De geotrooierde compagnie*, 61-62. The sale of return goods is addressed in Chapter 6.

² Petram, "The world's first stock exchange," 2, 17-20.

³ Dillen, *Aandeelhoudersregister*, 36.

⁴ Petram, "The world's first stock exchange," 2.

⁵ Gelderblom, *Cities of Commerce*, 1. See also Jonathan I. Israel, *Dutch Primacy in World Trade, 1585-1740* (Oxford: Clarendon Press, 1989).

⁶ Dari-Mattiacci et al., "Corporate Form.," Heijer, *De geotrooierde compagnie*; Ella Gepken-Jager, Gerard van Solinge, and Levinus Timmerman, eds., *VOC 1602-2002: 400 years of company law* (Deventer: Kluwer Legal Publishers, 2005).

resolve share-related conflicts.⁷ But what of the second type of dispute, those between shareholders and the chambers which issued shares?

The chambers of the VOC faced litigation in the High Court over share ownership. In the federalised structure of the company, shareholding was one of the many elements of company corporate governance that was devolved to the level of the chamber. Rather than issuing shares in the company as a whole, each of the six chambers of the VOC raised capital through the sale of shares in the primary market, in 1602; each chamber kept its own records of shareholders in its books; and secondary markets grew up for shares in each of the chambers. It is this devolution which explains why it was the chamber directors of specific chambers who were summoned to court in cases of disputed ownership, instead of the Gentlemen Seventeen. Like wage litigation, disputed ownership of shares was a matter pursued against chamber directors. The Chambers which were summoned to court in the cases which are examined here were Amsterdam, Zeeland and the somewhat peripheral chamber Hoorn.

There has been much debate about the factors that facilitated and caused the flourishing of Amsterdam in the early seventeenth century. In particular, historians debate the role of immigrants from the Southern Netherlands, like Isaac Le Maire, in the development of Amsterdam into a commercial hub, and concomitantly, in financing the VOC. Historians have argued for and against the importance of immigrants from Antwerp who relocated to Amsterdam after Antwerp fell to the Spanish (1585). While some scholars have argued that the immigrants brought crucial capital, knowledge and commercial networks with them, others have argued that they were not the deciding factor in Amsterdam's rise to prominence.⁸ Oscar Gelderblom shows that immigration had been underway before 1585, that the immigrants were not a merchant elite, and that the young men who moved to Amsterdam did so when their careers in international trade were in their infancy. He thus puts the role of Southern Netherlanders in new light. According to Gelderblom, investments by Southern Netherlanders were dominated by five men who invested vast amounts in the Amsterdam chamber. Five men – Isaac Le Maire, Caspar Quinjet, Jacques de Velaer, Pieter Lintgens and Jan Jans Carel – invested more than f30,000 each, which sums were unmatched by other merchants.⁹ While immigrant merchants played a role in financing the company, what role did foreign investors play? Scholars have generally found that the role of foreign investment in the VOC was limited. When the WIC was searching for investors, efforts were made specifically to court foreign investors. This was done through advertising beyond the Republic.¹⁰

Thus far, I have made no mention of WIC chambers summoned to court over share ownership. What is striking is that court cases in the High Court between shareholders and chambers were a specifically VOC problem. WIC Chambers did not face similar cases:

⁷ Petram, "The world's first stock exchange," Ch 3.

⁸ Gelderblom summarises the debate in Oscar Gelderblom, *Zuid-Nederlandse kooplieden en de opkomst van de Amsterdamse stapelmarkt (1578-1630)* (Hilversum: Verloren, 2000), 15-22.

⁹ *Ibid.*, 158, 242-159.

¹⁰ Heijer, *De geöctrooieerde compagnie*, 62, 78; Dillen, *Aandeelhoudersregister*, 43.

the High Court records do not include cases of share-related conflicts between the WIC Chambers and their shareholders. What can explain the lack of WIC cases? Some twenty years after the VOC was established, when WIC subscriptions opened, they did not prove as popular as VOC shares had done. For two years, the WIC struggled to attract the necessary capital investment to begin its operations.¹¹ One possible explanation is that the unpopularity of WIC shares persisted, and produced less dynamic secondary markets around the chambers. Investors' reluctance to commit their capital to the WIC will be discussed later in this chapter. While the companies' shares differed in popularity, they did not differ as financial instruments. Like VOC shares, WIC shares had the same important quality of being transferable on secondary markets.¹² Shareholding in the WIC worked in the same way as the VOC, thus differences between shares cannot explain the lack of WIC cases. The difference may be found in the interests of the investors. Lodewijk Petram has argued that VOC shareholding was initially seen as an opportunity to profit from a specific branch of trade, but before the mid-seventeenth century owning VOC shares had become more about trading the financial instruments themselves rather than the long-distance trade which underpinned their value. It is likely that WIC shares did not undergo this shift.¹³

The cases which are analysed in the rest of this chapter were brought against VOC Chambers and were heard in the courts in the Republic. Interestingly, none of the cases follows the pattern set out in Figure 1 (Introduction) – that is the progression from city court, to the Court of Holland, and finally to the High Court. In part at least, this can be explained by the standing of the litigants, and by the court's competence.

The cases which were brought against chamber directors arose out of four circumstances, namely debt, bankruptcy, sale of shares, and inheritance. In some cases these circumstances were intertwined. After establishing the way shareholding in both the VOC and the WIC worked and the position of the shareholders in the VOC in the first section, I will turn to analysing the court cases. In section two I analyse three disputes against VOC chambers, showing how the conflicts made their way to the High Court, and what they reveal about the relationship between the company and its shareholders. The Bartolotti family's long-running dispute with the VOC Chamber Hoorn is the topic of the third section. By piecing together the family's connections, revealed in the legal dispute and other sources, I will present a portrait of a well-connected, wealthy, Amsterdam merchant family, who invested in both the VOC and the WIC, amongst other branches of trade. The family's dispute with the VOC reveals much about the investments made by a foreigner in the first company account in 1602, and the strategies used to conceal foreign investment. It was these strategies which made the claim to the shares so difficult to prove for the Bartolottis. The claim was further complicated by the bankruptcy of one of the men involved. That the case was against the Hoorn Chamber provides a view of investment in a chamber which is generally considered peripheral. In this way, detailed analysis of the case adds another dimension to the research on shareholding and ownership which has

¹¹ Heijer, *De geschiedenis van de WIC*, 33.

¹² Petram, "The world's first stock exchange," 7.

¹³ *Ibid.*, 36.

so far focussed on Amsterdam as the financial heart of the Republic. What motivated the merchant-banker Bartolotti family to pursue a case over ownership of shares in that chamber? Other than the significant financial value, the potential influence over that chamber that such a large parcel of shares represented is a possible explanation for their persistence in suing the Chamber Hoorn.

Taken together, the cases over ownership point to the ways in which the VOC tried to manage its relationship with shareholders. They reveal company policy regarding debts and purchases of spices; the problems which arose out of not issuing share papers; the complications of conditions attached to shares; and shareholders' investment strategies. This chapter brings chambers other than Amsterdam into the spotlight, casting much needed light onto share transactions outside of the economic centre. Furthermore, foreigners and families with immigrant roots feature in three of the four cases which are analysed in this chapter. Their dealings with the company chambers outside Amsterdam add another detailed layer to the research which has already been conducted on foreign investment and the role of Southern Netherlanders in that city.

Shareholding in the VOC and WIC

When subscriptions in the VOC opened in 1602 they proved immensely popular. Thousands of investors chose to place their capital in the chambers of the company. The Amsterdam chamber records have been best preserved. They show that 1,143 investors together raised *f*3,679,915.¹⁴ As mentioned in the introduction to this chapter, investments covered the whole spectrum from small to spectacular sums.¹⁵ At that point the denomination of a single share was not set; by the 1630s, it was customary to trade *f*3,000 and multiples thereof as a single unit on the Amsterdam market.¹⁶

Le Maire was one of the men of Southern Netherlands origin to invest in the company. In addition to the men who moved to Amsterdam and invested in the company, there were Southern Netherlanders who remained resident in those lands, which were enemy territory, who invested in the Amsterdam chamber. They did so in secret for fear that they too would be sentenced to death if their participation came to light, which fate, it was rumoured, had fallen on an investor in Antwerp. A very limited number of foreigners from German cities such as Hamburg and Emden, and an Italian invested too. The Amsterdam chamber also attracted investment from Northern Netherlanders resident outside the Republic.¹⁷ Subscriptions in that chamber far outstripped those in the other chambers, but nevertheless, when the subscription drive closed, six semi-

¹⁴ Heijer, *De geotrooieerde compagnie*, 61.

¹⁵ Dillen, *Aandeelhoudersregister*, 36. Henk den Heijer categorised the Amsterdam chamber investments: small shareholders including bakers, basket makers and female domestic servants among others; medium shareholders including merchants, clergymen and some nobility; and finally chief shareholders who invested more than *f*10,000. Henk den Heijer, *De VOC en de beurs. De Verenigde Oost-Indische Compagnie als grondlegger van de eerste aandelenbeurs/ The VOC and the Exchange: How the VOC laid the foundations for the world's first stock exchange*, trans. Vicky Trees (Amsterdam: Aksant, 2002), 22-25.

¹⁶ Petram, "The world's first stock exchange," 19, 39.

¹⁷ Dillen, *Aandeelhoudersregister*, 42-43.

independent capital stocks had been established to fund the operations of the newly chartered company.¹⁸

The 1602 charter set out the regulations for the management of each of the chambers. Each chamber was run by a group of directors, together numbering 76 at the outset. These were the men who had been involved in the early companies (*voorcompagnieën*). As men vacated their seats, they were not all replaced, so that the number of directors across the chambers was reduced to 60. When vacant positions had to be filled, it was the responsibility of fellow directors to nominate three “competent, qualified persons” from which list the provincial states chose the new director.¹⁹ The directors were required to be shareholders: directors in the Amsterdam, Zeeland, Delft and Rotterdam chambers had to commit *f*6,000 of their own to the chamber, while *f*3,000 sufficed for directors in the Hoorn and Enkhuizen chambers.²⁰ Table 1 shows the division of directors between the chambers.

The governing body of the company as a whole was constituted by a number of the chamber directors who together formed the Gentlemen Seventeen. Each chamber sent a set number of directors to sit on that board, as Table 1 shows. The seventeenth board member was provided by each of the chambers on a rotation basis, excluding Amsterdam.²¹ The result was that Amsterdam directors could not outvote the other five chambers.

Table 1: Chamber directors and the Gentlemen Seventeen

Chamber	Number of directors	Number of directors in Gentlemen XVII
Amsterdam	20	8
Zeeland	12	4
Delft	7	1
Rotterdam	7	1
Hoorn	7	1
Enkhuizen	7	1

} plus 1 on rotation basis

Source: 1602 charter Articles 2 and 25 in Witteveen, *Een onderneming*, 87, 91.

In 1623, in the wake of much shareholder discontent which accompanied the first charter renewal (see next section), the category of major shareholder (*hoofdparticipant*)

¹⁸ Petram, "The world's first stock exchange," 7-8.

¹⁹ Original: "*bequame, gequalificeerde personen*" 1602 Charter Article 26 in Witteveen, *Een onderneming*, 92. Clearly, chambers were not all strict adherents to these regulations. Gaastra discusses the tensions which arose between chambers over diverging nomination practices, and delegation of the choice to bodies other than the provincial states. Gaastra, *Bewind en beleid*, 27-29.

²⁰ 1602 Charter Article 28 in Witteveen, *Een onderneming*, 92. Charter Articles 18-23 named the founding directors of each chamber, 24 stated that vacancies would not be filled until the numbers set out in Article 25 had been reached. Article 26 set out the process for filling vacancies.

²¹ 1602 charter Article 2 in *ibid.*, 87.

was introduced. Investors who had put in at least as much capital as required for directors qualified as major shareholders.²²

Among the investors in the VOC were people who were resident in the Dutch Republic, as well as non-residents. There were 'locals' and 'foreigners' in both categories. The VOC charter stated that inhabitants of the Dutch Republic could invest any amount they wished in the VOC. Clearly optimistic about forthcoming capital commitments, it was decided that should investment exceed the amount necessary for the creation of the Company, 'foreigners' (*uytheemsche*) would have to limit their contributions first, and then 'locals' (*inheemsche*) would be required to decrease their investments to f30,000 each.²³ Theoretically, this limited investment in the VOC to those resident in the Republic – whether local or foreign. However, there is evidence that individuals resident outside the Republic also invested in the company, via family members or agents. The shareholders' register for the Chamber Amsterdam includes a short list of investors from (or residing) outside the Dutch Republic: a few Germans; Southern Netherlanders living in Hamburg and Emden amongst other prominent trading cities; a Venetian; and a Northern Netherlander residing outside the Republic.²⁴ Similarly, foreigners invested in the Chamber Zeeland, notably English merchants, at least four of whom were from London.²⁵ Thomas Laleij, discussed later in this chapter, may well have been one of the four mentioned by Henk den Heijer. Based on the surviving registers of shareholders, scholars have concluded that 'foreign' investment in the chambers Amsterdam and Zeeland was minimal.²⁶ This conclusion is based on analysis of the names in the capital books. However, for some investors attaching their name to their financial contribution to Northern Netherlands navigation was too risky. It was strictly forbidden for merchants in the Southern Netherlands to invest in the Republic, the Northern and Southern Low Countries being at war, in the Dutch Revolt. As Henk den Heijer notes, if individuals from the Southern Netherlands did indeed invest in the VOC in secret – through family members or agents – the 'foreign' capital invested in the company would be higher than is currently believed.²⁷ Foreigners investing in the VOC is taken up in the analyses of the court cases, where a number of foreigners come to the fore in conflicts with the company over shares.

In contrast to the VOC, when the WIC was chartered in 1621 investors were slow to commit their capital to the new company. Lodewijk Petram and Matthijs de Jongh attribute this to the fallout from VOC investors' dissatisfaction with their position in that company. In addition, investors were wary of government influence over the working of

²² Gaastra, *Bewind en beleid*, 26. Matthijs de Jongh points out that the designation *hoofdparticipant* had been used as early as the Zeeland *voorcompagnie* and by Willem Usselinx in his 1604 proposal for a West India Company. It was only introduced to the VOC officially in 1623. Jongh, "Tussen *societas* en *universitas*," 103.

²³ VOC Charter Article 10 and *Secrete Resolutie* published in Witteveen, *Een onderneming*, 88-89, 98. It never happened that there was oversubscription therefore foreigners were allowed to invest in the VOC. Heijer, *De geotrooierde compagnie*, 77.

²⁴ Dillen, *Aandeelhoudersregister*, 42-43.

²⁵ Den Heijer notes that they were most likely part of the Merchant Adventurers. Heijer, *De geotrooierde compagnie*, 78.

²⁶ *Ibid.* See also Dillen, *Aandeelhoudersregister*, 43.

²⁷ Heijer, *De geotrooierde compagnie*, 78.

the WIC.²⁸ It took two years and alterations to the company monopoly before sufficient capital was committed to the five chambers for the company to begin exploiting the monopolies it had been granted over the Atlantic and Pacific Oceans. The WIC struggled to get together its starting capital of f7,108,161.²⁹

The WIC was structured along similar lines to the VOC, reflecting the federalised structure of that company and the Dutch Republic. It consisted of five chambers – Amsterdam, Maze, Zeeland, the Northern Quarter (*Noorderkwartier*), and Groningen (*Stad en Lande*). To qualify as a major shareholder (*hoofdparticipant*) in the Amsterdam chamber, an investor had to commit f6,000, while the threshold for the other chambers was f4,000. City magistrates chose chamber directors (*bewindhebbers*) from among the major shareholders. Some of the directors were then tasked with representing the chamber on the company's governing body, which consisted of 19 men and was known as the Gentlemen Nineteen (*Heren Negentien*). Together, the representatives of the chambers accounted for eighteen of the nineteen seats as Table 2 shows. The nineteenth seat was for a representative sent by the States General.³⁰ The role of the States General in corporate governance of the WIC is a clear point of difference between that company and the VOC.

Table 2: Chamber directors and the Gentlemen Nineteen

Chamber	Number of directors	Number of directors in Gentlemen Nineteen
Amsterdam	20	8
Zeeland	12	4
Maze	14	2
Northern Quarter	14	2
Groningen	14	2
		1 (States General representative)

Source: Heijer, *De geschiedenis van de WIC*, 31.

In 1674 the first West India Company was dissolved and a second iteration established out of the failure of the first.³¹ At that point, the governing board was reduced to ten men, the Gentlemen Ten (*Heren Tien*), made up of chamber directors from each of the five chambers plus a tenth member sent by the States General. Company activity and the seats on the board were divided according to the 'key of nine' (*negen sleutel*) whereby Amsterdam had four-ninths, Zeeland two-ninths, and the Maze, Northern Quarter and Groningen one-ninth each.³²

²⁸ Petram, "The world's first stock exchange," 34; Jongh, "Tussen *societas* en *universitas*," 81, 94; Heijer, *De geschiedenis van de WIC*, 33.

²⁹ Heijer, *De geschiedenis van de WIC*, 33.

³⁰ Bick, "Governing the Free Sea," 107-111.

³¹ Odegard, "Recapitalization of reform?." See also Norbert H. Schneeloch, "Das Grund- und Betriebskapital der Zweiten Westindischen Compagnie," *Economisch- en sociaal-historisch Jaarboek* 34 (1971).

³² On the corporate structure of the Second WIC see Heijer, *De geschiedenis van de WIC*, 111-119.

Shareholder discontent

I have referred to shareholder discontent among VOC investors in the first two decades of the company's existence. A brief explanation of their grievances is useful, seeing as they effected some changes, at least on paper, and influenced the corporate governance of the WIC which was established in the midst of the protests.

In the lead up to the first VOC charter renewal, that is in the early 1620s, shareholders aired their grievances with the company in a series of pamphlets. Conflicts of interest between directors and shareholders and between the public functions and private funding of the company were at the heart of shareholder discontent. Shareholders perceived company directors as greedy and self-serving, more interested in their own personal profit – from commission on equipping ships, trading shares, and having first access to return goods – than in the financial health of the company pursuant to the interests of investors. A significant part of the problem was that shareholders had little to no access to information regarding the management and health of company finances. Directors' privileged access to information gave them powerful positions in the markets for shares as well as colonial goods which they exploited for personal profit to the detriment of company profits. Shareholders had little to no means of disciplining the company directors. The 1602 charter provided an exit-moment for investors at the closing of the first account but directors, with the support of the States of Holland, denied shareholders this opportunity. Dividend payments had been disappointing, especially for those who were paid in spices valued above their market prices by the company. When cash dividends were paid in 1620, the rate of return was disappointingly low (37,5 per cent).³³ Henk den Heijer and Ella Gepken-Jager comment on the continuity in structure between the *voorcompagnieën* and the VOC: shareholders, as investors, provided the capital but had little to no say over management.³⁴

According to Matthijs de Jongh, shareholder protests were aimed at changing the power dynamics within the company not at the destruction of the company in its entirety. Shareholders wanted greater access to information, greater oversight of and influence over decision-making within the company, and mechanisms to reign in the directors. Proposed changes to the company were intended to give major shareholders more power, leading de Jongh to conclusion that it was mainly major shareholders rather than shareholders generally who were agitating for change.³⁵

The pamphleteering effected changes, at least on paper. The States General made changes to the governance structure of the company which should in theory, have

³³ Jongh, "Tussen *societas* en *universitas*," 80-101; Gaastra, *The Dutch East India Company*, 34-35; Heijer, *De geotrooieerde compagnie*, 65-66, 87-68. On the matter of the exit-moment, it is important to note that denying investors the right to withdraw their capital gave the VOC the opportunity to make long-term investments in Asia and build an advantage over the EIC which lasted for about a century. The power of EIC shareholders was derived from their opportunity to choose whether or not to reinvest after each voyage, which constrained the directors. See de Jongh's comparison of the VOC and the EIC: Jongh, "Tussen *societas* en *universitas*," 110-119, esp. 118-119. .

³⁴ Heijer, *De geotrooieerde compagnie*, 66-68, 81-67; Gepken-Jager, "Verenigde Oost-Indische Compagnie," 56.

³⁵ Jongh, "Tussen *societas* en *universitas*," 80, 89, 90-93.

increased shareholders' influence over management, but in practice, neither reduced the power of the chamber directors nor increased financial transparency. One of the changes made was the creation of commissions of major shareholders who were given limited access to the company's financial records. However, according to Petram, the commissioners became "deputy company directors" instead of being the shareholders' watchdogs.³⁶ The WIC suffered as a result of the ructions: the new company struggled to attract investors in the midst of the conflict between the VOC and its shareholders. Petram contends that while the pamphleteering was an outpouring of grievances, "the most forceful demonstration" of VOC shareholders' discontent was the pedestrian investment in the WIC.³⁷ On the other hand, there are also indications that the corporate governance of the WIC was different from the VOC from the outset, likely in response to the tensions. Shareholders had some say in the nomination of new directors and limited monitoring of company accounts. In 1623, the major shareholders and directors agreed that a commission of major shareholders would be allowed access to the books and then report back to their fellows. This leads Henk den Heijer to conclude that shareholders in the WIC had a number of "core rights" from the outset, which guaranteed them some supervision over the company policy.³⁸ VOC shareholders were not as fortunate, according to Johannes Gerard van Dillen. He concludes that changes introduced in the 1623 charter afforded some say to the major shareholders, while the rest of the shareholders had no influence over or supervision of company policy. Thus, "the management of the VOC retained its oligarchic character."³⁹

VOC shareholder discontent seems to have evaporated with the more regular payment of dividends in cash from the 1620s onwards. The lack of protest once dividend payments picked up points to another set of frustrations: unmet expectations of returns on their investments. Of course the two motivations are not mutually exclusive. After the contentious first charter renewal in the 1620s, there were no similar shareholder-company conflicts over corporate governance in the lead up to the subsequent charter renewals, nor did the internal organisation of the company change in any meaningful ways over the course of its existence deep into the eighteenth century.⁴⁰

Another element which explains the lack of protests in later years is the shifting interests of VOC investors. In the early years of the company's existence, investors put their capital into the chambers as a way of signalling their interest in and support for the trade between Europe and Asia. Investment was a condition for securing positions in the chambers and on the governing board of the company. Over time, Lodewijk Petram suggests, interest in overseas trade and acquiring company positions gave way to the financial services offered by the secondary market. During the 1630s and 1640s share trading increased rapidly which Petram takes as proof that VOC shareholders accepted the limited power afforded them in management. This acceptance, he says, "suggests that

³⁶ Petram, "The world's first stock exchange," 34-35.

³⁷ *Ibid.*, 34.

³⁸ Original: "*kernrechten*" Heijer, *De geotrooieerde compagnie*, 82-83.

³⁹ Original: "*bleef het bestuur der V.O.C. een oligarchisch karakter dragen*" Dillen, *Aandeelhoudersregister*, 30.

⁴⁰ Jongh, "Tussen *societas* en *universitas*," 101.

investors increasingly used the market for purely financial purposes – they aimed increasingly at earning short-term profits rather than at holding a long-term position in the VOC to support the company and its trade with the East Indies.”⁴¹

Trading shares

VOC shares could be bought and sold from the outset. Account books attest that the trade started almost immediately: shares were traded even before investors had furnished the final instalment of their subscriptions.⁴² The account book set out the regulations for transfer of ownership, which had to be witnessed by one or two chamber directors. A standardized form was used for the procedure which had to be signed by buyer, seller and director, and then the bookkeeper would credit the account of the new owner in the chamber’s books. No share papers were issued; the account books were the only proof of ownership.⁴³ Shares were not transferable between chambers with the result that not one, but six secondary markets for VOC shares developed. Henk den Heijer emphasised that Amsterdam was the centre of the share trade, both for VOC shares and in the eighteenth century at least, for WIC shares too.⁴⁴ Lodewijk Petram makes the same point regarding the vibrancy and innovation of VOC share trading in Amsterdam, claiming that the markets in the other chamber cities were peripheral, characterised by lower levels of activity and different development trajectories.⁴⁵

The primary market for company shares was the first subscription when shares were bought from each of the chambers directly; all other share purchases constituted secondary market deals. The simplest form of share trading was sale followed by transfer of ownership in the chamber books. Inheritance was a subset of this kind of transfer of ownership. As early as 1607, there is evidence in notarial deeds of derivatives, specifically forward contracts. Futures and options were also traded, but forward contracts, a familiar instrument used by Antwerp grain traders on the Amsterdam market, became the most important of the derivatives from the 1650s onwards.⁴⁶ Trading in derivatives did not necessarily involve transfer of ownership of the underlying shares in the company books. Instead, this speculative trade was based around profiting from changes in the share price. Den Heijer points out that the share price was not driven by excellent company results or high dividends, but rather was rooted in confidence, perception and outlook which were in turn influenced by political events as well as rumours.⁴⁷

That the company permitted the trade in shares was not sufficient for the secondary market to grow. Petram points out the importance of contract enforcement mechanisms for the share trade as well as the existence of commercial law as a framework

⁴¹ Petram, "The world's first stock exchange," 36.

⁴² The plan set out in the charter was that the subscriptions would be paid in three instalments. 1602 Charter Article 11 in Witteveen, *Een onderneming*, 89. On the rapid start to share trading: Petram, "The world's first stock exchange," 2.

⁴³ Heijer, *De geötrooieerde compagnie*, 97-98.

⁴⁴ *Ibid.*, 105, 107.

⁴⁵ Petram, "The world's first stock exchange," 7-8.

⁴⁶ *Ibid.*, 20.

⁴⁷ Heijer, *De geötrooieerde compagnie*, 98-105.

for the share trade.⁴⁸ From an institutionalist perspective, these were necessary to lower transaction costs. He argued that the sentences passed by the Amsterdam Court and the Court of Holland in between the formation of the VOC in 1602 and the 1630s clarified the legal principles upon which the secondary market in shares functioned. As a result, share traders did not use the court for similar disputes after the 1630s. The Court of Holland's jurisprudence, Petram argues, essentially amounted to securities law.⁴⁹

The cases which Petram examined in the Court of Holland records dealt with three legal principles related to contract enforcement – ownership and transfer of ownership, endorsement, and terms of settlement of transactions. The litigants in these cases were share traders who used the courts to settle disputes among themselves.⁵⁰ The cases which will be examined in the remainder of this chapter arose out of disputes between shareholders on the one side, and the chambers of the VOC on the other.

Court cases

As Lodewijk Petram has shown, VOC shareholders and traders made use of the courts in Holland to resolve conflicts over shares, at least until the 1630s. Petram focussed specifically on the secondary market in Amsterdam and the cases arising in disputes over share trading in that city. Here I will address litigation between shareholders and the company chambers, both from Amsterdam and from the chamber Zeeland. In fact, the first share-related case between a shareholder and a chamber was over shares in the Zeeland chamber which had been purchased by foreign merchants living in Middelburg. The way that shares were treated as a kind of collateral against commodity purchases comes to the fore in this case. The Zeeland chamber was involved in litigation again in the early eighteenth century in a chain of connected cases which were about an alleged erroneous transfer of ownership in the chamber's account book. The last case to be examined in this section, also dating from 1714 and 1715, dealt with tying up the estate of a wealthy member of the Portuguese Nation, David de Pinto, who was a shareholder in the Amsterdam chamber. Together, the cases highlight four issues: the link between shares and commodity purchases; foreign investors in the company; company procedure in transfer of ownership; and shares as inheritance. All four of these topics are taken up in the more detailed analysis of the legal proceedings between the Bartolotti family and the VOC Chamber Hoorn later in this chapter.

Shares and spices

The earliest dispute over ownership of shares arose in the High Court in 1621 between the VOC chamber Zeeland and an English merchant based in Middelburg named Thomas Laleij. Laleij claimed ownership of shares in the Ten Year account (*tienjarige rekening*) as well as in the expedition of the Fourteen Ships which sailed under van Warwijk. He

⁴⁸ Petram, "The world's first stock exchange," 91-92.

⁴⁹ *Ibid.*, Ch 3.

⁵⁰ *Ibid.*, 92, 97-107.

claimed to be the legal owner of the shares which were in the name of another Englishman, Thomas Owens. Owens was indebted to Laleij; in August 1610 he transferred his shares in the two accounts to Laleij to repay his debt. When Laleij approached the directors of the Zeeland Chamber requesting that his own name be recorded in the company books, as the legal holder of the investments, the chamber refused his request. According to the directors, Owens owed the company money. He had purchased spices from the chamber – both pepper and nutmeg – but had not paid for them in full. On those grounds the company refused to transfer Owens' shares into Laleij's name.

For a number of years Laleij tried in vain to get the shares transferred into his name in the company books and to see the accounts on which the company based their calculations of Owens' debt. In 1612 Laleij had a warrant (*insinuatie*) drawn up against the chamber, to compel the chamber to transfer the shares into his name. Eventually, Laleij took the matter to court – he sued the Zeeland chamber in the Middelburg court (*burgermeesters en schepenen*). The court ordered the parties to reach a settlement between themselves, but nothing came of the meeting. The court then moved to sentencing the case: the directors of the VOC Chamber Zeeland, the defendants in the first instance, were sentenced to transfer the shares into Laleij's name in their books. In turn, the court sentenced Laleij to pay the chamber the sum still outstanding for Owens' purchase of nutmeg, plus interest. This sentence was passed in 1617.

The Zeeland Chamber felt that it was disadvantaged by the sentence of the Middelburg court and so appealed the sentence in the High Court. However, in July 1621, the High Court upheld the Middelburg sentence, declaring that the chamber was not aggrieved by the lower court's ruling.⁵¹

In this case a number of issues are intertwined – debt and repayment, the transferability of company shares, and payment for spices. The chambers of the VOC held shareholders in the company ransom for the repayment for commodities purchased from the chambers, as seen in this case but also in other disputes over shares, including the case between the Chamber Hoorn and Bartolotti which is analysed in detail later in this chapter. This strategy was possible when the same men who invested in the company also purchased spices from the chambers. But like the cases which Petram analysed in the Court of Holland, the outcome of the case between Laleij and the Chamber Zeeland had serious consequences for the vitality of the secondary market. How would the court deal with claims on shares which had been sold, and what was the responsibility of the buyer to fulfil those claims?

The sums which Thomas Owens invested in the two accounts were dwarfed by the value of the spices which he purchased from the chamber. Thomas Owens was an investor in the expedition of the 'Fourteen Ships', in which he had a share valued at 550 Flemish pounds, or *f*3,300. The second sum, 400 Flemish pounds (*f*2,400), was invested in the Ten Year account. In contrast to these modest investments, in August 1608, he made an enormous purchase of nutmeg. The quantity was not stated in the court records but the

⁵¹ The above summary of the case is based on NL-HaNA, Hoge Raad Holland en Zeeland, 3.03.02, inv. nr. 714 (1621) Geexteenderde sententie, scans 44-50; inv. nr. 642 (1621) Resoluties, scan 130; inv. nr. 935 (1621), Register der dictums...gepronuncieert, scan 8.

nutmeg was valued at 3646/7:10:8 Flemish pounds, or approximately *f*22,000.⁵² A year later he purchased nine bales of pepper from the chamber, which was valued at 392:8:5 Flemish pounds, equivalent to just over *f*3,250.⁵³ It should be noted that both of these purchases were made in the period when the shareholders awaited dividends – it was only in 1610 that they received the first payment, in a combination of cash and kind, specifically mace and pepper.⁵⁴ As mentioned earlier, the non-payment of dividends contributed to shareholder discontent in the years leading up to the expiration of the first charter in 1623.

It was perhaps the anticipation of dividends which motivated Thomas Laleij to pursue his claims against the VOC Chamber Zeeland to the Middelburg court. According to Femme Gaastra, investors in the ‘Fourteen Ships’ received a dividend of 265% between 1605 and 1614.⁵⁵ Laleij’s claim to the shares included that he be recognised as any other investor, denoted as *participant*. In other words, he claimed both the capital and the return on that investment from 1610, when Owens ceded the shares to him.⁵⁶ Dividends arising out of the ‘Fourteen Ships’ account were separate from those of the Ten Year account. The early voyages had delivered stunning returns – rumoured to be 399% for the ‘Second Voyage’- but dividends from the Ten Year account were not only slow, but also disappointing. In spite of initial promises, that account was still not closed in 1622.⁵⁷

A bookkeeper’s error

During the 1710s, the High Court dealt with multiple cases arising from a clerical error in the VOC Chamber Zeeland’s records of shareholders. The court records show that the same three parties were involved in multiple cases, in different configurations, as each party tried to exploit litigation options. The second point to come out of the resolutions of the High Court point to the Chamber’s concerns over liability – who should be held responsible for the error? It was a matter on which the judges in the High Court did not all agree.

Ferdinand van Hatting, Thomas Alexander Coninck, and the VOC Chamber Zeeland were named as parties in multiple High Court cases in 1715 and 1717. The issue at the heart of their dispute arose in 1679. In that year, Pieter van Hatting Senior passed away. He left his sons, Ferdinand and Pieter Junior, shares in the VOC Chamber Zeeland worth 1000 Flemish pounds (*f*6,000). On 2 May 1679 Pieter Junior’s half of the share was transferred into his own name in the chamber’s book, while Ferdinand’s half remained in his father’s name.⁵⁸ According to Ferdinand, his brother Pieter collected their dividends

⁵² NL-HaNA, Hoge Raad Holland en Zeeland, 3.03.02, inv. nr. 714 (1621), Geextendeerde sententie, scan 45.

⁵³ NL-HaNA, Hoge Raad Holland en Zeeland, 3.03.02, inv. nr. 714 (1621), Geextendeerde sententie, scan 44.

⁵⁴ Gaastra, *The Dutch East India Company*, 24.

⁵⁵ *Ibid.*

⁵⁶ NL-HaNA, Hoge Raad Holland en Zeeland, 3.03.02, inv. nr. 714 (1621), Geextendeerde sententie, scans 45-6.

⁵⁷ Gaastra, *The Dutch East India Company*, 25. The company recounted in the sentence that Thomas Owens had been paid dividends on his shares in the period preceding 1610. NL-HaNA, Hoge Raad Holland en Zeeland, 3.03.02, inv. nr. 714 (1621), Geextendeerde sententie, scans 44-5.

⁵⁸ Ferdinand van Hatting even went so far as to specify the folio on which these shares were recorded. Pieter Senior’s share was recorded on f. 32 of the Chamber’s book, and Pieter Junior’s on f. 128.

and gave Ferdinand his share, until 1703. Ferdinand told the court that in August 1679 Pieter Junior sold his share to Abraham van Pere. Instead of the chamber bookkeeper transferring Pieter Junior's share into van Pere's name, Ferdinand claimed that the bookkeeper transferred Pieter Senior's share to van Pere instead.⁵⁹ Ferdinand's attempts to be recognised as the rightful owner of the shares led to legal proceedings, first in the Court of Holland, and then in the High Court.

In 1704 Ferdinand van Hatting received permission from the court to proceed against van Pere's son-in-law, *Meester* Thomas Alexander Coninck, and the VOC chamber Zeeland, to sentence them both to restore the 500 Flemish pounds into Pieter van Hatting Senior's name in the chamber's books as well as any dividends which had been paid to shareholders since May 1703, with interest. The Provincial Court sentenced the heirs and chamber directors on 7 April 1713. The High Court resolution does not specify what that sentence entailed but Coninck and the chamber were the ones who chose to appeal in the High Court. The High Court considered the directors to have made an error which should not negatively impact van Pere's heirs because van Pere had purchased the shares and it was no fault of his, but nor should it negatively impact Ferdinand van Hatting. Thus the High Court upheld the Court of Holland's sentence.⁶⁰

On the very same day, 17 December 1715, the High Court passed a sentence in a related case. The directors of the Zeeland chamber were the plaintiffs; Thomas Alexander Coninck was the named defendant. Coninck had summoned the chamber to court in a case of indemnity, claiming that the chamber should indemnify him and his unnamed associates (*cum sociis*, being the fellow heirs of Abraham van Pere) against the legal proceedings and their consequences, set in motion by Ferdinand van Hatting. The chamber's response was to shift the blame from the chamber as a whole to the bookkeeper (*boekhouder*) specifically. The court ruled that the chamber should indeed indemnify Coninck, which decision the chamber appealed in the High Court. While the judges in the case did not agree on whether or not the bookkeeper should be held responsible rather than the chamber directors, they were in agreement that the chamber was not aggrieved by the sentence in the indemnity case.⁶¹

The legal provision *in solidum* was significant to the shape that the cases arising from the clerical error took. Ferdinand van Hatting was granted permission to summons both Coninck and the chamber directors to court, and to claim his shares from them *in solidum*. When the Provincial Court sentenced Coninck and the Chamber directors to recognise van Hatting's shares, if either of them made good on that, the other was freed of responsibility.⁶² The indemnity case arose from this verdict: the court sentenced the

⁵⁹ Abraham van Pere was a merchant from Vlissingen and director of the WIC chamber Zeeland. He was granted a charter by that company in 1627 to establish a colony in Berbice. Heijer, *De geschiedenis van de WIC*, 91.

⁶⁰ NL-HaNA, Hoge Raad Holland en Zeeland, 3.03.02, inv. nr. 666 (1715) Resoluties, scan 81 [VOC Chamber Zeeland and Coninck vs. van Hatting].

⁶¹ NL-HaNA, Hoge Raad Holland en Zeeland, 3.03.02, inv. nr. 666 (1715) Resoluties, scan 81 [VOC Chamber Zeeland vs. Coninck]. See also Punt, "Het vennootschapsrecht," 207-213.

⁶² NL-HaNA, Hoge Raad Holland en Zeeland, 3.03.02, inv. nr. 807 (1715) Geextendeerde sententies, f.241v scan 244 [Coninck vs. van Hatting].

Chamber to indemnify Coninck from legal proceedings and their outcomes, which can be interpreted to mean that the Chamber was from then on, responsible for the matter.⁶³

Finally, it is useful to note that the men involved in the case were all high-profile civic office holders. Ferdinand van Hatting had legal training, as seen in the designation *meester*, and he is recorded as former burgomaster and council member of Utrecht, and a delegate to the Generality's Accounting Office.⁶⁴ Similarly, Thomas Alexander Coninck was prominent in civic life, but in Zeeland. He was a director of the Zeeland chamber of the VOC from 1708 until 1737. He was therefore a director at the time of the High Court's rulings. Moreover, he was bailiff and council member of Veere, as well as having the title marquis of that city. Through marriage he was related to the wealthy van Pere family, and in the capacity as representative (*procuratie hebbende*) and heir of Abraham van Pere, was named in the case with the chamber and Coninck.⁶⁵ Abraham van Pere who purchased the shares from Pieter van Hatting Junior is someone better known for his Atlantic exploits than his involvement in the VOC. He was a merchant from Vlissingen, who, in 1627, received a charter from the West India Company to establish a colony in Berbice. He was also a shareholder in the Zeeland chamber of that company.⁶⁶ According to his heirs, while he was alive Abraham van Pere bought and sold numerous shares in the Zeeland chamber of the VOC too, the f3000 from Pieter van Hatting being one among many.⁶⁷

Tying up David de Pinto's estate

From prominent investors in the Zeeland Chamber we now turn to Amsterdam, where, from the 1640s, members of the Portuguese Nation in that city became important players in the secondary market for VOC shares. By the 1660s, members of the Nation came to dominate the market. This was a period of great commercial success for the Portuguese Nation in Amsterdam, some of whose members had established themselves as eminent merchants and bankers.⁶⁸ Among these success stories was the de Pinto family which originated from Portugal, migrated to Antwerp, from there to Rotterdam, and then a branch of the family made Amsterdam their home.⁶⁹ During his life, David de Pinto, in the Amsterdam branch, was one of the wealthiest men of the Portuguese Nation. In addition

⁶³ NL-HaNA, Hoge Raad Holland en Zeeland, 3.03.02, inv. nr. 666 (1715) Resoluties, scan 81 [VOC Chamber Zeeland vs. Coninck].

⁶⁴ NL-HaNA, Hoge Raad Holland en Zeeland, 3.03.02, inv. nr. 807 (1715) Geextendeerde sententies, f.240r-v, scans 242-3 [Coninck vs. van Hatting].

⁶⁵ NL-HaNA, Hoge Raad Holland en Zeeland, 3.03.02, inv. nr. 807 (1715) Geextendeerde sententies, f.240r, scan 242 [Coninck vs. van Hatting]; Data VIDU.

⁶⁶ Heijer, *De geschiedenis van de WIC*, 91.

⁶⁷ NL-HaNA, Hoge Raad Holland en Zeeland, 3.03.02, inv. nr. 807 (1715) Geextendeerde sententies, f.242r, scan 244 [Coninck vs. van Hatting].

⁶⁸ Petram, "The world's first stock exchange," 42. On the social make up of the nation and their commercial interests and ties see Daniel Swetschinski, "The Portuguese Jewish Merchants of seventeenth-century Amsterdam: A social profile" (PhD, Brandeis University, 1980).

⁶⁹ H. P. Salomon, "The 'De Pinto' Manuscript: A 17th century Marrano family history," *Studia Rosenthaliana* 9 (1975). See also H. S. de Bruyn Kops, *A Spirited Exchange: The wine and brandy trade between France and the Dutch Republic in its Atlantic framework, 1600-1650* (Leiden and Boston: Brill, 2007), Chapter 5.

to wealth, the de Pinto family had influence and cultivated political connections inside the Republic and beyond. When David de Pinto died, there were complications in tying up his estate, some of which led to legal proceedings between the executors of his estate and the VOC chamber Amsterdam.⁷⁰ The sentences passed by the High Court in 1714 and 1715 provide insight into some of these difficulties, namely the sale of VOC shares to cover bequests and debts in the estate.

The wealthy and well-connected de Pinto family proceeded against the VOC Chamber Amsterdam in the High Court over shares which were part of David de Pinto's estate. Unusually, the case was heard by the High Court in first instance (*rau actie*) which may be a sign of the great power and influence the family held in political and commercial circles in the Republic. That they used the High Court in first instance is not an indication that members of the Nation were treated as foreigners. In the late sixteenth and early seventeenth century, subjection had been a matter of negotiation and debate, but from the mid-seventeenth century, the Portuguese Nation was considered by the States General as subjects rather than as foreigners.⁷¹ It is more likely that the claim was considered a property dispute: hearing cases regarding property claims was one of the High Court's competences, as mentioned in the Introduction.⁷²

When David de Pinto died he left "very many East Indies shares" as part of his estate.⁷³ The executors of David de Pinto's estate, Aron and Joseph de Pinto, initiated the proceedings against the chamber. According to the court's records, David de Pinto had named his children as his heirs and made bequests. In order to fulfil these bequests as well as satisfy creditors, the executors had to sell some of the many VOC shares. It appears that the Amsterdam chamber refused to allow the sale. The executors went to court in order to have the bench sentence the chamber directors to transfer all the shares in de Pinto's name into that of the executors, in their capacity as executors, in order that they could sell the shares to rescue the estate.⁷⁴ In their response, the chamber directors mentioned three different shares in the chamber, which together point to the enormous wealth of the de Pinto family. The first was a share worth f9,000 which the chamber directors indicated David de Pinto had lost; the second was valued at f36,000 but had the condition attached that it could not be sold within 12 years; and finally the directors mentioned other shares which de Pinto had left to his descendants.⁷⁵ The chamber refuted the executors' claims by stating that the bequests were made in shares, and that the few

⁷⁰ David de Pinto's profile mentions the "complicated division of the estate" which yielded only a small inheritance for his sons. <http://www.bethhaim.nl/david-de-pinto/> (accessed 2017-07-20).

⁷¹ Cátia Antunes and Jessica Vance Roitman, "A war of words: Sephardi merchants, (inter)national incidents, and litigation in the Dutch Republic, 1580-1640," *Jewish Culture and History* 16, no. 1 (2015): esp. 25-32.

⁷² Punt, "Het vennootschapsrecht," 7-8.

⁷³ Original: "*seer veel Oostindische actien*". NL-HaNA, Hoge Raad Holland en Zeeland, 3.03.02, inv. nr. 666 (1714), Resoluties, scan 15.

⁷⁴ NL-HaNA, Hoge Raad Holland en Zeeland, 3.03.02, inv. nr. 666 (1714) Resoluties, scan 15.

⁷⁵ Regarding the 'lost' shares, the directors used the statement *absolut heeft weggemaakt*, but what exactly that means in the context is unclear. Considering that the case was about control and oversight of sales, it is possible that it refers to having lost control of the share, rather than having mislaid it or sold it. NL-HaNA, Hoge Raad Holland en Zeeland, 3.03.02, inv. nr. 666 (1714) Resoluties, scan 15.

debts which were outstanding could be paid off through sale of other goods in the estate.⁷⁶ This would indicate that part of the problem was whether the shares were in fact the inheritance, and therefore should not be sold but transferred, or if bequests had been made to be paid in sums of money, thus requiring the asset value of the shares to be made liquid. On 11 May 1714, the High Court decided that the chamber should put David de Pinto's shares into the executors' names so that they, the executors, could trade the shares "in accordance with the tenor... of the last will of D. de Pinto."⁷⁷

The following year, the executors submitted a request to the court that the bench interpret their 1714 sentence.⁷⁸ Specifically, the executors sought the court's declaration that the Amsterdam chamber had no authority over or facility to check on the reasons behind the handling of the shares or the use to which they were put. Contrary to this, the chamber directors claimed that it was their responsibility to make sure that the shares were sold and handled according to the will and codicil made by David de Pinto. In this way, the chamber tried to maintain control of the very large parcel of shares in the de Pinto estate. However, the court did not recognise that responsibility; rather, the bench adjudicated the executors the freedom of action they had requested.⁷⁹ In reaching this verdict, the High Court limited the role of the Amsterdam chamber directors by recognising the authority of the executors to tie up the estate according to de Pinto's wishes, including selling his many shares in the VOC Chamber Amsterdam.

The Bartolotti family

Inheritance played a crucial role in the case which was heard in the High Court decades earlier, which involved another prominent merchant family from Amsterdam, namely the Bartolotti family. The focus of the remainder of this chapter is on the Bartolotti family, their commercial ties and long-running dispute with the VOC. While the family was resident in Amsterdam, and had Dutch roots, they were well-connected in Italian and Southern Netherlands trade circles. To begin with, diverse sources will be brought together to sketch a portrait of the family's investment and trading portfolio and their ties through blood, marriage and commerce to other prominent and influential people in the Republic, England, Venice and Bologna. This sketch of the family background and mercantile activity in Amsterdam is followed by detailed analysis of the family's decades long legal dispute with the VOC Chamber Hoorn, over shares in that chamber valued at f39,000. The case reveals complex share transfers in one of the chambers considered peripheral by historians, and which has received little attention when it comes to the workings of the secondary market for VOC shares. Moreover, the case shows the way that the VOC countered the claims, insisting on company procedure. Family connections,

⁷⁶ NL-HaNA, Hoge Raad Holland en Zeeland, 3.03.02, inv. nr. 666 (1714) Resoluties, scan 15.

⁷⁷ Original: "*conform den teneur van testamenten...van uijterste wille van D de Pinto.*" NL-HaNA, Hoge Raad Holland en Zeeland, 3.03.02, inv. nr. 666 (1714) Resoluties, scan 15.

⁷⁸ NL-HaNA, Hoge Raad Holland en Zeeland, 3.03.02, inv. nr. 666 (1715), Resoluties, scan 75.

⁷⁹ NL-HaNA, Hoge Raad Holland en Zeeland, 3.03.02, inv. nr. 666 (1715), Resoluties, scan 75.

bankruptcy, debt, spices, and other courts' sentences all come together in the dispute between the Bartolottis and chamber Hoorn.

Figure 10: The Bartolotti house on the Herengracht, Amsterdam.



Isaac Gosschalk, Huis Bartolotti aan de Herengracht 170-172, 1862. Rijksmuseum, Amsterdam.

Commerce and kin

Guillermo Bartolotti I was born in Hamburg in 1560. It was not until some years later that he came to be known by that name. He was born Willem van den Heuvel, son of Christiaan van den Heuvel and Jenne de la Bay. When Christiaan van den Heuvel and Jenne de la Bay died leaving their children orphaned, Jenne's sister Maria and her husband Giovanni Baptista Bartolotti raised their nephew and niece, Willem and Cornelia, as their own. Willem van den Heuvel and Cornelia were made universal heirs of Giovanni Baptista Bartolotti, a nobleman from Bologna and man of considerable wealth, on condition they took the name Bartolotti. Willem van den Heuvel thus came to be known as Guillermo Bartolotti. He learned the world of trade from his uncle/adoptive father and produced three volumes in Italian regarding their business between 1582 and 1591.⁸⁰

Guillermo Bartolotti I married Maria Pels in 1589. She died the following year, most likely in childbirth, but the baby boy survived and was named Jan Baptista. In 1593 Guillermo Bartolotti remarried: his second wife, also named Maria, was part of the eminent Thibault family from Middelburg. Guillermo Bartolotti I and Maria Thibault, also referred to as Margareta, had thirteen children, one of whom was Guillermo II (1602).⁸¹

⁸⁰ Gustav Leonhardt, *Het huis Bartolotti en zijn bewoners* (Amsterdam: Meulenhoff Nederland, 1979), 14-15.

⁸¹ *Ibid.*, 16, 17, 20.

Guilielmo Bartolotti I's oldest son, Jan Baptista, married Eleonora Hellemans who was the daughter of Arnout Hellemans and Susanna van Zurck (Surck?), a family originally from Antwerp but like the Bartolottis, resident in Hamburg for a time.⁸² Guilielmo Bartolotti II also married into a family with Southern roots. He married Jacoba van Erp, from an Antwerp family. They had eight children, including Guilielmo III (1638).⁸³

From the outset, the Bartolotti family was involved in the Dutch East India Company, despite the fact that they were not yet resident in the Republic. In 1602, Guilielmo Bartolotti I invested *f*4,000 in the Zeeland chamber through the intermediary Balthasar van Vliedingen, a Southern Netherlander.⁸⁴ At the time Guilielmo Bartolotti I and his family were living in Emden.⁸⁵ From 1603-9 the family lived in Haarlem, but already during that time, notarial deeds indicate that Bartolotti I was involved in the commercial life of Amsterdam. Other than his investments in the VOC, Bartolotti I also invested in the WIC after it was created in 1621.⁸⁶ In fact, he was a director in the chamber of Amsterdam, likely one of the founding directors.⁸⁷ According to the register of investments in the chamber (*Grootkapitaalboek Kamer Amsterdam*) Guilielmo Bartolotti I invested a total of *f*100,000 over three subscriptions (*f*63,000; *f*6,000; *f*31,000) which were registered for the account of G.A.I.C.F.D.B and Company.⁸⁸ It is likely that this is the huge investment to which den Heijer referred when he wrote that of the largest investors in the Amsterdam Chamber of the WIC, one was a consortium of merchants led by Guilielmo Bartolotti.⁸⁹ But who these merchants were is unknown. It looks like Bartolotti I also invested in the WIC individually – an entry for *f*6,000 only in the name of Guilielmo Bartolotti is recorded. In that entry his function is recorded as director (*bewindhebber*).⁹⁰

Like his father, Bartolotti II was also invested in both the VOC and the WIC. Bartolotti II (named Bartolotti de Jonge in the register) also invested *f*6,000 in the Amsterdam chamber.⁹¹ There is a second entry under his name but no amount is filled in.⁹² Bartolotti II was also a shareholder in the Amsterdam chamber of the VOC. A notarial

⁸² Ibid., 22.

⁸³ Dillen, *Aandeelhoudersregister*, 65.

⁸⁴ Ibid., 64. Bartolotti I gave van Vliedingen power of attorney in 1609 to transfer a parcel of shares to one Jasper van Dortmont. SAA, NA, 116, f. 92v; 1609-06-15. From notarial deeds it seems likely that he held shares in the Amsterdam chamber too – in 1640 and 1643 two brokers appeared before the notary J. van de Ven to give statements on the price of shares in the Amsterdam chamber and the chambers outside Amsterdam. And this for both the VOC and the WIC. The men confirmed that they had brokered buying and selling of shares at the prices they stated. SAA, NA, 1059, f. 13; 1640-12-19 and 1072, f. 72; 1644-10-03. Van Vliedingen, or Vlierden, is named in the 1602 charter amongst the directors. Article 19 published in Witteveen, *Een onderneming*, 91.

⁸⁵ Guilielmo Bartolotti II was born in 1602 in Emden, according to Leonhardt. Leonhardt, *Het huis Bartolotti*, 16. According to Dillen, the family was actually living in Hamburg. Dillen, *Aandeelhoudersregister*, 64.

⁸⁶ See Norbert H. Schneeloch, *Das Kapitalengagement der Amsterdamer Familie Bartolotti in der Westindischen Compagnie* (Klett-Cotta, 1978).

⁸⁷ Laet, *laerlijck Verhael*, 32.

⁸⁸ NL-HaNA, OWIC, 1.05.01.01, inv. nr. 18B, f. 37 (Kaartenbak chronologisch: 183).

⁸⁹ Heijer, *De geotrooieerde compagnie*, 76.

⁹⁰ NL-HaNA, OWIC, 1.05.01.01, inv. nr. 18B, f. 142 (Kaartenbak chronologisch: 707).

⁹¹ NL-HaNA, OWIC, 1.05.01.01, inv. nr. 18B, f. 53 (Kaartenbak chronologisch: 265).

⁹² NL-HaNA, OWIC, 1.05.01.01, inv. nr. 18B, f. 257 (Kaartenbak chronologisch: 1001).

deed indicates that at the time of his death, in 1660, he owned f28,550 worth of shares in the chamber.⁹³

The Bartolottis were involved in trade and banking beyond shareholding in the VOC and WIC. Of the family's commercial activities, van Dillen states:

The Bartholotti house conducted substantial trade with Italy and the Levant while also keeping themselves occupied with the import of copper from Scandinavia. It is well-known that the firm lent important credit to the Stadholder Fredrik Hendrik and later to his widow. The Bartholotti house, which, like the Coymans firm, took part in the gold and silver trade, was worth more than f2,5m at the Exchange Bank in 1645.⁹⁴

Bartolotti I's diverse portfolio of investments and trading activities is evident in the Amsterdam notarial deeds. In the early seventeenth century Bartolotti I was associated with Jan Calandrini in shipping grain and other merchandise to Genoa, La Spezia, Viaregio and Livorno, and Naples, Ancona, Venice, London, and the Barbary coast.⁹⁵ The Bartolottis were also involved in importing copper from Sweden, evident in the notarial deeds drawn up in Amsterdam in the 1660s.⁹⁶ They were involved in the Levant trade, and in brazilwood trade.⁹⁷ The picture that emerges from the familial and business connections cultivated by the Bartolottis is a family of great fortune, with a diverse portfolio of investments and interests.

Litigation against the VOC

During the 1640s and 1650s, the Bartolotti family was involved in a legal dispute with the directors of the VOC Chamber Hoorn. The case was first heard in the Court of Holland, brought by the Bartolottis against the directors. Perhaps the reason it started in that court, rather than a city court, was the fact that the case was pursued by a widow, Margareta

⁹³ SAA, NA, 1132, f. 177v; 1660-02-18. Jacoba van Erp, widow of Bartolotti II, gave power of attorney to Justus Baack and Gerard Hasselaar to transfer the shares in the Amsterdam chamber books from Bartolotti's name into her own.

⁹⁴ Original: "Het huis Bartholotti dreef een aanzienlijke handel op Italië en de Levant, doch hield zich o.a. ook bezig met invoer van koper uit Scandinavië. Het is bekend dat de firma belangrijke kredieten heeft verschaft aan stadhouder Frederik Hendrik en later aan diens weduwe. Het huis Bartholotti, dat evenals de firma Coymans aan de goud- en zilverhandel deelnam, verrekende in 1645 ruim f2.500.000 met de Wisselbank.... In 1689 is de firma opgeheven." Dillen, *Aandeelhoudersregister*, 64-65.

⁹⁵ SAA, NA, 105, f. 6-6v; 1606-09-01. SAA, NA, 110, f. 14-15v; 1607-10-04. London: SAA, NA, 111, f. 224v-225v; 1608-06-10. Ancona: SAA, NA, 106, f. 41v-42v; 1606-12-02. Salag Laragie: SAA, NA, 104, f. 27-29; 1606-03-13. Jan Calandrini was born in 1544 in Lucca. In 1581 he married Marie de Maistres in Antwerp and together they moved to Frankfurt, Hamburg, Stade and Emden before establishing themselves in Amsterdam in the early 1600s. Calandrini was tied through his daughter's marriage, to another prominent protestant family which had left Lucca for religious reasons, namely the Burlomachis. Philipo Burlomachi and Elisabeth Calandrini moved to London where, from 1613-1633, Philipo was army supplier (*legerleverancier*), *betaalmeester* and banker (*bankier*) for James I and Charles I. Leonhardt, *Het huis Bartolotti*, 19.

⁹⁶ SAA, NA, 3191, f. 83; 1667-02-24 and 3192, f. 66v; 1667-08-18.

⁹⁷ Levant trade: K. Heeringa and J. G. Nanninga, eds., *Bronnen tot de geschiedenis van de Levantschen handel* (Den Haag: Martinus Nijhoff, 1910), I:504-507. No. 243: Request van Amsterdamsche kooplieden aan de Staten-Generaal tot benoeming van een hoofd-consul te Aleppo, 1625. Brazilwood: SAA, NA, 1096, f. 436-7v; 1651-04-28.

Thibault, widow of Guillelmo Bartolotti I. By the time the case was appealed in the High Court, she had also passed away. The litigants were recorded as Guillelmo Bartolotti, for himself and the other heirs of the deceased Margareta (Maria) Thibault, widow of Guillelmo Bartolotti the elder.⁹⁸ Their claim was to be recognised as the rightful owners of shares in that chamber worth f39,000. The Court of Holland denied their claim, which sentence the family appealed in the High Court. The sentence passed by the High Court in the 1650s indicates that there were two other court sentences which had been passed earlier in related matters; it was those sentences which formed the basis of the parties' claims. In underpinning the legitimacy of their claim, the Bartolottis recounted in great detail the initial investment made in the Hoorn chamber in the Ten Year account, and the way in which shares had been transferred between relatives, as inheritance and to repay debts. A complex picture of the informal transfer of shares comes to light. The VOC countered the claims made by the family by going back to the company's charter and the practice of using shares as collateral against debts to the company chambers racked up by defaulting purchasers. There were two critical factors in the company's position: a bankruptcy case and attendant sentence, and the inviolability of the chamber account books as proof of ownership of shares. A summary of the High Court sentence is instructive in seeing the connections between the parties' positions and the sentences of other courts which loom in the background.

Persistent litigation

The dispute between the Bartolottis and the Chamber Hoorn began in the Court of Holland in first instance, where the Bartolottis summoned the chamber directors to court. That court likely passed a verdict in early 1644, for it was in May of that year that the Bartolottis were granted permission to appeal the verdict in the High Court. First Hendrik Boom, and after his death, Ravenstijn, represented the Bartolottis in the capacity of lawyer (*procureur*) in their attempt to have the High Court nullify or correct the Court of Holland's sentence, and adjudicate their claim to the shares. The VOC Chamber Hoorn was represented by Pieter Luchtenburch and later by Gerrit Vinck who argued that the High Court should approve the Court of Holland's sentence. The High Court deliberated over the matter for more than a decade: the judges pronounced their verdict in the case in December 1655. The plaintiffs in the case were Guillelmo Bartolotti (II) and the other heirs of Margareta (Maria) Thibault, widow of Guillelmo Bartolotti I. The defendants in the case were the directors of the Dutch East India Company.⁹⁹ The dispute between them arose over ownership of f39,000 of shares in the Hoorn chamber: the plaintiffs' claim was that the company recognise them in the chamber books as the owners of the shares in place of van Surck denoted by the initials GBQ, and that they be back paid dividends and interest of 8% from 1617 onwards.¹⁰⁰ Their claim was based on complex transfers of

⁹⁸ NL-HaNA, Hoge Raad Holland en Zeeland, 3.03.02, inv. nr. 747 (1655), Geextendeerde sententie.

⁹⁹ In many of the other cases against the directors of the VOC, the chamber was specified. However, in this particular case no chamber was specified.

¹⁰⁰ NL-HaNA, Hoge Raad Holland en Zeeland, 3.03.02, inv. nr. 747 (1655), Geextendeerde sententie.

assets between numerous people, including through repayment of debt, and inheritance. The Hoorn Chamber refuted the claim, based on a case of bankruptcy, and by not acknowledging the transfer of shares by which the plaintiffs made their claim.

Bartolotti *et al* traced their claim to shares to the fact that they were heirs of Maria Thibault, their mother. As the widow of Guilielmo Bartolotti I, she made a claim against the insolvent estate of deceased Antwerp merchant Anthonij van Surck. Van Surck, who was indebted to the Bartolottis when he died, was the original investor in the Hoorn chamber, although, as will be picked up in more detail later, he invested under someone else's name. The Court of Brabant (*Raad van Brabant*) ruled in favour of the creditors in the case, by virtue of which verdict the Bartolottis made their claim to the shares.¹⁰¹

The VOC countered the claim to the shares by focussing on the man in whose name the initial investment was made – Caspar Quinget, merchant in Amsterdam and nephew of Anthonij van Surck.¹⁰² The Quinget family was related by marriage to the van der Veken family who, with others such as the Hellemans, together formed part of an international merchant network.¹⁰³ In 1617 Quinget went bankrupt (*komen te faileren*) and as a result could not make good on the massive sum of f126,964 which he owed to the company as payment for pepper purchased from the chambers Amsterdam and Zeeland. As was usual in this period, the Amsterdam Aldermen dealt with the bankruptcy and adjudicated the claims made by creditors, including the VOC.¹⁰⁴ The VOC received a sentence in their favour on 13 July 1618: Quinget's shares could be sold off to make good his massive debt to the company. According to the Company, Quinget's shares were as follows: f3,000 in chamber Amsterdam; f3,000 in chamber Rotterdam; f39,000 in chamber Hoorn; f2,100 in chamber Enkhuizen. This amounted to f47,100. But that would not have covered even half of what he owed the company.¹⁰⁵

As had happened in the Court of Holland, the High Court passed a sentence in favour of the Dutch East India Company. Bartolotti *et al* were denied their claim to the f39,000 of shares in the Hoorn chamber, the dividends that would have gone along with that as well as the years of interest for which they sued the company. Furthermore, they had to pay a fine for submitting a groundless appeal.

¹⁰¹ It is likely that Anthonij van Surck was related to Susanna van Surck who was the mother-in-law of Jan Baptista Bartolotti, older half-brother of Guilielmo Bartolotti II. NL-HaNA, Hoge Raad Holland en Zeeland, 3.03.02, inv. nr. 747 (1655) Geextendeerde sententie. The sentence mentions the Court of Brabant in Brussels. On the history of the Court of Brabant, which moved to The Hague, and in which both the High Court and States General interfered in proceedings, see Broers and Jacobs, *Staatse Raad van Brabant* esp. 9-11.

¹⁰² NL-HaNA, Hoge Raad Holland en Zeeland, 3.03.02, inv. nr. 747 (1655), Geextendeerde sententie.

¹⁰³ Zuydewijn, *Van koopman tot icoon*, 276. Johan van der Veken featured in Chapter 2 as the man from Mechelen who emigrated to Rotterdam where he blossomed from herring merchant into a man of wealth and influence with global trade interests. He married Caspar Quinget's half sister, Johanna. Johanna was the daughter of Christoffel Quinget and his second wife, Catharina Ruts. Kernkamp, *Johan van der Veken* 27.

¹⁰⁴ The Amsterdam Aldermen dealt with all bankruptcy cases in the period before the creation of the Insolvency Chamber (*Desolate boedelskamer*), which was set up in late 1643. As the city of Amsterdam grew, so did the Aldermen's case load. The Insolvency Chamber as well as the commissioners for insurance matters (1598), and chambers of minor matters (1611), and maritime cases (1641) were intended to reduce the Alderman's workload in an effort to provide swift justice. Moll, *De desolate boedelskamer*, 16-18.

¹⁰⁵ NL-HaNA, Hoge Raad Holland en Zeeland, 3.03.02, inv. nr. 747 (1655) Geextendeerde sententie; inv. nr. 651 (1655) Resolutie, scan 93.

The initial investment

Anthonij van Surck was one of the foreigners who invested in the VOC when it was established in 1602. The Antwerp merchant invested 7,000 Flemish Pounds (ƒ42,000) in the Hoorn chamber via a family member, Caspar Quinget, resident in the Republic.¹⁰⁶ Antwerp had fallen to the Spanish in 1585 and was at the time of the creation of the VOC, 'enemy territory'. Involvement in the Northern Netherlands expansion was, from a Southern point of view, forbidden.¹⁰⁷ In order not to risk life and limb, van Surck did not invest in the VOC in his own name, rather he paid a sum to his nephew, Caspar Quinget. Caspar (or Jaspas) was of Southern Netherlands background. He was one of five sons born to a textile merchant in Antwerp. When they reached their majority, the five Quinget brothers spread out across Europe to conduct trade. After living in Middelburg for a while, Caspar moved to Amsterdam in the 1590s.¹⁰⁸ There he was involved in grain trade to Italy and was an investor in voyages to Asia and then the VOC. When the VOC was created, he invested in the chambers of Amsterdam, Rotterdam, Hoorn, and Enkhuizen.¹⁰⁹

Having invested a significant sum on behalf of his uncle, on 7 May 1606 Quinget gave van Surck a receipt (*recognitie*) along with which he promised to defend van Surck's rights to the shares in question. At this point they must still have been registered under Quinget's name in the chamber's account books. Van Surck and Quinget had their own strategy for keeping track of their transactions, one of which they had also used for their investments in the *voorcompagnieën*: van Surck's accounts were recorded under the name Jan Baptista Quirengi and instead of specifying 'East Indies' they agreed upon something else – one possibility was 'Moscovy' which they would both understand to be code for investments in the trade with Asia.¹¹⁰ Their efforts at secrecy and van Surck's concern for his safety may not have been overstated: not only was it forbidden to invest in the Republic, but a story circulated of an Antwerp merchant who, when it came to light that he held shares in the VOC, had been sentenced to death. He was reprieved: his sentence was downgraded to life imprisonment.¹¹¹

The amount van Surck chose to invest in the Hoorn chamber warrants closer inspection. The total capital invested in the Hoorn chamber was ƒ266.868 which means

¹⁰⁶ NL-HaNA, Hoge Raad Holland en Zeeland, 3.03.02, inv. nr. 747 (1655), Geextendeerde sententie.

¹⁰⁷ E. Stols, "De Zuidelijke Nederlanden en de oprichting van de Oost- en Westindische Compagnieën," *BMGN* 88, no. 1 (1973): 12-13.

¹⁰⁸ Gelderblom, *Zuid-Nederlandse kooplieden*, 75. His eldest brother, Nicolaes, went to Rouen in France; Christoffel de jonge and Melchior were trading in Venice by around 1590; Balthasar was trading in Hamburg by 1592, and Caspar was in Middelburg at that time. He moved to Amsterdam in 1596. Before Caspar moved to Amsterdam the family was represented there by their brother-in-law, Antwerp merchant Franchois van Hove.

¹⁰⁹ NL-HaNA, Hoge Raad Holland en Zeeland, 3.03.02, inv. nr. 747 (1655) *Geextendeerde sententie*. Noteworthy among these was Quinget's investment in the VOC Chamber Amsterdam which amounted to ƒ45,000 and was done on behalf of 'some friends'. Dillen, *Aandeelhoudersregister*, 41-42.

¹¹⁰ NL-HaNA, Hoge Raad Holland en Zeeland, 3.03.02, inv. nr. 747 (1655), Geextendeerde sententie.

¹¹¹ Dillen, *Aandeelhoudersregister*, 42. Stols also mentions fines totalling 600,000 ducats which were imposed on investors in Holland-based firms in 1600-1. Stols, "De Zuidelijke Nederlanden en de oprichting van de Oost- en Westindische Compagnieën," 12.

that van Surck's investment via his nephew comprised approximately one-sixth of the total capital invested in the chamber in 1602.¹¹²

At some point in the following years – the date is not specified in the sentence – van Surck instructed that *f*3,000 of his investment be transferred into Cornelis Pieterssen Hooft's name. The payment for this transaction was received by van Surck's son, Eduard. The men decided that the remaining investment – *f*39,000 – be deducted from Quinget's accounts in the Chamber of Hoorn's books so that it would be clear that the investment was in fact someone else's. In order not to remain anonymous, they used a system of initials, GBQ, which must have referred to the alias Giovanni Baptista Quirengi. How this lined up with Quinget's bankruptcy, which is addressed below, is unclear, but may have been the motivation behind the apparently sudden need for clarity. In 1621 Anthonij van Surck transferred his rights to his son Emanuel, but it seems this was not formalised according to the company's procedures for transfer of ownership of shares in the chamber accounts. Emanuel van Surck was indebted to the Bartolottis, owing them a large sum of money. According to the Bartolottis, this loan was secured with the Hoorn shares.¹¹³ The court records do not specify whether or how this agreement was formalised, but the shares were not transferred into the Bartolottis' names in the chamber accounts. After Anthonij van Surck's death, the Council of Brabant ruled that the curators of his insolvent estate cede all goods, shares and credits to the creditors, including the Bartolottis. But as the Bartolottis saw it, the VOC refused to comply with the court's ruling by refusing to recognise the Bartolottis as the owners of the *f*39,000 shares in the Hoorn chamber.¹¹⁴ The Bartolottis thus felt it necessary to pursue their claim in court.

Bankruptcy

The VOC countered Bartolotti *et al*'s claim to the shares which had first been invested by Anthonij van Surck by not recognising that they had ever belonged to him in the first place. The company's case was based on the fact that Caspar Quinget had been the legal owner of the shares as recorded in their books. When Quinget went bankrupt the VOC seized his shares in lieu of debt repayment.¹¹⁵

Caspar Quinget had commanded vast sums of money – his investment in the Amsterdam Chamber of *f*45,000 was mostly his own; he held the largest accounts in the Amsterdam Stock Exchange (*Wisselbank*) after it was opened in 1609.¹¹⁶ But in 1617 he went bankrupt. What could have been a very lucrative deal turned into Quinget's downfall: Quinget was approached by the Venetian consul (*resident*) in The Hague,

¹¹² Gaastra, *The Dutch East India Company*, 26 (Table 23).

¹¹³ NL-HaNA, Hoge Raad Holland en Zeeland, 3.03.02, inv. nr. 747 (1655) *Geextendeerde sententie*. The sentence states that in addition to other transporten, Emanuel specifically transferred the shares and rights he had received from his father in 1621, against Quinget.

¹¹⁴ NL-HaNA, Hoge Raad Holland en Zeeland, 3.03.02, inv. nr. 747 (1655) *Geextendeerde sententie*.

¹¹⁵ Bankruptcy is a formal, legal concept which denotes the process which begins with the official declaration of inability to pay creditors. This arises out of an informal situation of insolvency. See Thomas Max Safley, "Introduction," in *The History of Bankruptcy: Economic, social and cultural implications in early modern Europe*, ed. Thomas Max Safley (London and New York: Routledge, 2013), 3.

¹¹⁶ Dillen, *Aandeelhoudersregister*, 55.

Christoforro Suriano, to extend credit to the Republic of Venice to hire ships and recruit troops. According to Johannes Gerard van Dillen, "These apparently so lucrative transactions actually brought ruin upon him!"¹¹⁷ As a result of this, Quinget was declared bankrupt in December 1617, which led to more bankruptcies and contributed to the shrinking credit and scarcity of money in Amsterdam in early 1618.¹¹⁸

According to Goswin Moll, bankruptcies in Amsterdam were dealt with in accordance with Antwerp custom in this period. Creditors informed the authorities that someone was insolvent, and thus bankruptcy ensued.¹¹⁹ Those who believed themselves to have preferential claims had three months to make those claims known to the secretary. Following that period, there was a public call for creditors to make their claims known to the secretary in the subsequent six weeks. In some cases, public calls were not necessary, but when shares in ships or in companies were involved, as in Quinget's bankruptcy, such a public call to creditors was made.¹²⁰ When Quinget went bankrupt, curators were appointed over his assets (*boedel*) against which the VOC made a claim in the Amsterdam City Court (*Gerechte van Amsterdam*). The company claimed payment of a huge sum of money owed it for the purchase of pepper from the Chambers Amsterdam and Zeeland. According to the Company, Quinget had purchased a 'large quantity' of pepper, valued at f126,964-9-0. But he had not paid the company for the purchase. The company claimed in court that Quinget's shares be made subject to seizure in lieu of payment. Goswin Moll suggests that bankruptcies were dealt with in Amsterdam in accordance with Antwerp customs, which in this case would have required a public call for creditors to make their claims known to the secretary, specifically because shares in a company were part of the estate. The way that the VOC dealt with the bankruptcy fits with the pattern that Jeroen Puttevils identified in Antwerp court records from the sixteenth century, namely the shift from seizing the debtor to seizing his goods.¹²¹ The company reason was based on its charter: investors' signatures were their promise of fulfilling the subscribed sum in three instalments, with which each one pledged his person and goods as surety with the condition that their shares and dividends would be held as collateral against any purchases of spices or other company goods which had been made. The company claimed that this would be implemented notwithstanding any transfers of shares which had been done before the date of purchase, unless those shares had been transferred in the company books, by the bookkeeper, in the presence of director-witnesses.¹²² The Amsterdam Court awarded the VOC on 13 July 1618. Quinget's shares

¹¹⁷ Original: "Deze schijnbare zo voordeelige transacties hebben hem echter in het verderf gestort!" Ibid., 66.

¹¹⁸ Ibid. Quinget's bankruptcy broke the chains of credit, evidence of the "centrifugal force" of business failure which Safley mentions. Safley, "Introduction," 10.

¹¹⁹ Thomas Safley defines bankruptcy as the formal legal proceedings which arise out of insolvency. Safley, "Introduction," 3.

¹²⁰ Moll, *De desolate boedelskamer*, 2, 12-13.

¹²¹ Jeroen Puttevils, "See you in court! The role of the local and central courts as mercantile contract enforcers in sixteenth-century Antwerp," in *European Association for Urban History Conference* (Prague, Czech Republic: Unpublished conference paper, 2012), 29.

¹²² NL-HaNA, Hoge Raad Holland en Zeeland, 3.03.02, inv. nr. 747 (1655), Geextendeerde sententie. The sentence does not record reference to a specific article. The charter provisions on sale of commodities are addressed in more detail in Chapter 6.

valued at f47,100 across the different chambers were insufficient to cover his debt, but were sold by the company and transfer of ownership was completed in the respective chamber account books.¹²³

The High Court's final decision

Eleven years after permission was granted to Maria Thibault to appeal the Court of Holland's verdict which went against her, the High Court pronounced a sentence. Once again, it did not go in the favour of those suing the Company. Like the Court of Holland before it, the High Court denied the claim to shares which Bartolotti *et al* had made – that is Bartolotti and fellow heirs were denied their claim to be recognised as shareholders in the Hoorn chamber which they had based on the complex transfer of shares amongst family members, creditors, and through inheritance. The court declared that Bartolotti *et al* had not been aggrieved by the provincial court's decision and that their appeal was thus baseless. In consequence, they were sentenced to pay the fine for a baseless appeal (*boete van fol appel*) as well as for two requests (*requesten civile*) which had been rejected. On top of this, they were sentenced to pay the legal fees.¹²⁴ Their persistent efforts to acquire shares in the Hoorn chamber and the attendant dividend and interest payments came to naught.

A family portrait

There are three contexts in which the significance of this case can be understood. Firstly, the shareholder discontent of the 1620s was the backdrop to the opening phases of the legal battle between the Bartolottis and the VOC Chamber Hoorn. Shares in the chambers, and especially of such magnitude in a small chamber, were the way in to holding positions of power in the company, or at least having a say in who took up those positions. The sum of f39,000 would have been sufficient to qualify the owner as a major shareholder in the chamber, which position, after 1623, brought possibilities to have insight into company finances, to have an advisory vote in the Gentlemen Seventeen's meetings and special commissions, and to participate in the nomination of candidates for vacant directorships.¹²⁵ Femme Gaastra notes that a particular evil of this last opportunity, was that as soon as a director's seat became available, directors moved shares around to their contacts or supporters with the aim of creating new major shareholders and thus changing the make up of the voting boards.¹²⁶ Following from the fact that f3,000 was the threshold above which to become a major shareholder, the shares at stake in the Bartolotti case could have been used to qualify 13 major shareholders. Perhaps the Bartolotti family's claim to shares in the Hoorn chamber was about capturing the opportunity to influence the chamber, and via that means to attain a position of power in the company. The context of shareholder discontent and the changes that were

¹²³ NL-HaNA, Hoge Raad Holland en Zeeland, 3.03.02, inv. nr. 747 (1655), Geextendeerde sententie.

¹²⁴ NL-HaNA, Hoge Raad Holland en Zeeland, 3.03.02, inv. nr. 747 (1655), Geextendeerde sententie.

¹²⁵ Gaastra, *Bewind en beleid*, 26-27.

¹²⁶ *Ibid.*, 27.

introduced in 1623 thus provide an important angle for interpreting what the case may have been about, other than the monetary value of the shares.

Secondly, bookkeeping practices in the chambers play an important role in this case because the chamber books were the only legal proof of ownership of shares in the absence of share papers. The Bartolotti family went to great lengths to show that they had followed company procedures and explain the grounds of their claim to their shares via the various transfers.

Thirdly, there is the matter of the bankruptcy. While the case does not illuminate much about the bankruptcy proceedings – whether the company claimed it was a preferential creditor or not, whether they tried to recover the rest of the outstanding debt – we see very clearly the way that the company dealt with outstanding debts. Shares in the company were held as collateral, not only for directors as the charter set out, but also for those who purchased spices. This is clear in the Quinget bankruptcy case as well as in the first case discussed in the chapter, involving the two English merchants and the Zeeland Chamber. These issues were of great significance to the development of the secondary market. How would the court deal with claims on shares which had been sold by the company and transferred to new owners in the chamber books, as permitted by a court sentence in a bankruptcy case? Securing the rights of shareholders through clear legal principles underpinning ownership and transfer of ownership was crucial to the growth of the secondary market as Petram has shown. The Bartolotti case reinforced the principle that outstanding claims to shares in the chambers did not endanger ownership of shares which had been purchased and transferred in the company accounts. But as the court's ruling in the van Hatting case showed, the court did acknowledge the role of human error which should be corrected.

The case between the Bartolottis and the VOC chamber Hoorn is a way into understanding more about how that Chamber dealt with its shareholders in the period in which Lodewijk Petram has identified as one of testing the boundaries of the legal framework. In the dispute between the Bartolottis and the chamber, numerous individuals were involved in the sale and transfer of shares between them, which transactions were complicated by Quinget's purchase of spices from the chambers Amsterdam and Zeeland, and the claims made against his insolvent estate. Petram identified ownership and transfer of ownership, endorsement, and terms of settlement as the underlying legal principles which were clarified and refined in the sentences of the Court of Holland, in cases between shareholders. In the case between the Bartolottis and the chamber questions of ownership were at stake, complicated by claims made on the shares arising out of bankruptcy. The underlying question was whether or not debt repayment had priority over heirs' claims. We cannot overlook the fact that the shares in the chamber were very valuable, and in one of the smaller, peripheral chambers would have afforded more potential influence than the same sum in the Amsterdam chamber.

As has been shown, the Bartolotti family was involved in many branches of trade and established themselves as one of the foremost trading houses in Amsterdam in the first half of the seventeenth century. Like other men who featured in this chapter, the Bartolottis did not limit their commercial interests to one sphere; they had diverse

interests in trade in the Mediterranean, Baltic, Atlantic and Indian Oceans. Generations of the family invested in both the VOC and the WIC. They were also very well-connected politically: their 'Italian' connections were strong, as were their ties to the Amsterdam political and commercial elite through solicitous marriages. The Bartolotti family showed great perseverance in pursuing litigation against the company in multiple courts over a period of decades. The case lays bare the complexity of investment in the VOC in the early years of the seventeenth century and how that translated into litigation after a series of transfers through sale, inheritance and bankruptcy proceedings. The central question in the case was who owned the shares, and who would be recognised as the legal owner of the asset, with all the dividend payments that would come with that.

In their verdict, the High Court decided that the Bartolottis were not the rightful owners of the shares in the Hoorn Chamber. The court's sentence is not clear who exactly the judges believed the owners to be. The sentence underpinned the VOC's policy of only recognising ownership of shares which were recorded in the chamber books and transferred according to the company regulations. In this way the judges secured the company's administration as the foundation of share ownership.

Conclusion

The four cases discussed in this chapter bring to light another type of conflict which arose out of the financial and corporate innovations of the early modern Dutch Republic, and Amsterdam in particular. Ownership of shares – the claim to be recognised as owner in the company books and dispose of shares – was disputed in the High Court. The cases here arose out of one or a combination of circumstances, namely debt, bankruptcy, inheritance, and share transfers. These cases add another layer to our understanding of the financial markets in Amsterdam and beyond. The development and growth of secondary markets for VOC and WIC shares was predicated on contract enforcement mechanisms. Buying and selling of shares, forwards, and futures spawned lawsuits between traders who wanted to establish the outer limits of the legal framework. These cases show that ownership of shares was also a matter which led to legal disputes between shareholders and the chamber directors themselves.

The ownership disputes which were heard in the High Court did not follow the trajectory of cases from lower to higher courts set out in the Introduction, that is from the city courts, to the provincial court and finally to the High Court. This can be attributed to the standing of the litigants who pursued suits and the competence of the High Court to deal with property matters in first instance. In the first court case, the dispute over share ownership in the Zeeland Chamber began in the Middelburg court, where English merchant, Laleij, received a verdict in his favour. The Chamber directors appealed the sentence of the Middelburg court, not in the Court of Holland, but in the High Court. Bypassing the provincial court in appeal cases is something which the VOC also did in

other cases.¹²⁷ The men involved in the other three cases were all of high standing in political and/or commercial circles. The cases between van Hatting and Coninck and the directors of the Chamber Zeeland began in the Court of Holland and were appealed in the High Court. The men involved were civic office holders: van Hatting was a former burgomaster and councillor in Utrecht; Coninck was bailiff and council member of Veere in Zeeland, and a VOC director at the time of the dispute. Perhaps the fact that the men were from different cities located in different provincial jurisdictions, meant that a city court was not the logical place to begin proceedings. Furthermore, their position as civic office holders might have been the key to access to the Provincial Court, in The Hague from whence the cases progressed to the High Court.

The litigants in the other two cases were families with immigrant backgrounds, but who would not have been considered foreigners. The executors of David de Pinto's will wrested control of shares away from the chamber through legal proceedings which began and ended in the High Court. Of the de Pinto family, H. P. Salomon comments that after their move from Antwerp to the Republic in the seventeenth century, they became "one of the most noted families" of the Portuguese Nation in Holland, a position which they retained deep into the 1800s.¹²⁸ Their immigrant roots did not translate into being foreign – the Nation were subjects of the States General, as had been clarified through negotiations over subjection and citizenship in the early decades of the seventeenth century. But these people did have Southern Netherlands connections, having moved from Antwerp to Holland in the mid-seventeenth century.¹²⁹

The Bartolottis were also of immigrant background, but, as shown earlier, were less Italian than their name suggested. The family, originally named van den Heuvel, was of Northern Netherlands origin, had immigrated to other parts of Europe, and then moved to the Republic. The family's ties in marriage and commerce were strong, linking them to Antwerp and to Italian merchants. I suggested here that the family's long-running dispute with the Hoorn chamber directors over ownership of shares in that chamber can be interpreted beyond just a claim for financial gain. I made the connection to the shareholder protests and the changes brought in to the corporate governance of the VOC in the 1620s. With that background in mind, it is possible that what the Bartolotti family was indeed after was greater influence within the VOC.

This chapter has shed light on investment in the VOC chambers by foreigners – Owens and Laleij – and men resident outside of the Republic – Guilielmo Bartolotti and Anthonij van Surck. Van Surck's investment strategy in particular is intriguing: the court records provide a window onto both how he invested and when, and the (alleged) subsequent transactions. His was not the only business which was laid bare in the case – Quinget played a very important role in the initial investment as well as in the claims that were made in the legal dispute between the chamber directors and the Bartolottis. That he went bankrupt was an important factor, and in particular was part of explaining why

¹²⁷ For instance, the VOC Chamber Zeeland bypassed the provincial court in the two cases against the heirs of Jan Maertens. These are discussed in Chapter 6.

¹²⁸ Salomon, "'De Pinto' Manuscript," 6-7.

¹²⁹ *Ibid.*, 6.

the company took the court sanctioned action that it did, namely, selling his shares to cover his debts.

Three of the four cases here involved chambers other than Amsterdam. While there is no doubt Amsterdam was the economic heart of the Republic, a hub of world trade, the focus on chambers outside of that commercial centre is a useful reminder of the wider context of shareholding and secondary markets. But what did it mean to sue chamber directors rather than the Gentlemen Seventeen? Litigation over shares named VOC chamber directors as the parties. Each chamber was responsible for its own administration, from equipping and manning ships to selling off the return cargo. Capital was invested at the level of chambers which resulted in six capital stocks, and six secondary markets for the shares which represented those investments. The federalised structure of the company explains why it was chamber directors who were summoned to court in share-related cases. Chapter 4 which dealt with wage claims demonstrated this same pattern of suing chamber directors rather than the company directors. The following chapter which deals with property rights disputes shows the same pattern. That Chamber directors were sued rather than the company as a whole, represented by the board of the directors, the Gentlemen Seventeen, has implications for how the legal personality of the company is conceived.

What has come to light, is that litigation over share ownership in the High Court was a distinctly VOC problem. WIC chamber directors did not face proceedings of this kind, in the High Court. The reason cannot be found in differences in transferability of shares, but rather in the nature of the secondary markets for these shares. The WIC struggled to attract investors when the company was first created and was beset with financial trouble throughout its existence. It stands to reason that secondary markets for WIC shares, while they did exist, were not as dynamic as secondary markets for VOC shares, even those markets outside Amsterdam. This is likely part of the explanation for the lack of share ownership cases against the WIC chamber directors. Another important factor was likely the different underlying reasons for owning shares in the two companies. WIC shareholding could bring access to Atlantic trade. This could have had the consequence that men invested in the company in order to take part in Atlantic trade, rather than for the shares as tradable assets in their own right.¹³⁰

Disputes over the ownership of shares were not a challenge to the VOC monopolies, or what the company did in terms of trade and commerce, or visions of empire. These were fights about involvement in the companies in financial terms – having a stake in the companies and profiting from that involvement through dividend payouts. The following chapter picks up another area of conflict, namely property rights disputes rooted in the sale of goods which originated in the charter areas of the VOC and the WIC and had been shipped to the Republic by the companies, private traders, and privateers.

¹³⁰ This follows Petram's argument regarding the shift in attitudes to VOC shares, in the 1630s and 1640s. Petram, "The world's first stock exchange," 36.