SECTION 1 – THE DAY LOS ANGELES REALIZED IT HAD BEEN PLAYED

On a warm spring day in 1927, thousands of people in Los Angeles opened the newspaper and felt their stomachs drop. The Julian Petroleum Corporation, a company many of them trusted with their savings, had just had its stock pulled from the exchange. Trading halted. Investigations launched. And whispers started to spread that those shares they'd proudly framed on their walls might not be worth the paper they were printed on.

For years, "Julian Pete," as people called it, was the shortcut to a new life. Teachers, mechanics, shop owners, secretaries—ordinary people—had poured money into this oil dream. Some took out loans. Some sold property. Some convinced their friends to join in, terrified of missing out on what promised to be the opportunity of a lifetime.

But now, the numbers being reported were brutal. Tens of thousands of investors were exposed. The estimates of how much had vanished were so big they sounded fake—well over a hundred million dollars in 1920s money, the equivalent of billions today.

At first, people hoped this was just a temporary crisis. A misunderstanding. Maybe bad luck. But as the days went on, it became clear that this wasn't a normal business failure. Behind the headlines, something much darker was hiding. There were rumors of millions of extra, unauthorized shares secretly printed and sold. Talk of powerful bankers and Hollywood names quietly pulling strings. And, later, the most unbelievable twist of all: a diary showing payoffs to jurors and even the district attorney.

And somewhere behind this swirling mess of oil, stock certificates, and shattered savings, there was one name everybody knew. C.C. Julian. The flashy promoter who'd sold Los Angeles on a dream of black gold and easy money.

To understand how a single company could trick an entire city, you have to start with the man who made risk sound like destiny.

But destiny wasn't the only thing C.C. Julian was selling. Because once you looked past the charm and the swagger, you'd see the first cracks in the dream he'd built — cracks big enough to swallow an entire city.

SECTION 2 – C.C. JULIAN: THE KING OF RISKY DREAMS

Before he became the face of one of the biggest stock scandals of the 1920s, C.C. Julian was just another hustler chasing the American dream. Born in Manitoba, Canada, he drifted through real estate and oil promotions, always chasing the next big score.

He arrived in Southern California right when the ground was literally exploding with oil. Fields like Santa Fe Springs were turning quiet farmland into instant fortunes. Julian managed to secure a lease on a few acres there and, for once, the gamble worked. He actually hit oil. That one successful strike turned him from a nobody into the man of the moment.

But it wasn't just the oil that made C.C. Julian dangerous—it was his mouth.

Julian understood something about people that many honest businessmen never figure out: numbers are boring, but stories are electric. He began running big, bold newspaper ads that didn't sound like the usual careful investment pitch. His most famous line practically dared people to jump in:

> "Widows and orphans, this is no investment for you. My appeal is addressed to people who can legitimately afford to take a chance."

It was genius. Instead of pretending his deals were safe, he leaned into the danger. He framed himself as the straight-talker who wouldn't lie to you. If you were "brave" enough to take the risk, you could be part of something huge.

His ads dripped with personality. Folksy. Cocky. Confident. He bragged that his company would outshine Standard Oil. He posed as the outsider fighting against the big boys. And it worked. Investors lined up. In just a matter of weeks, he raised millions of dollars from people who felt like they "knew" him from the papers.

Rumors later claimed he lived like a movie star—fancy cars, exclusive nightclubs, and nights out that stretched until dawn. Some stories even say he ended up in a heated argument with Charlie Chaplin in a club, a story that may be more legend than fact, but shows how people saw him: as someone who crashed the Hollywood party and refused to act impressed.

Julian Petroleum, "Julian Pete," started to feel less like a company and more like a movement. People didn't just buy stock; they bought into him. And that's exactly the kind of environment where a con, or at least something dangerously close to one, can grow.

But you can only push hype so far before serious people start asking uncomfortable questions. And in California, those people wore the badges of regulators.

But the real twist came when Julian stepped aside — and the people who took over weren't just skilled promoters. They were something far more dangerous.

SECTION 3 – FROM HYPE TO HUSTLE: HANDING THE KEYS TO THE SHARKS

As Julian's fame grew, so did the attention from the state. The California Corporations Commission started looking hard at his promotions. Those colorful ads that made regular people feel like insiders also made the authorities wonder whether he was bending the rules—or just snapping them in half.

By 1925, the heat was rising. For a man like Julian, there were two options: play nice and slow down… or cash out and let someone else deal with the mess. He chose the second option.

He sold his interest in Julian Petroleum to Sheridan C. "S.C." Lewis, a Texas oil operator, and Jacob Berman, a sharp-talking player who also went by Jack Bennett. The price was around half a million dollars—a huge sum at the time. Julian walked away with his pockets full, leaving his old investors and the company he'd built in the hands of men who were about to push things far beyond what even he had done.

On paper, the handover looked like a normal business deal. A successful promoter exits. Experienced oil men move in. Big plans for growth. New capital. New energy.

In reality, it was the moment when a risky, overhyped company slipped into outright financial engineering.

Lewis and Berman didn't just want to run an oil company. They wanted to squeeze every drop of value out of the hype Julian had built. The way they did it was simple in concept, but devastating in impact: they started treating the company's stock like a printing press.

They merged Julian Petroleum with another firm, California-Eastern Oil, which added complexity and gave them more ways to shuffle assets around. Then, behind that complexity, came the key move—issuing far more shares than the company was legally allowed to sell.

If you imagine a concert hall with 1,000 seats, and someone secretly prints 4,000 tickets and sells them all, you get the idea. At first, it feels great—so many people want in! There's a buzz. You can say your show is sold out. But by the time people try to sit down, it's already too late. You can't make enough seats appear to match the paper.

That's what Lewis and Berman were doing with Julian Pete stock. On the surface, it was still the same dream: oil wealth for everyone. Underneath, the numbers were drifting further and further away from reality.

And to keep the illusion alive, they were going to need help from people at the top.

And once you start printing money that doesn't exist, you're living on borrowed time. What came next would push the entire scheme past the point of no return.

SECTION 4 – A STOCK MARKET BUILT ON AIR

By 1927, Julian Petroleum stock was everywhere. In barber shops. In kitchen drawers. In safety deposit boxes. Entire neighborhoods had their savings tied to those little pieces of paper.

Behind the scenes, auditors would later discover that the company had issued roughly 4.2 million shares that it wasn't authorized to sell. That's not a rounding error—that's like finding a second, secret company piggybacking on top of the first one.

How do you keep something that big from collapsing instantly? The answer: you build a web of powerful friends and let them hold up the price.

Lewis and Berman organized "pools" of money from around 400 of the city's most influential businessmen—bankers, lawyers, producers, studio bosses. Names like **Cecil B. DeMille** and **Louis B. Mayer** were reportedly in the mix. These weren't random gamblers; they were the establishment.

The scheme went like this: the pools would quietly buy and sell Julian Pete stock to keep the price from crashing. The company, in turn, borrowed large sums from these insiders, paying high interest. Average investors saw a stock that kept trading, kept moving, and still looked alive. If big names were involved, how bad could it be?

Meanwhile, new investors kept buying shares, not realizing they were stepping onto a floor that was slowly being sawed through.

By the spring of 1927, the gap between reality and appearance was enormous. Nearly four million extra shares were floating around. Tens of thousands of investors—some sources say up to fifty thousand—were on the hook. The total of what would be lost was estimated at somewhere between $150 and $200 million at the time, a number so big that newspapers compared it to the famous Teapot Dome scandal.

Then the audit hit.

Once accountants started trying to reconcile how many shares legally existed with how many were out in the market, the truth became impossible to hide. There were simply too many tickets and not enough seats. It didn't matter how many powerful names were in the pool. Math doesn't care about reputations.

On May 5, 1927, the Los Angeles Stock Exchange pulled the plug. Julian Petroleum trading was suspended. The music stopped, and thousands of people realized the chairs were missing.

But the most shocking part wasn't just the fraud. It was how the people responsible almost walked away clean.

But the real shock wasn't the crash itself — it was how close the people responsible came to walking away untouched. Until a single diary changed everything.

SECTION 5 – THE CRASH, THE COVER-UP, AND THE DIARY FROM HELL

When Julian Petroleum collapsed, Los Angeles turned into a city full of angry, scared people. Lines formed at bank counters. Investors tried to call lawyers. Newspapers ran story after story about how one company could cause this much damage.

With so many lives shattered, the public expected one thing: justice. Somebody had to pay. All eyes turned to the courts.

At first, it looked like the system might actually work. S.C. Lewis, Jacob Berman, and other key figures connected to the scandal were dragged into court on serious charges. The trials were long, technical, and stuffed with financial details. Jurors heard about share counts, ledgers, and stock exchanges—complicated stuff for people who had just seen their savings vanish.

Then came the verdicts.

Acquittals. Dismissals. Deals that seemed to let the central players step away, brushing the dust from their suits. For a public that had just lived through one of the biggest financial disasters in the city's history, it felt like a slap in the face.

People started whispering that something was off. How could the evidence of over-issued stock be so clear, and yet nobody at the top take the fall? Rumors spread about bought-off jurors and backroom favors. For a while, it was just talk.

Then the diary turned up.

A reporter obtained a little book that might be one of the most explosive pieces of evidence in the entire story. Inside, according to accounts, were dates, dollar amounts, and details of payoffs to three jurors and the Los Angeles District Attorney, **Asa Keyes**. We're not talking about a casual gift here and there. The entries described cash payments, golf clubs, watches, cars, even $16,000 for a juror to buy a house, and another $5,000 in straight cash for someone else. The total was over $100,000—a fortune at the time.

It was like reading a shopping list for corruption.

When that diary became public, everything changed. The story shifted from "big company tricks investors" to "the justice system itself has been compromised." Suddenly, the focus wasn't just on Lewis and Berman. It was on Asa Keyes—the man who was supposed to represent the people of Los Angeles.

Keyes was eventually charged and put on trial for taking bribes connected to the Julian Petroleum mess. This time, the jury wasn't buying the excuses. He was convicted and sentenced to prison, serving just under two years before getting out on parole and later receiving a pardon.

Lewis and Berman would later face convictions too—not directly for the stock over-issue, but for other financial crimes tied to bond sales. They were sentenced to several years, but by then, many ordinary people felt like the damage had already been done and the rich had still escaped most of the consequences.

The diary confirmed what everyone suspected: the game was rigged from the courtroom up. And still, the story wasn't finished. Because the most dramatic moment was yet to come, and it wasn't a spreadsheet or a secret meeting.

It was a gunshot.

But the anger boiling in the streets of Los Angeles wasn't finished. And in one courtroom, that rage would explode into violence.

SECTION 6 – GUNFIRE IN THE COURTROOM & A CITY ON EDGE

If you want a scene that captures just how emotional the Julian Pete scandal became, you don't have to imagine it. It actually happened.

The name **Motley H. Flint** was well known in Los Angeles. He was a banker, a civic booster, someone who always seemed to be near the center of power. He'd been a vice president of a major bank and involved in complicated financing tied to Julian Petroleum. As the scandal unfolded, Flint found himself under indictment, accused of wrongdoing related to the scheme.

On a July day in 1930, Flint walked into a courtroom, expecting another step in the long legal battle. Many in the room had ties to the scandal—lawyers, investors, spectators desperate to see if anyone would finally be held responsible.

Among them was a machinist named **Frank Keaton**.

Keaton wasn't a titan of industry. He wasn't a politician. He was an ordinary man who said he had lost $35,000 in Julian Pete stock—a massive sum for someone in his position. That loss didn't just sting; it wrecked his financial life.

As Flint stood in the courtroom, Keaton pulled out a gun and shot him. In the middle of a legal proceeding, in full view of the justice system that had already failed so many, a broken investor made sure somebody paid, at least in his eyes.

Flint collapsed and died. The scene made headlines across the country. Some people saw Keaton as a madman. Others, quietly, saw him as the embodiment of their own fury—someone who'd been pushed too far by a system that seemed to protect the powerful and forget everyone else.

The message was brutal but clear: the Julian Pete scandal wasn't just numbers. It wasn't just a line in a history book. It had real, human consequences—ruined lives, broken families, and trauma that boiled over in the most public way possible.

And while that courtroom shook, the man whose name had first drawn people into the oil dream was nowhere near Los Angeles. C.C. Julian was thousands of miles away, chasing one last reinvention.

But while Los Angeles was still reeling from that gunshot, the man whose name had started the frenzy was on the other side of the world — and about to make his final, fatal choice.

SECTION 7 – SHANGHAI, POISON, AND THE FINAL ESCAPE

After leaving Julian Petroleum in the hands of others and moving on to new ventures, C.C. Julian didn't exactly retire quietly. He stayed true to form, launching more promotions, facing more accusations, and eventually getting wrapped up in yet another major fraud case—this time in Oklahoma. When authorities came after him there, he didn't stick around to see how the jury would feel. He skipped bail and disappeared overseas.

His escape route led him to Shanghai, a city that, in the early 1930s, was a wild mix of foreign money, crime, glamour, and chaos. For someone like Julian, it might have seemed like the perfect stage: a place where past scandals were just distant rumors and a clever promoter could maybe pull off one last miracle.

But Shanghai wasn't a fresh start. It was more like an echo.

Reports from the time paint a picture of Julian drifting between hotels, trying to line up new deals, leaning on old habits. Some accounts say he sank into heavy drinking, his charm fading as the reality of his situation caught up with him. The man who once bragged in big newspaper ads was now living off borrowed money and dwindling goodwill.

Then came his last night at the Astor Hotel.

According to accounts, Julian spent the evening hosting a lavish dinner, as if trying to relive his old glory. There were friends, champagne, a girlfriend who'd been part of his Shanghai life. For a few hours, he played the role he knew best: the big man, the host, the success story.

After midnight, he went back to his room.

What happened next is described in the news of the time and repeated in histories ever since. Alone in that hotel room, surrounded by the emptiness behind the performance, Julian reportedly took poison. He didn't die instantly; he lingered for hours before finally passing away. The promoter who'd once promised to outperform Standard Oil, who'd convinced tens of thousands of people to bet on his dream, ended his life far from home, without fortune, and without any of the power he'd once wielded.

There's a bitter irony there. The man who sold risk as a path to glory ultimately took the biggest risk of all with other people's money, and in the end, he couldn't escape the fallout either. He ran across a continent and an ocean, but he couldn't outrun himself.

Back in Los Angeles, people heard the news of his death and moved on. Other scandals, other crises, other headlines took over. But the pattern he embodied—the mix of hype, weak regulation, and blind faith in "special opportunities"—never really went away.

But even after Julian's death, the shadow he left behind didn't fade. In fact, what happened next may be the most important part of the entire story.

SECTION 8 – WHY THIS 1920s SCAM STILL FEELS FAMILIAR

If the story ended with a dead promoter, some jailed executives, and a scandalized city, it would just be a wild chapter in a history book. But the reason the Julian Petroleum scandal still matters is simple: we keep repeating versions of it.

Think about the pattern.

A charismatic figure shows up with an exciting story. It might be oil, it might be tech, it might be crypto, it might be a “revolutionary” new way to invest. He talks directly to ordinary people, promising them a chance to stand alongside the insiders if they act fast. The ads or social media posts don’t sound like boring financial documents. They sound like a friend nudging you into a once-in-a-lifetime opportunity.

Regulators lag behind. Rules are unclear, or outdated, or just aren’t enforced. Behind the scenes, powerful players quietly join in, either to profit, to hedge their bets, or simply because they don’t want to miss the wave. Their presence convinces everyone else the thing must be legit.

Hype builds. Numbers go up. People feel smart. They tell their friends they got in early. And then the math, which doesn’t care about feelings or dreams, finally asserts itself.

We’ve seen it in **pump-and-dump stocks**. We’ve seen it in **rushed IPOs** that collapse months later. We’ve seen it in **coins with no real business behind them**, promoted nonstop by influencers who quietly cash out before their fans do. Every time, the story feels new. And every time, the rhythm is almost exactly the same as what happened with Julian Pete.

There’s even a modern version of those “pools” of insiders. Today, it might be private chat groups, early funding rounds, or coordinated campaigns to hype a stock on social media. The tools change, but the idea doesn’t: if enough people believe a story at the same time, you can make a lot of money before reality catches up.

What makes Julian Petroleum especially striking is how openly risky it looked, even from the beginning. C.C. Julian told people this wasn’t for the cautious. He dressed up danger as exclusivity. He made people feel brave, not reckless. That trick still works today. Whenever you hear someone tell you “this isn’t for everyone” while trying to sell you something, it’s worth stopping to ask who actually benefits if you say yes.

There’s also the lesson of the diary—the reminder that sometimes, when justice seems to fail, it’s not just incompetence. It’s corruption. Back then, it took a hidden record of bribes to force accountability. Today, leaks, messages, and investigations sometimes play that same role, revealing just how much money can distort what’s supposed to be fair.

In the end, the Julian Pete scandal isn’t just about one company or one man. It’s about how easily entire systems can tilt toward those willing to push the limits, and how the people who pay the price are usually the ones who believed the dream the most.

So the next time you see a “can’t miss” opportunity that everyone suddenly seems to be talking about, remember Los Angeles in the 1920s. Remember the stock built on air, the diary full of bribes, the courtroom gunshot, and the promoter who died far from the city he once dazzled.

And maybe ask yourself a simple question before you buy in:

Is this really an investment… or just another Julian Pete waiting to happen?