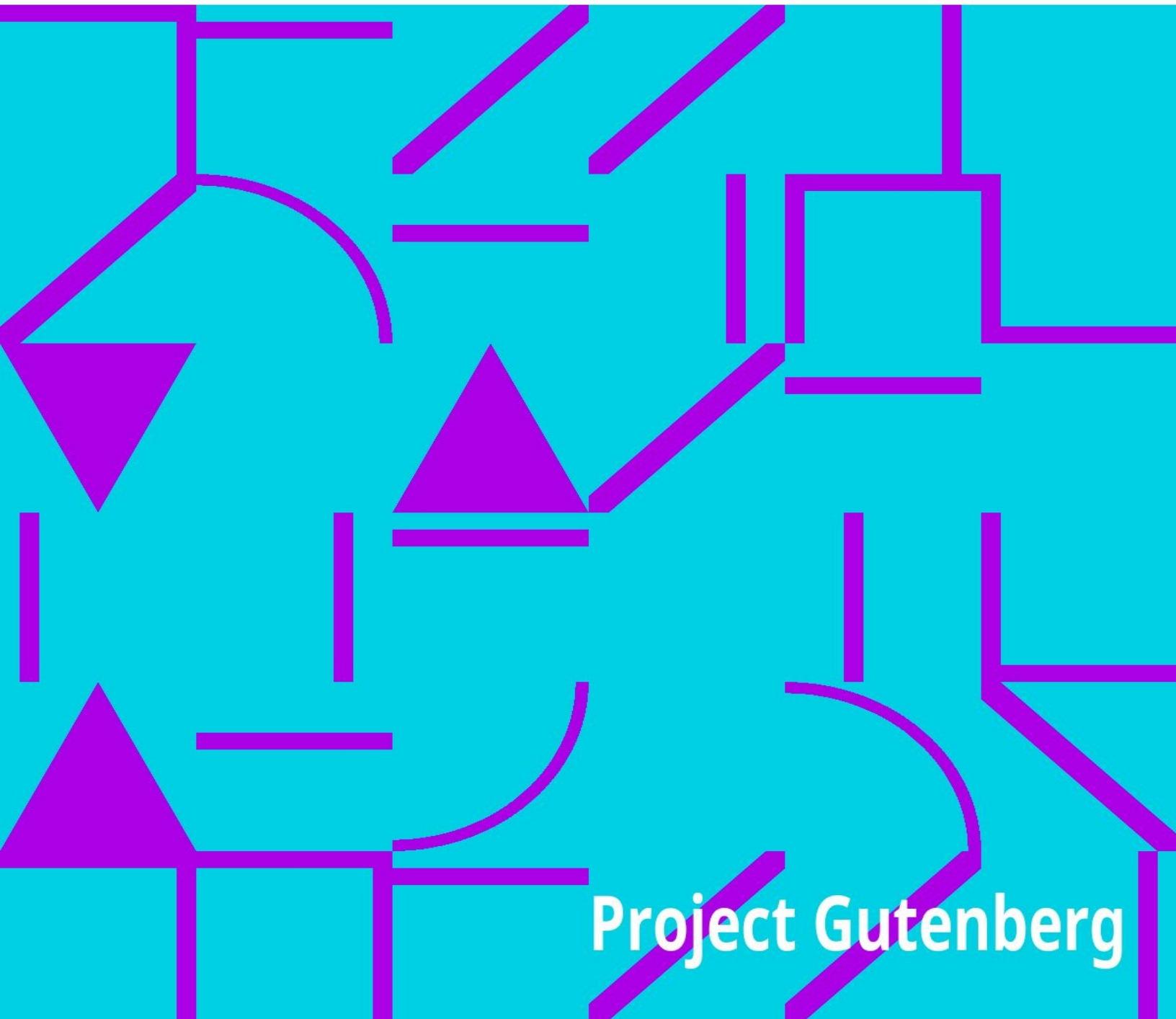


Penny Nichols and the Black Imp

Joan Clark



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Penny Nichols and the Black Imp

By

JOAN CLARK

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The Black Imp

CHAPTER I

The Black Imp

A slightly decrepit roadster lurched to an abrupt halt in front of the Altman residence, and the blond, blue-eyed driver hailed a plump, dark-haired girl who stood on the front porch.

"Hello, Susan. Been waiting long?"

"Only about ten minutes, Penny."

"I'm terribly sorry to be late, but I think we can still make it on time if we hurry."

Before replying, Susan Altman slid into the front seat beside her chum, Penelope Nichols. Then she said frankly:

"If we miss the affair altogether I shan't be broken hearted. I'm going solely to please you."

Penny laughed as she steered the car smoothly through traffic.

"I know you are, Sue. But I don't think we'll have such a dull time as you imagine. It isn't every day that one has an opportunity to see a five thousand dollar statue unveiled."

"Will the winner of the Huddleson prize get that much money?" Susan asked in awe.

"Yes, and they say the competition this year has been very keen. The showing today at the Gage Galleries is a private one—the general public won't be allowed to see the statues for a week or so."

"Then how do we get in?"

Penny displayed two printed cards. "Dad," she announced laconically.

Penny's father, Christopher Nichols, a noted detective, was well known in Belton City and had many influential friends. The tickets to the special showing of the prize statuary at the Gage Galleries had been presented to him and since he had no interest in the affair he had passed them on to his daughter.

"The winning statue is to be unveiled at three o'clock," Penny declared. "What time is it now, Sue?"

"Then we'll never make it," Penny groaned, stepping harder on the gasoline pedal.

"Say, you slow down or I'll get out and walk," Susan protested. "I don't intend to risk my life—not for any old statue!"

Penny obediently slackened speed. Although she drove well and had the car under perfect control she had been traveling a trifle fast. "That's better," Susan approved. "At this speed there's absolutely no danger——"

Her words broke off abruptly as Penny slammed on the foot brake so hard that she was flung forward in the seat. From a side street, a long gray sedan unexpectedly had entered the main boulevard, the driver utterly disregarding the stop sign.

Penny swerved in time to avoid a crash, but the fenders of the two cars jarred together.

The girls sprang out to see how much damage had been done. The driver of the gray sedan likewise drew up to the curbing and alighted. He was a tall, thin man with a black moustache, immaculately dressed in gray tweeds. He wore a gardenia in the lapel of his well-tailored coat.

"See what you've done!" he accused angrily before either Penny or Susan could speak. "Just look at that."

He pointed to the rear fender which had been badly dented and bent. Penny cast an appraising glance at her own car and was relieved to note that save for a

few minor scratches it had not been damaged.

"It's too bad," she acknowledged with a polite show of sympathy. "Didn't you see the boulevard stop?"

The man turned upon her wrathfully. "Of course I saw it. And I made the required stop too."

"Oh, no you didn't," Susan interposed heatedly. "You just barged right in without looking in either direction."

"What do you intend to do about my fender?" the man demanded testily of Penny, ignoring Susan entirely.

"Nothing. The fault was entirely yours. You're lucky the accident wasn't any worse."

"We'll see about this," the driver snapped. He made a great ado of copying down the license number of Penny's car.

"If you're determined to make a fuss, I should advise you to see my father—his name is Christopher Nichols."

"Nichols, the detective?"

Penny could not restrain a smile for it was easy to see that the name had startled the belligerent driver.

"Yes," she admitted.

With a scowl, the man returned paper and pencil to his pocket, not bothering to copy down the entire license number.

"Why didn't you tell me that before?" he muttered, climbing back into his car.

"You didn't ask me."

The man drove away, while Penny and Susan, after making a careful examination of the roadster, continued toward the Gage Galleries.

"I guess it was lucky I had slowed down before we met that fellow," Penny

remarked. "Otherwise I couldn't have stopped in time to avert a crash."

"Do you think he'll try to cause trouble?"

"I doubt it. Legally he hasn't any grounds for complaint. He probably thought he could bluff me into paying for a new fender, but when he discovered I had a detective for a father he changed his mind."

Penny chuckled softly and drew up at the rear entrance of the Gage Galleries. The street was crowded with fine limousines, but after searching for a minute or two the girls found a parking place.

"We're late," Penny announced. "Let's go in the back way. It will save time."

They entered the rear door. Hurrying along the dark corridor, intent only upon finding the main exhibition room, they did not observe a uniformed attendant who was approaching from the opposite direction bearing a canvas covered painting. The girls ran into him.

"Oh, I beg your pardon," Penny apologized. "I didn't see you at all."

The man muttered something which the girls did not catch.

"Can you tell us the way to the exhibition room where the Huddleson prize ceramics are being displayed?" Susan requested.

The attendant did not answer. Instead he moved swiftly on down the corridor with his burden.

"Real sociable, isn't he?" Penny commented. "But come on, Sue, we'll find the place without his help."

They followed the corridor until it branched off in several directions. As they paused uncertainly, another attendant approached them to inquire if he might be of assistance. In response to their question, he directed them to a room on the upper floor.

The girls heard a hum of voices as they entered the exhibition hall. After all they were not late. Artists, sculptors, society women and art critics were moving about the room in stately groups, peering curiously at the various statues which

were displayed along the walls. Penny and Susan felt slightly ill at ease in such company. Save for one other girl who appeared to be about their own age, they were the only young people present.

After showing their cards of admission, Penny and Susan joined the milling throng. They peered at first one statue and then another, but were not really enthusiastic until they came to a tiny figure which seemed to be attracting more than its share of attention.

It was an unusual piece; a small, dejected imp of clay who sat hunched over a woodland log. The work had rhythm and grace.

The girls studied the placard beneath the figure and Penny read aloud:

"The Black Imp by Amy Coulter."

"Sort of cute, isn't it?" Susan commented.

From the conversation which flowed about them they quickly gathered that the Black Imp was considered by artists and critics to be one of the most promising entries in the contest. They heard several distinguished appearing persons say that they expected the figure to win first prize.

"I am not so sure of that," another gentleman disagreed. "The work deserves to win—but judges have strange opinions sometimes."

"Especially a judge such as Hanley Cron," the other added dryly. As he spoke, he jerked his head in the direction of a tall, thin man who stood at the opposite side of the room.

Until that moment, Penny and Susan had not noticed him. It was the same driver who had caused them so much annoyance.

"Gracious!" Penny exclaimed in an undertone as she made the disconcerting discovery. "Do you suppose *he* is Hanley Cron, the contest judge?"

"That's what those two men just said," Susan returned. "Let's get away from here before he sees us."

She tugged at her chum's hand but Penny would not budge.

"Why should we run away, Sue? The accident was all his fault. Anyway, I'm curious to see the statue he'll select as the prize winner."

"I hope he knows more about art than he does of driving automobiles."

"Hanley Cron," Penny repeated thoughtfully to herself. "I've heard that name before. Let me think—oh, now I remember. He's an art critic for the *Belton City Star*."

"I don't believe a man with his disposition could have a speck of judgment," Susan said irritably.

A soft, musical laugh caused them both to turn quickly. Directly behind stood the same girl they had noticed upon first entering the exhibition hall. She was slender and dark and wore her shining black hair in a becoming coil at the back of her neck.

"I couldn't help hearing what you said about Mr. Cron," the girl declared, regarding them with twinkling eyes, "and I do hope you're wrong. How dreadful it would be if he should award the five thousand dollar prize to some inferior piece of work—such as this silly Black Imp, for instance."

"Why, we think it's the best figure here," Penny said in some surprise. "Don't you consider Amy Coulter a good sculptress?"

"Only moderately so. The girl works hard and is pathetically ambitious, but it takes more than that to win a prize."

"You seem to know Miss Coulter well," Penny remarked.

"Yes, indeed. I might call myself her best friend."

"Are you an artist?" Susan questioned. Before the other could respond, a nicely dressed woman paused for a moment to admire the Black Imp.

"You are to be congratulated, Miss Coulter," she said, addressing the girl. "Your work has power. It deserves to win the prize."

The woman moved on and Penny and Susan found themselves staring at their new acquaintance in amazement.

"Are you Amy Coulter?" Penny gasped.

The girl smilingly admitted that she was. "I wanted to learn what you really thought of my little figure," she declared.

Penny and Susan assured her again that they liked it better than any piece they had seen.

"You don't look a bit like I imagined a famous sculptress would," Susan said, slightly in awe.

"Perhaps that's because I'm not famous."

"You will be after the prize award is announced," Penny assured her. "Everyone is saying your entry is the best."

"I do think the Black Imp is good," the girl admitted slowly. "Of course I was only joking about it a moment ago. I've labored over it for months and it's my best work. I'm hoping—almost praying that I'll win the prize. The money would mean everything to me."

Before either Penny or Susan could speak, an elderly woman clapped her hands sharply together to attract attention. Immediately the room became quiet.

"If you will kindly find seats, the program will start," the woman announced.

Susan and Penny secured chairs in the second row. When they looked about for Amy Coulter they noticed that she was sitting at the rear of the room, looking tense and worried.

"Miss Coulter was nice, wasn't she?" Susan whispered. "I hope her entry wins."

"So do I. You can tell this contest means a lot to her."

When Hanley Cron was introduced to the audience he was greeted with a mild round of applause in which Susan and Penny did not join. They listened closely to his speech however, and were forced to acknowledge that the man was a good public speaker. His manners before a crowd could not be criticized for he was both pleasant and witty. He praised in general terms all of the many fine

entries in the contest, and mentioned perfunctorily his regret that each contestant could not be awarded the coveted prize.

Susan grew impatient. "Why doesn't he get to the point?" she fretted.

At length the man did. As he prepared to make the all important announcement many leaned expectantly forward in their chairs. Susan smiled confidently back at Amy.

"Ladies and gentlemen," Hanley Cron intoned, "I take great pleasure in awarding the five thousand dollar Huddleson prize to James Comberton for his truly remarkable creation, 'Winged Night.'"

A little buzz of excitement and obvious disappointment greeted the announcement. Susan and Penny were aghast. While they did not pretend to be art critics, the statue which had been selected seemed to them far inferior to the Black Imp. Apparently, many other persons shared the same opinion.

As Hanley Cron, a trifle defiantly, went on to explain the various points of merit which had caused him to select the prize winning statue, some openly shook their heads in disagreement. There was a great deal of whispering.

"Poor Amy!" Penny commented regretfully to her chum. "She was so hopeful of winning."

"And she should have too!" Susan whispered indignantly. "I told you Hanley Cron couldn't know anything about judging a statue. He's just a noisy talker!"

Penny smiled, knowing that her chum's opinion was decidedly biased. The girls were tactful enough not to turn and stare at Amy, but when it was possible to look back without appearing to do so, they glanced toward the seat in the rear row which the young sculptress had occupied. It was empty.

"I guess she slipped away as soon as she heard the bad news," Penny said regretfully. "The announcement must have been a bitter disappointment."

Hanley Cron ended his speech a few minutes later and a silent, dissatisfied crowd arose to depart. Penny and Susan hurriedly started toward the door, preferring to get away before the art critic recognized them.

They did not reach the outside corridor, for a uniformed attendant came swiftly into the room, closing the door firmly after him.

"No one must leave this room!" he commanded the startled group. "A shocking thing has just occurred. Someone has stolen a priceless Rembrandt painting from the adjoining exhibition hall!"

CHAPTER II

A Mysterious Package

A stunned silence greeted the attendant's announcement, then the room hummed with excited comment. Not in many years had anyone attempted to steal paintings or art treasures from the Gage Galleries for the institution was closely guarded. Hanley Cron stepped forward to ply the attendant with questions regarding the theft.

"You say a valuable painting has disappeared from the adjoining room?"

"Yes, a priceless Rembrandt. It was a very small painting—one which could be smuggled out under one's coat."

"And when was this loss discovered?"

"Only a few minutes ago, sir. The picture and the frame both were taken. The museum authorities have ordered that no one shall leave the building without submitting to a search."

A few of the visitors were indignant at such a requirement although the majority readily acknowledged that the order was a necessary one. "It's ridiculous to suspect anyone in this room," Hanley Cron began, and then stopped. He looked quickly about and asked abruptly: "What became of that girl who was sitting in the back row?"

"I think she left directly after your announcement regarding the prize," Penny

informed when no one spoke.

For the first time the art critic fastened his gaze upon the two girls. He instantly recognized them and his face darkened.

"Who was the young woman?" the attendant questioned Penny.

"Her name was Amy Coulter, I believe."

"A friend of yours?" Hanley Cron demanded with an unpleasant inflection to his voice.

"I met her for the first time this afternoon."

"Does anyone know anything about this girl?" the art critic questioned the crowd in general.

Although a number of persons were slightly acquainted with the young sculptress, no one could offer any information regarding her character. Susan and Penny grew slightly annoyed at Hanley Cron's method of handling the situation.

"I don't see that Amy Coulter has any connection with the disappearance of the painting in the adjoining room," Penny said impatiently. "She came here today because of her entry, 'The Black Imp' was being considered in the contest. I have no doubt that she left because the award was bestowed upon another statue."

"I'll see if the young woman is still in the building," the guard announced.

He went away, returning in a few minutes accompanied by an official of the museum.

"Apparently, Miss Coulter has left the Galleries," the latter informed in a worried manner. "Can anyone here furnish us with the girl's address?"

"I believe she lives in a rooming house somewhere on Pearl Street," a woman in the crowd spoke up. "I hope you are not trying to connect the poor girl with the loss of the painting."

"Unfortunately, she is under suspicion," the official replied.

"Surely the girl had a right to leave the building when she chose!" Penny exclaimed.

"It happens that she was seen by a guard hurrying away from the Galleries with a flat package under her arm. She left by a back stairs and was not observed until she was stepping into a taxi cab. The attendant tried to stop her but was too late."

"And was the package this girl carried the approximate size of the stolen painting?" Penny asked incredulously.

"The guard reports that it was. He was almost certain it was a painting."

Penny and Susan were amazed at the information. They did not believe that Amy Coulter had the slightest connection with the disappearance of the famous picture and were astonished that the official seemed to be of a contrary opinion.

"Miss Coulter couldn't have taken the painting," Penny declared impulsively. "Why, she was here in this room until just a few minutes ago."

"Did you notice the exact time at which she left?" Hanley Cron demanded.

"No, but——"

"Then you have no evidence to offer. It looks to me as if you're trying to protect this girl."

"I only want to see justice done. And I do have evidence!" Penny's face brightened with excitement. "As my friend and I were coming into the building we met an attendant who was moving a small canvas-covered painting down a back corridor. We accidentally bumped into him and he became very confused."

"That's true," Susan added quickly. "We both noticed that the man acted strangely as if he had been caught doing something wrong."

"Do I understand that you are suggesting this attendant of the Galleries was the one who stole the painting?" Cron demanded with a superior, amused smile.

"I'm not suggesting anything," Penny returned, "but there's just as much evidence to support such a belief as there is that Amy Coulter took the picture."

"Can you describe this attendant?" the official questioned.

"He was short and heavy-set, with dark hair and eyes. His face was slightly furrowed and he wore a regulation blue uniform."

Susan was amazed at her chum's accurate description of the attendant, for she could not have recalled any of his features. However, Penny was naturally observant, as her father had trained her to take mental note of persons she met without making a special effort to do so.

"Your description seems to fit one of our new employees," the official said slowly. "A man by the name of Hoges. I will question him immediately although I feel confident that he was only moving a picture according to orders."

After a very perfunctory examination the persons who had been detained in the exhibition room were permitted to leave. Penny and Susan lingered after many had gone, hoping to be of assistance in identifying the attendant who was under suspicion. As it turned out they had a long wait for nothing. The official who had made it his business to investigate Hoges' record reported that the attendant was not to be located. He had left the Galleries for the day.

"Isn't that rather suspicious?" Penny inquired.

"No, he was off duty at three o'clock."

"But we saw him moving the picture a little after that hour," Susan informed.

"He may have been working a few minutes overtime. Hoges is considered an honest employee. He came to us highly recommended. I am told that he had been ordered to move several pictures this afternoon."

There was nothing more that Penny or Susan could say. As they were departing the police arrived upon the scene to make an investigation of the theft. The girls saw Hanley Cron and the official talking with the officers and they heard Amy Coulter's name mentioned.

"It's ridiculous to try to throw the blame on her," Penny declared as she and Susan went to their parked car. "You can be sure that painting wasn't stolen by any novice."

"Amy might have done it out of spite," Susan suggested slowly. "Because she was provoked about the prize."

"It doesn't sound reasonable to me, Sue. Wait until the police get busy on the case. They'll soon prove that she had nothing to do with the theft."

Penny was so confident of such an outcome that she did not feel greatly concerned for Amy. Although she had talked with the girl only a few minutes, she had taken an immediate liking to her. Both she and Susan had been keenly disappointed at Hanley Cron's decision to award the five thousand dollar prize to an entry other than the Black Imp.

Penny dropped Susan off at the Altman residence, and then, since it was nearly time for her father to leave his office, stopped at the Nichols' Detective Agency to take him home.

Christopher Nichols was a tall, dignified looking man with appraising gray eyes and a slight tinge of gray in his hair. He had solved many unusual cases and it was said of him that he was one of the shrewdest detectives in the state.

Mr. Nichols took his own accomplishments in a matter-of-fact way, but he liked to boast of his attractive daughter's ability as a sleuth. He was very proud of Penny and teased her by frequently referring to the mysteries which she had solved. In the first volume of this series, entitled, "Penny Nichols Finds a Clue," the girl had been instrumental in capturing a daring gang of auto thieves. Later she visited a queer old mansion in the mountains and by her discovery of an underground tunnel and a secret staircase cleared up "The Mystery of the Lost Key."

Now as she entered her father's office, it did not occur to Penny that she had embarked upon a new adventure. She perched herself on the corner of the desk and swiftly gave an account not only of the daring theft at the art museum, but of her unpleasant meeting with Hanley Cron. Mr. Nichols was deeply interested in the details of the theft.

"A Rembrandt," he whistled softly. "That painting must represent quite a tidy sum of money."

"How much?" Penny inquired curiously.

"Oh, I'd not venture to say without knowing more about the picture. Offhand I'd guess several thousand dollars."

"Doesn't it seem silly to think that Amy Coulter could have anything to do with the theft?"

"Upon the face of it, yes," the detective replied slowly. "Of course the girl may have been an agent of another. Picture thefts usually are accomplished by several crooks working together."

"The girl didn't look like a crook, Dad."

"Appearances often are deceitful, Penny. Some of our most dangerous criminals would pass on the street as ordinary citizens. However, I do not doubt that the girl is innocent. It does seem a little strange that she succeeded in carrying a package out of the building without being stopped by a guard, but probably she will be cleared of suspicion within a day or so."

Mr. Nichols locked his desk for it was time to close. As he and Penny were preparing to leave, the secretary appeared in the doorway.

"A man to see you, Mr. Nichols."

"A man did you say?" the detective asked with a twinkle. "Or a gentleman?"

"A man," the secretary repeated firmly. "And an unpleasant appearing one at that."

"Did you tell him that we are just closing the office?"

"I did, Mr. Nichols, but he insisted that his business was very urgent. He refused to give his name."

The detective frowned and then asked: "Would you say the man is an underworld character?"

"He looks it. Shall I tell him you cannot see him this afternoon?"

"No, I'll see him," Mr. Nichols decided. "You may send him in."

Penny arose to leave. "I suppose I'll have to go," she grumbled.

"Duck into the next room if you like," the detective said. "If the conversation gets too interesting, stuff cotton in your ears."

Penny laughed and quickly secreted herself in the private study which adjoined her father's office. She closed the door between the rooms but was careful to leave a generous sized crack through which she could both see and hear.

Scarcely had her father seated himself at his desk when the visitor entered. The secretary's appraisal of the man had not prepared Penny for his actual appearance. He was a stout person, prosperous looking, with several glittering diamond rings on his stubby fingers. His clothes were cut in the latest style, his shoes were brilliantly shined, and he carried a sporty cane.

When Penny surveyed the visitor's face she knew why her father's secretary had catalogued him as an underworld character. His expression was hard and ruthless, his smile cold and sinister.

"Good afternoon, Mr. Nichols," the man said in a purring voice. "You know my name I think."

The detective's eyes narrowed as he recognized the visitor but otherwise his expression did not alter. He said evenly:

"Yes, I know you very well indeed—Max Lynch!"

Penny, crouching at the door, felt a chill of excitement pass over her body as she heard the name. Max Lynch was a notorious crook, a swindler and a gambler, a man who often had been accused of crimes but seldom convicted of them.

"Well, what's your game this time, Max?" the detective demanded sharply. "What brought you here?"

CHAPTER III

The Threat

Max Lynch smiled disarmingly as he seated himself in a chair opposite the detective.

"You have an abrupt way with your clients, Nichols."

"You're no client of mine," the detective retorted. "You never have been and you never will be!"

The gambler continued to smile blandly, refusing to take offense. "I admit I've never hired you on a job of my own," he said. "But many a time a guy has said to me 'Who is the best private dick in town?' and I says 'Chris Nichols,' just like that. It has brought you some nice jobs."

"I don't believe I've ever taken any case through your influence, Max Lynch. But that's neither here nor there. What's on your mind?"

The gambler moved forward in his chair.

"Well, Nichols, it's like this. Dutch O'Neil is in the jug for pasting a dude customer of mine over at my casino last night. Dutch is one of my bouncers and this fellow started upsetting the faro tables after he had lost his roll. Dutch bounced him out so hard the fellow is in the hospital with a broken jaw."

"And you want me to send the man some flowers?" the detective asked sarcastically.

Max Lynch ignored the thrust. "It's this way," he explained. "The guy turned out to be a big shot of the town—a broker or something. And he has turned so much heat on the judge the poor old fossil is afraid to let Dutch go. Now it happens this broker is an old friend and client of yours—George Kirby. Know him?"

"Yes, I know him very well."

"All right, you go and see George and soften him up. If you can get him to drop his charges and have the case nollod there's half a grand in it for you."

"I'll have nothing to do with it."

"I'll raise the ante," the gambler offered. "Seven hundred and fifty."

"There's not enough of your kind of money in this town to employ me on a crooked case like this."

"A real good guy, ain't you?" Lynch sneered.

"No, not good. Just sanitary."

The gambler's face flushed with anger as he arose and edged toward the door.

"O.K., chief," he said mockingly. "And don't worry about that 'sanitary' stuff. Just wait till our clean-up gang hears about this!"

He slammed the door after him and Penny could hear his heels clicking angrily as he walked rapidly down the long corridor to the elevator. She quickly came out of hiding.

"Dad, that was Max Lynch—the one they call 'Diamond Max,' wasn't it?" she inquired anxiously.

"Yes," the detective responded soberly. "I guess I shouldn't have permitted you to listen to the conversation."

"I'm glad you did. Only it made the chills run down my spine to hear that man talk. He seemed so sinister."

"Max isn't a very pleasant character, Penny."

"What did he mean by that last remark? It sounded like a threat."

"I imagine it was a threat, Penny."

"Why don't you turn the man over to the police, Dad, for attempted bribery?"

"I wish I could," her father answered. "Max is a slippery eel to catch. The police have been trying for years to get evidence against him—they always fail."

"But he deliberately tried to bribe you, Dad. Surely that ought to be enough to

land him in jail."

Mr. Nichols shook his head as he thoughtfully toyed with a penknife.

"Max surrounds himself with highly paid, crooked lawyers and hired witnesses. He is clever and cagey. Several times he has been brought to trial but always he escapes."

"Why do they call him 'Diamond Max'?" Penny questioned curiously.

"He's been known by that name ever since I can remember. Perhaps you noticed that the man wore a number of diamonds?"

"He was loaded with them. Were they genuine?"

"Oh, yes. Max has always had a passion for jewels, especially diamonds."

"I suppose he came by them dishonestly."

"Possibly, although he could easily afford to buy fine jewels with the profit derived from his casino."

"The place is called the Red Rose, isn't it?" Penny remarked.

"Yes, it's a disgrace to the community."

"Then why hasn't it been closed?"

Mr. Nichols smiled tolerantly at his daughter. "The Red Rose is located just over the county line," he explained. "It happens that the sheriff has a very charitable attitude toward Lynch's gambling enterprises."

"Then there's nothing to be done?"

"Not very much I fear. What we need is a new sheriff."

"Promise me you'll be careful," Penny urged anxiously. "I'm afraid of what Max may attempt to do."

Mr. Nichols smiled confidently as he locked his desk.

"His threat was an idle one I think. Don't give it a moment's thought. Your old Dad can take care of himself."

Penny sighed as she followed her father to the elevator. She knew that she should dismiss the matter from her mind yet that was exactly what she could not do. Ever since she could remember Mr. Nichols had lived a dangerous life. He had trailed and captured daring criminals and during his lengthy career, first as a police officer and later as a private detective, had received many threats. Several times he had escaped violence by a narrow margin. Usually Penny did not worry, but Max Lynch had impressed her as a man who would seek retaliation.

The girl was so preoccupied as they drove toward the Nichols' home that the detective commented upon her silence.

"Forget it," he advised kindly. "I know how to deal with Max's strong-arm squad."

Penny halted the car on the driveway and the detective alighted to open the garage doors. She drove in and snapped off the ignition. Together she and her father walked up the stepping-stone path to the rear entrance of the house.

The Nichols' residence was not imposing in appearance but the well-shrubbed grounds gave it a home-like air. A grass tennis court occupied one part of the lot while the opposite side was devoted to Mrs. Gallup's flowers. Since the death of Penny's mother, the kindly woman had served as a faithful housekeeper.

Mrs. Gallup, her plump arms covered with flour, was making biscuits when Penny and her father entered the neat kitchen.

"I'm slow tonight," she apologized. "All afternoon agents and peddlers have been coming to the door. It was enough to drive a body crazy. But I'll have dinner ready in about fifteen minutes."

"We're in no hurry," Penny assured her. "Has the evening paper come yet?"

"Yes, I heard the boy drop it in the mailbox a few minutes ago."

Usually Penny had scant interest in the newspaper but she was curious to learn what had been published concerning the stolen Rembrandt. She ran to the mailbox and soon had the sheet spread out on the floor. As she had expected, the

story appeared on the front page. And there was a slightly blurred picture of the painting which had been stolen. Penny studied it carefully and read the story several times before relinquishing the paper to her father.

"Well, has the thief been apprehended?" Mr. Nichols asked with a smile.

"No, the story just says the police are working on the case and expect to make an arrest within a few days."

"Your young friend's name isn't mentioned?"

"Amy Coulter? No, but I don't like that statement about the police expecting to make an arrest."

"It's probably just some reporter's idea," Mr. Nichols answered carelessly.

"I certainly hope so. Of course, it's possible the police have traced the real culprit by this time. I hate to think Amy Coulter is under suspicion."

After Mr. Nichols had read the newspaper, Penny carefully cut out the story which concerned the theft at the Gage Galleries, including the reproduction of the missing painting and a map of the various rooms of the museum.

"Do you intend to do a little private work on the case?" the detective inquired, slightly amused.

Penny laughed and shook her head. "No, I was just interested because I happened to be at the Galleries when the painting disappeared."

In an inside section of the paper she found an article which had been written by the art critic, Hanley Cron. He discussed at length his selection of the prize winning statue, but while he listed a number of figures which were deserving of high praise, nothing was said regarding "The Black Imp," Amy Coulter's entry in the contest.

"After dinner I'm going to get another paper and learn what other critics have to say about it," Penny announced. "You should have seen the prize winning piece, Dad. It was terrible!"

"I fear you may be prejudiced in this Coulter girl's favor, my dear."

"I'm not. Others said the same thing."

Directly after the dinner dishes were wiped, Penny slipped out to the street corner to purchase two other evening papers. She turned to the art sections and was gratified to discover that Hanley Cron's selection of the statue, "Winged Night," was severely criticized by various authorities. Amy Coulter's entry was highly praised and one writer ventured to say that it should have been awarded the five-thousand-dollar prize.

Penny showed the papers to Mrs. Gallup and her father, feeling that her judgment had been confirmed. However, she was deeply troubled by the similarity of the news stories regarding the theft of the painting. Each account mentioned that the police expected to make an arrest soon and one said that officials of the museum were of the opinion the painting had been stolen by a disgruntled contestant for the Huddleson prize.

"They must mean Amy," Penny declared. "I wonder if she has any idea she is under suspicion."

The telephone rang. It was a call from police headquarters for Mr. Nichols.

"I'll have to run down to the station for a few minutes," the detective announced as he returned to the living room after answering the summons. "The chief wants to talk with me about an important case."

"While you're there see if you can't get a little information about the stolen painting," Penny urged, helping her father into his coat. "Find out if they really are looking for Amy Coulter."

"So you can tip her off I suppose?" Mr. Nichols inquired dryly.

"I hadn't thought of it particularly, but it's an excellent idea," Penny twinkled.

Mr. Nichols was gone nearly two hours, but as he had expected, Penny was waiting up for him when he entered the house.

"What did you learn?" she demanded instantly. "Is Amy Coulter under suspicion?"

"Oh, I didn't consider it a good policy to ask questions about a matter which

was none of my concern."

"Then you found out nothing," Penny cried in disappointment. "And I've been sitting up waiting for you too!"

"I didn't say what I learned," Mr. Nichols smiled. "I merely mentioned that I did not make any inquiries."

"You did learn something then! Tell me!"

"Nothing very encouraging, Penny. The police are after this girl—at least they intend to apprehend her for questioning."

"She's not been arrested yet?"

"No, it seems they haven't located her yet."

"I heard someone at the Gage Galleries say Miss Coulter lived at a rooming house on Pearl Street. I wonder if she's still there."

"If she is, my advice to you is to keep away from the place," Mr. Nichols said severely. "Don't get mixed up in the affair."

"But it seems so unfair for the police to annoy an innocent person, Dad."

"All right, go ahead and involve yourself if you must," the detective returned. "If you land in jail for assisting a criminal I suppose I can always arrange to bail you out!"

They both knew that Penny would never feel comfortable in her mind until she had warned Amy Coulter of the accusation against her.

Directly after breakfast the next morning Penny took the car and drove to Pearl Street. She did not have Amy's exact address but she was of the opinion that it would not be difficult to locate the right house. Therefore, she was dismayed to discover that the street seemed to consist of uniform looking dwelling places, nearly all with "room for rent" signs in the front windows.

"This will be like hunting for the proverbial needle in the haystack," Penny thought.

Beginning at one end of the street, she rang the doorbell of each likely looking house, inquiring if anyone by the name of Amy Coulter roomed there. She had covered nearly half the street and was growing very discouraged when she halted at a place which looked cleaner and slightly more inviting than its crowded neighbors.

In response to Penny's rap, a woman in a blue wrapper came to the door.

"Can you tell me if a girl named Amy Coulter lives here?" Penny asked mechanically, for she had asked the question many times.

"Amy Coulter?" the woman repeated. "No, not any more."

"Then she did live here at one time?" Penny inquired eagerly.

"Yes, until last night. She didn't give me any notice. She just took her luggage and went."

"Did Miss Coulter leave a forwarding address?"

"No, she didn't. I can't tell you anything more about her."

Impolitely, the woman closed the door in Penny's face.

The girl walked slowly down the steps to the street. She was disappointed at not finding Amy, and a little troubled to learn that the youthful sculptress had departed from the rooming house without leaving an address. Her disappearance looked almost like flight.

The muffled roar of an automobile engine caused Penny to gaze toward the street. A dark blue car had pulled up to the curbing. Three men in civilian garb climbed out, and after briefly surveying the rooming house, walked toward it.

"Plain-clothes men from police headquarters," Penny appraised instantly. "I can spot them a mile away. I wonder if they're on the trail of Amy Coulter too?"

CHAPTER IV

Following Amy's Trail

The detectives glanced curiously at Penny as they came up the steps to the rooming house but failed to notice that she lingered by the street curbing to learn what had brought them to the scene. They rang the bell and the door was opened almost instantly by the landlady.

"You may as well go away," she began irately, then paused in confusion. "Oh, I beg your pardon. I thought it was someone else."

The plain clothes men flashed their badges and then inquired if Amy Coulter resided at the house.

"You're not the first that's asked for her," the woman informed. "Someone from the Gage Galleries has been telephoning all morning until it's enough to drive a body wild. And just a minute ago a girl came to bother me."

"I take it then that Amy Coulter is not here?" one of the detectives interrupted.

"No, she packed up her luggage and cleared out last night without leaving an address. What has she done now?"

"We're not certain that she has done anything, but we wish to question her."

"I thought something was wrong when she cleared out so fast," the landlady declared. "She paid her rent all right, but she was a queer one. I was suspicious of her from the first."

The detectives talked with the landlady a few minutes longer before returning to their car.

Penny had heard the entire conversation. The visit of the plain clothes men to the rooming house made it clear to her that the order definitely had gone out for Amy Coulter's apprehension as a suspect in the Gage Galleries theft. It seemed likely that the young sculptress was aware of the situation, for otherwise why would she disappear without leaving a forwarding address?

"Anyway, there's nothing I can do," Penny thought. "I may as well give up the search and go shopping."

Since Pearl Street was not far from the business section of Belton City, she left her automobile parked at the curbing and walked to the nearest department store.

Penny had a long list of items to purchase, for Mrs. Gallup had mentioned a number of articles which were needed for the house. It was well after the noon hour when she finished the task. She dropped in at the store tearoom for a sandwich and cup of chocolate, then gathered up her packages and started back to her car.

Turning the first corner, she was startled to notice a familiar figure across the street. A girl in a shabby blue serge suit was staring into the window of a candy shop.

"That looks like Amy Coulter!" Penny thought excitedly.

She hurried across the street to accost the girl. Upon hearing her name called Amy turned swiftly and her face lighted with pleasure.

"Why, how nice to meet you again, Miss Nichols."

For an instant Penny felt embarrassed. Amy looked so genuinely glad to see her that it was difficult to believe the girl could know of the accusation against her. It would be awkward to bring up the subject.

"I was hoping I might see you," Penny declared after a brief silence. "In fact, I called at your rooming house only a little while ago. The landlady told me you had moved."

"Yes, I didn't like the place very well. And it was too expensive for me."

"Where are you staying now?" Penny questioned, and then as the other girl hesitated for an answer, said quickly: "Don't tell me unless you wish."

"Of course I want you to know, Miss Nichols. I have a room on Fulton Avenue only a few blocks from here. If you have time I'd like to have you visit me. I am on my way home now."

"I'd like to accompany you," Penny said quickly. "There's something I want to talk to you about."

Amy Coulter looked surprised at such a response, but offered no comment. The girls devoted their conversation to casual subjects as they walked toward the rooming house.

Presently they paused before a drab looking building in a quiet street. Amy offered no apology as she led Penny up four flights of stairs to a tiny room on the top floor.

Penny noticed that Amy had arranged the cheap furniture to the best advantage. The gay home-made curtains at the window, bright pillows and an India cloth thrown over a battered old table, showed a nice appreciation of color values. The walls were attractive with fine paintings and etchings and in one corner of the room stood a box of statues and ceramics.

"You have some lovely things," Penny remarked admiringly.

"The paintings were done by my father. You may have heard his name—Eli Coulter."

"Why, he was famous as an artist and sculptor!" Penny exclaimed. "You are his daughter?"

"Yes, but few persons are aware of it. A name is forgotten so soon." Unknowingly, Amy sighed. "My father was quite noted at the time of his death. That was only four years ago. It seems a century."

"Your father's paintings will never be forgotten," Penny assured her earnestly. "They will always be treasured."

"I hope so. Father really sacrificed himself to his art. He died in poverty."

"You have had a difficult time since then?" Penny asked kindly.

"Yes, but I have no complaint. I shall manage to get along and I derive a real joy from my sculptoring."

"Your father taught you, I suppose?"

"All that I know I learned from him. But I can never equal his work."

"That remains to be seen," Penny smiled. "You are only starting your career."

"I haven't been able to sell any of my work. I am getting very discouraged. I had hoped to win the five thousand dollar Huddleson prize, but I failed."

"You should have won," Penny declared loyally. "Your entry was by far the best."

"The judge didn't think so."

"Who is Hanley Cron anyhow?" Penny scoffed. "Just a newspaper art critic! Do you consider him an authority?"

"No, I don't," Amy returned. "It was rather odd that he was named judge of such an important contest."

"You see, it doesn't mean a thing."

"The five thousand dollars would have meant something," Amy smiled ruefully. "I could use it to pay my rent and buy new clothes. To say nothing of taking lessons in art. I'm desperate for money."

"Can't I loan you a little?" Penny offered.

"Oh, no! I have enough to keep going for some time. I only meant that I could use that prize money very advantageously."

"By the way, have you read the morning papers?" Penny inquired abruptly.

"No, I was so busy getting moved that I haven't glanced at a paper for days. I suppose the critics made fun of my poor entry."

"Upon the contrary, the Black Imp was highly praised. However, I was referring to the theft of the painting."

"Theft?" Amy asked blankly. "What painting do you mean?"

"Then you haven't heard the news," Penny said, watching her closely.

"I haven't heard about any painting being stolen. Surely you don't mean from the Gage Galleries?"

"Yes, a Rembrandt was taken yesterday afternoon from the exhibition room. The police believe that one of the contestants for the Huddleson prize may have stolen it in spite—the theory sounds silly to me."

"But how was the picture smuggled from the museum?"

"The police aren't sure, but they think a girl carried it out as a package. She was seen by one of the guards entering a taxi cab."

Amy's face flamed with color. "Miss Nichols, are you trying to tell me that I am under suspicion?" she demanded.

Penny nodded. "Yes, that's why I wanted to talk with you. The police are looking for you now."

"The police! But I've done nothing wrong. I didn't take the painting! How can anyone accuse me of such a thing?"

"It's unjust of course. They suspect you because you left the Galleries only a few minutes before the theft of the painting was discovered."

"But that doesn't prove I took the picture! I had a right to leave."

"No one would have thought anything of it, Amy, but the guard reported he saw you board a taxi cab with a flat package under your arm. Probably he was mistaken."

"I did take a package from the museum," the girl acknowledged, "and it was a painting. However, it was my own—one which I had exhibited there for several months."

"You didn't show the package to the guard who is stationed by the door?"

"No, when I left the building he was not at his usual post. As I entered the taxi cab I heard someone call after me but I was upset and I didn't want to go back. So I just pretended I didn't hear."

"It's too bad you didn't return and show the picture," Penny commented slowly. "That would have cleared you of all suspicion. As it is, you're in an awkward position."

"Don't you think the police will believe my story?"

"If you can prove it—yes. I suppose someone at the Gage Galleries will have a record that the picture you took was your own."

Amy looked frightened. "I'm afraid not," she admitted. "You see, the painting was wrapped up for me to carry home weeks ago. I didn't want to bother with it so I kept it in my locker in the basement. Then yesterday I decided to take it with me."

"No one saw you go to your locker?"

"Not to my knowledge." Amy crossed the room and lifted out a small picture from her trunk. "See, this is the painting. A vase of flowers. It's very poor work—certainly about a million miles removed from a genuine Rembrandt."

In silence Penny studied the painting. She really was not thinking of it at all. However, she noticed absently that it was similar in size to the dimensions which the evening papers had given for the stolen Rembrandt.

"You don't think the police will try to send me to jail?" Amy questioned tensely. "The accusation is utterly silly!"

Penny did not know how to advise the girl. While she was inclined to believe Amy's story, she was afraid that others might not.

"Does anyone know of your present address?" she asked Amy.

"Only you. I haven't even had time to inform the postoffice of the change."

"Then why not remain in hiding for a few days until this trouble blows over?" Penny proposed after a moment's thought. "I shouldn't suggest it only I feel confident the real thief will be traced soon. Or at least new evidence will be uncovered."

"I shouldn't like to appear a sneak or a coward. If I were sure the police

would believe me, I'd be glad to go to them and give myself up."

"That's just the point, Amy. You can't tell what they're likely to do. And the story is almost certain to come out in the papers."

"I shouldn't like publicity," Amy declared. "Perhaps you're right about hiding."

"I'd stay off the street if possible," Penny advised, arising to leave. "And it might be a good idea to take all your meals in."

"I shall," Amy promised. "Thank you for bringing me the warning. I appreciate it more than I can say."

"If there are any new developments I'll keep you posted," Penny said as they parted at the door. "The truth surely will come out within a few days."

She walked back to Pearl Street for her automobile, but did not drive home. Instead she turned toward the Gage Galleries.

"It seems to me the police and museum authorities have overlooked one important clue," she reflected. "I can't help thinking that the guard Susan and I met in the corridor may know something about the case. At least he should be questioned."

While it was true that a museum official had vouched for the honesty of the employee, Penny could not forget that the man had seemed greatly embarrassed at the encounter in the dark hall.

She was quite aware that the loss of the valuable painting really was none of her affair. Nor would she have taken such a personal interest in the case had it not been for her acquaintance with Amy Coulter. She felt that if the girl were to be cleared of suspicion, someone would have to work in her behalf.

Penny entered the Gage Galleries by the main front door and spoke to a guard whom she knew by sight.

"Have you heard anything new regarding the missing Rembrandt?"

"No, Miss," the man responded politely. "The theft of the painting was a

severe loss to the museum. So far the police have made no progress in tracing the crook."

"Can you tell me where I can locate a man by the name of Hoges who is employed here?" Penny next inquired.

"You will not find him at the Galleries, Miss."

"You mean he's off duty for the day?" Penny asked in disappointment.

The guard's response came as a distinct blow.

"No, Miss. Mr. Hoges is away on a month's vacation. He left the city yesterday to travel in the South."

CHAPTER V

Behind the Panel

Penny was disheartened at the information. With the museum attendant out of the city, she could not hope to be of assistance to Amy Coulter. The situation looked very dark for the young sculptress unless other clues regarding the identity of the art thief were discovered soon.

"I wonder if this man Hoges really did go away on a vacation?" Penny mused. "He certainly vanished at the psychological moment!"

Giving no hint of what was in her mind, she politely thanked the guard for the information and returned home. After leaving her packages she called upon Susan to relate the adventures of the day.

"I think you were wise to tell Amy to hide," Susan approved. "We know her story is true, but it doesn't sound that way."

Penny was not certain that her father would take a similar viewpoint. She intended to tell him about Amy that evening and ask his advice regarding the

situation, but directly after dinner Mr. Nichols isolated himself in his study, devoting himself to a new case upon which he was working.

In the morning at breakfast Penny did manage to bring up the subject, but Mr. Nichols listened inattentively as he sipped his coffee.

"I don't believe you heard a word I said," Penny complained finally.

"What was that? Oh, yes, I did. You were saying something about Amy Coulter."

"Never mind," Penny sighed. "I can tell your mind is a million miles away tracking down a wicked criminal."

"I hope the villain hasn't gone that far," Mr. Nichols chuckled. "Oh, by the way, you might tell Mrs. Gallup I'll not be home for dinner."

Penny regarded her father severely.

"Dad, have you forgotten what day this is."

"Tuesday the twentieth."

"This is the night of Mrs. Archibald Dillon's big reception."

The detective looked disconcerted. "I forgot all about it," he admitted. "How I hate those affairs unless I'm there on a salary watching for gem thieves! Mrs. Dillon is the worst social climber in Belton City."

"Just the same we accepted this invitation and we'll have to go," Penny said sternly.

"I can't make it. I have important work to do."

"But Dad——"

"You go alone, Penny, and do the honors for the family. Tell Mrs. Dillon that I came down with croup most unexpectedly. Tell her anything you like, only count me out."

"She'll never forgive you if you don't go. Can't you possibly make it?"

Mr. Nichols frowned in annoyance. "I suppose I might be able to drop around late in the evening. Possibly in time to take you home."

"That would be better than not attending at all."

"All right, we'll leave it that way then. I'll meet you about eleven o'clock tonight at Mrs. Dillon's."

The detective hastily kissed his daughter goodbye and hurried away to the office.

Penny did not look forward to the coming party. While Mrs. Dillon's receptions were always elaborate, usually they were boring. Susan had not been invited and she doubted that many young people would attend.

Penny sighed as she reflected that she might have spent a pleasant evening with a book. But she brightened a trifle as it occurred to her that the party would give her an opportunity to wear her new blue evening gown and silver slippers.

Eight o'clock found her en route to the Dillon residence in a taxi. The car swung into a curving drive and halted in front of an imposing, white colonial house. A liveried servant opened the automobile door for her and Penny joined several other guests who were entering the marble hallway.

"Miss Penelope Nichols," announced a servant.

It was all very formal and made Penny feel slightly ill at ease. She paused dutifully to greet her hostess.

Mrs. Archibald Dillon, a plump woman, well past middle age, was gowned in an elegant beaded dress, low-cut and far too conspicuous for the occasion. She had acquired wealth through marriage, but while she was active in many clubs and various types of charity work, she had never been able to achieve her social ambitions.

"My dear, didn't your father come with you?" she inquired, giving Penny's hand a slight pressure.

"No, Mrs. Dillon, he was detained at the office on an important case. However, he will surely drop in before the evening is over."

Penny selected a chair in a quiet corner of the reception room and surveyed the throng. She saw few persons she actually knew although many she recognized from having seen their photographs in the newspapers. A long line of chairs along the north wall was completely unoccupied. Apparently, Mrs. Dillon had expected far more guests than had arrived.

A listless orchestra played for dancing, but only a few couples were moving about the floor. There were no young people present. The only interesting feature of the party was the expensive costumes of the guests. Many of the women wore elaborate evening gowns of velvet and bright silk, adorning themselves with glittering diamonds, which however, could not compete with a string of matched pearls proudly displayed by the hostess.

"This party resembles a style show," Penny thought. "As far as I'm concerned it's going to be a big flop."

Mrs. Dillon presently left her post near the door and circulated among her guests, trying to create a false air of conviviality. Noticing that Penny sat alone, she came over to her.

"My dear, aren't you dancing? I shall find a nice partner for you."

Before Penny could protest, the woman hurried away, returning almost immediately accompanied by a man in evening dress. Penny was dismayed to recognize Hanley Cron. Upon seeing her, he paused, and a look of keen displeasure crossed his face.

Unaware that she was creating an awkward situation, Mrs. Dillon gushingly introduced the two. Hanley Cron bowed coldly.

"We've met before," Penny said.

"Oh! Then you're old friends."

Penny politely refrained from comment, but Hanley Cron said coldly, in a tone which made his meaning very clear:

"Hardly that."

"Acquaintances I should have said," Mrs. Dillon murmured in embarrassment.

"You will pardon me I hope," Hanley Cron observed aloofly. Turning his back upon Penny he walked away.

"Oh, my dear, I'm terribly sorry," Mrs. Dillon fluttered. "I'll find you another partner."

"*Please* don't," Penny pleaded. "I really have no wish to dance at all."

"Of course, if that's the way you feel——"

"It is, Mrs. Dillon. I really am enjoying myself just watching the others."

Penny's statement was not quite true, for she had derived no pleasure from the party, and the rebuff she had received was quite enough to make her wish that she had remained at home. However, the reply served to satisfy the woman and she mercifully moved on to talk with another guest.

"Hanley Cron is the most ill-mannered man I ever met," Penny thought

indignantly. "I wish Dad would come, then I could go home."

Her eyes smoldered wrathfully as she watched the art critic talking with a group of people near the refreshment table. She knew it was silly to allow herself to become annoyed because of his insulting manner, yet it was quite impossible to dismiss the man from her mind.

Not wishing to even see him again that evening, she arose and explored the veranda. It was crowded so she came indoors again and wandered through the rooms adjoining the reception hall. The library was entirely deserted.

Penny peered with interest at the books which lined the wall cases. Most of them did not appear to have ever been used. Selecting one at random she curled herself comfortably in an upholstered chair, sitting with her back to the door.

"I'll just stay in here for an hour or so and read," she decided. "No one will miss me."

The book was interesting and when Penny glanced at the little clock on the table she was surprised to see that it was nearly eleven o'clock.

"Dad should be coming along soon," she told herself. "He'll be wondering what became of me."

Reluctantly she closed the book. Before she could leave her chair to put it away she heard voices just outside the library door.

Mrs. Dillon and a feminine guest entered the room. They were talking in low tones.

"I haven't told a soul except you," Mrs. Dillon declared. "Before I show you my treasure, you must promise never to reveal my secret. I shouldn't care to be arrested."

"Of course I promise," the other agreed.

Neither of the women was aware of Penny's presence in the library for she was concealed behind the high back of the chair. The girl hesitated to reveal herself, for already she had heard enough to cause Mrs. Dillon embarrassment. She decided to remain where she was and keep quiet.

Mrs. Dillon carefully closed the library door and to Penny's amazement, locked it.

"I don't want to risk having anyone come in," she explained to her companion. "As it is, my husband is quite provoked at me for making the purchase. It was such a wonderful bargain I couldn't resist. But he is afraid someone will learn of it."

"You did take a chance in buying it," the other woman remarked.

"Oh, the trouble will soon blow over and if I should be caught I can always plead innocence. The dealer assured me I could sell it at any time for twice what I paid."

The floor creaked beneath Mrs. Dillon's weight as she crossed the room. The woman halted in front of a large picture which hung over the mantel. By this time Penny was overcome with curiosity. Risking detection, she peeped out from behind her chair.

Mrs. Dillon reached up and jerked a long silken rope which was suspended from the picture. Immediately it swung aside, revealing a hidden opening in the wall.

Mrs. Dillon drew back a blue velvet curtain and waited expectantly for her friend's praise. Exposed to view was a small oil painting.

Penny recognized it as the stolen Rembrandt.

CHAPTER VI

A Holdup

"Well, what do you think of it, my dear?" Mrs. Dillon questioned eagerly.

"Beautiful!" the guest praised, stepping back a pace that she might view the painting to better advantage. "How fortunate you are to own such a picture."

"I've always craved to possess a genuine masterpiece," Mrs. Dillon declared enthusiastically. "It gives one prestige."

"And you say this is a Rembrandt, Mrs. Dillon?" the other asked. "It must have cost you a pretty penny."

"It did, but at that I consider the painting a great bargain. The dealer assured me that if I wished to dispose of it at any time he would promise to find an immediate purchaser."

"Undoubtedly, you made a fine deal," Mrs. Dillon's friend acknowledged. "From whom did you buy the picture?"

"I can't tell you that. I pledged myself not to reveal his identity."

"Oh, I see. But you are quite sure you can depend upon the dealer's word?"

"Yes, indeed. I hope you don't think I'd allow myself to be taken in——"

"Oh, no, certainly not. Only I've heard it said that unscrupulous dealers sometimes resort to tricks."

"I pride myself upon having a streak of Yankee shrewdness," Mrs. Dillon said, "and I do know art. When I saw this picture I recognized it instantly as one I had seen at the Gage Galleries. Of course, the dealer didn't claim it was the genuine Rembrandt—quite the contrary."

"Then aren't you afraid——?"

"Not in the least," Mrs. Dillon interrupted. "Naturally, the dealer wouldn't subject himself to arrest by acknowledging that he was selling stolen property."

"The painting is a very fine one," the other woman declared, "but I can't say I should care to own it myself. You'll never be able to display it openly."

"Perhaps not, but I can show it privately to my friends and I'll derive satisfaction just from knowing I own it."

"But if the police should suspect——"

"They won't, unless someone reports me. So far you are the only person who knows that I have the painting."

"Oh, you may trust me, Mrs. Dillon. I'll never give you away."

"If the picture should ever be traced to me I can always claim that I was an innocent purchaser," Mrs. Dillon chuckled. "In fact, I don't know that this is the same picture that was taken from the Gage Galleries. The dealer didn't tell me that it was an original."

"You're very shrewd," the other woman praised.

Mrs. Dillon carefully drew the velvet curtain over the painting and closed the panel. As the two women moved toward the door they passed close to Penny's chair. The girl held her breath, fearing detection.

She had not meant to be an eavesdropper, but the nature of Mrs. Dillon's conversation had made it impossible to reveal her presence in the room without creating a difficult scene. However, should she be discovered now, crouching behind the back of the chair, the situation would prove even more embarrassing.

"We must return to the others before we're missed," Mrs. Dillon said, unlocking the door.

The two women went out, and Penny heard a slight metallic click which at the moment did not strike her as having any significance. As the door closed she quickly arose from her chair.

Penny was dismayed at what she had seen and heard. It was difficult for her to believe that Mrs. Dillon owned the painting which had been stolen from the Gage Galleries. From the conversation she felt quite sure that the society woman had purchased the picture from a dishonest dealer who undoubtedly had received it from the original thief. Yet Mrs. Dillon had knowingly purchased stolen property and so in effect was an accessory to the crime.

"She must be crazy to involve herself in a deal like that," Penny thought. "If the police learn she has the painting they'll confiscate it and arrest her."

Penny realized that she had it within her power to expose Mrs. Dillon. Even though she were a guest in the society woman's home, it was really her duty to

reveal her findings to the police.

From her hiding place behind the chair, Penny had not been able to secure a very good view of the painting. She was eager to examine it at close range.

Did she dare open the panel? She decided to take the chance. Jerking at the long silken rope as she had seen Mrs. Dillon do, the girl was gratified to observe the sham picture above the mantel swing slowly back to reveal the hidden panel.

Penny quickly drew aside the velvet curtain which protected the stolen Rembrandt.

The painting was one of the lesser known works of the famous artist, a picture of a child. Penny snapped on the electric light that she might view it to better advantage.

At first glance the painting was very impressive, but as the girl studied it more critically, she was assailed with doubt. The picture did not seem to have the character or strength commonly associated with great works of art. The draftmanship seemed mechanical, the color lacked depth.

"I wonder if it really is a genuine Rembrandt?" Penny thought.

The longer she gazed at it the more convinced she became that the picture was merely a clever imitation. She wished that Amy Coulter were there to offer an opinion. Penny did not trust her own judgment. Her knowledge of art was so slight that she might be mistaken in considering the Rembrandt a fraud.

Closing the panel, Penny sat down for an instant to think. She knew she had made an important discovery, one which easily could cause Mrs. Dillon serious trouble should she report her findings to the police. Upon the other hand, the society woman was an important personage of Belton City with many influential friends, and should she be falsely arrested the trouble would descend like an avalanche upon the head of Penny Nichols.

"I'll have to move cautiously," the girl reflected. "It's no crime to own a copy of a stolen painting. If this picture is a fake, the police would have no case against Mrs. Dillon."

The problem was too deep for Penny. She decided to reveal to no one the

discovery she had made until after she had discussed the matter with her father. Quickly, she arose and went to the door.

To her surprise it did not open when she turned the knob. It took an instant for the truth to dawn upon her. The door was locked!

"Mrs. Dillon must have turned the key when she went out," Penny thought, recalling that she had heard a slight metallic click. "Now I am in it!"

She considered calling for help but immediately abandoned the idea. It would be difficult to explain how she had been locked in the library without revealing the true details. And Mrs. Dillon would instantly suspect that she had seen the hidden painting.

The room had two windows looking out upon the front lawn. Directly beneath was a cultivated bed of flowers which Penny decided must be sacrificed if necessary to the occasion. She switched out the electric lights, and raising one of the windows peered in both directions to see that the coast was clear.

Quickly she climbed over the sill, hung by her fingers tips for an instant, then dropped lightly down to the ground, crushing several choice plants underfoot.

Before she could turn she felt her arms pinioned behind her back in a grasp of steel.

"Not so fast, young lady!" said a gruff voice.

Penny whirled around to face the man who had captured her. She began to laugh.

"Dad!"

"Penny! I thought I had caught a young lady burglar. What are you trying to do?"

"Escape from the library."

"So I observe. But have you any objection to using a door? In polite society I believe that's the accepted method of leaving a house."

"The library door was locked," Penny explained hastily. "And I have good reason for wanting to get away without being seen by anyone."

"In that case, always close the window after you," Mr. Nichols chuckled. "Here, I'll boost you up and you can pull it down."

After Penny had lowered the sash, they hurriedly moved away from the window.

"Now tell me all about it," the detective invited. "Did you lose your bag of loot?"

"You know very well I wasn't doing anything I shouldn't," Penny countered, "but you nearly frightened me to death when you nabbed me."

"I just happened to see you climbing out of the window as I came up the path," the detective smiled. "I thought perhaps someone was escaping with the family jewels."

"Speaking of jewelry, there's plenty of it around tonight. The ballroom is fairly ablaze with it."

"Never mind the jewelry," Mr. Nichols said. "What were you doing in the library?"

Leading her father to a secluded stone bench in the garden, Penny related all that she had seen and heard.

"I wish you could see the picture," she ended. "I'm almost certain it's a fake. If I can smuggle you into the library, will you look at it?"

"No, Penny, I will not. You seem to forget that we're guests of Mrs. Dillon."

"Yes, but if she has the stolen Rembrandt in her possession, isn't it our duty to notify the police?"

"Do you know that she has the stolen painting?"

"No, in fact I rather suspect she's been cheated by a dishonest dealer."

"In that event, you'd only stir up a hornet's nest without doing a particle of good. In fact, exposing Mrs. Dillon might give the real thief a warning to lie low."

"How do you mean, Dad?"

"Why, the moment Mrs. Dillon is arrested, the dealer from whom she purchased the picture will disappear. Then there will be no way to trace the real thief."

"You're assuming that the dealer and the thief worked together even though the painting which Mrs. Dillon bought may have been a fake."

"It's quite possible, Penny. Some day when the time is more opportune, I'll explain to you how picture thieves work their racket. For the moment I wish you'd accept my opinion that this case is packed with dynamite. My advice to you is to be very sure of what you're doing before you start any action."

"I guess you're right," Penny agreed. "I'll not do anything rash."

"The case may shake down in a few days," Mr. Nichols went on. "In the meantime, Mrs. Dillon isn't going to dispose of her picture. She'll not find it as easy to sell as she anticipates."

The detective arose from the bench after glancing at his watch.

"We'll have to go inside now," he said, "or the party will be over."

They entered the house and after wandering about for a few minutes encountered Mrs. Dillon. She greeted the detective cordially and the smile she bestowed upon Penny disclosed that she had not even noticed the girl's long absence from the ballroom.

"How do you like her?" Penny whispered to her father as they sought the refreshment table.

The detective shrugged. "She serves very good punch."

Mr. Nichols knew nearly all of the guests, either personally or by reputation. Penny noticed that as he appeared to talk casually with one person after another,

actually he was surveying the throng somewhat critically.

"You were right about the jewelry," he said in an undertone to his daughter. "That necklace Mrs. Dillon is wearing must be worth at least a cool ten thousand dollars."

"I should think she'd be afraid of losing it," Penny commented.

"Oh, it's probably insured for all it's worth," Mr. Nichols returned casually.

The orchestra had struck up again and as other couples went out on the floor, Penny tugged at her father's sleeve.

"Come on, Dad. Let's dance."

"You know I hate it, Penny."

"Just one," she pleaded. "I've had no fun at all this evening."

"Oh, all right," he gave in. "But remember, one dance is the limit."

"That depends upon how many times you step on my feet," Penny laughed.

Actually, Christopher Nichols was a far better dancer than he imagined himself to be. His steps were introduced in a mechanical routine which sometimes annoyed Penny, but otherwise he made an excellent partner, gliding smoothly over the floor with the ease and grace of a young man.

"How am I doing?" he mumbled in his daughter's ear as he whirled her deftly about to avoid striking another couple.

"Not bad at all," Penny responded, smiling. "Consider yourself engaged for the next dance."

"Only one I said. I don't want to be laid up with rheumatism tomorrow."

"Rheumatism!" Penny scoffed.

She had spoken the word in an ordinary tone but it sounded as if she had shouted it for the music ended unexpectedly in the middle of a strain, trailing off into discordant tones. The amazed dancers halted, looking toward the orchestra

to see what was wrong.

Penny felt the arm which her father held about her waist stiffen. A scream of terror rippled over the room.

Two men with white handkerchiefs pulled over their faces, had entered the ballroom through the double French doors opening into the garden. They trained their revolvers upon the dancers.

"This is a stick-up!" one announced grimly. "Put up your hands and stand against the north wall!"

CHAPTER VII

An Invitation to Lunch

Penny and her father were forced to line up with the other guests. They stood against the north wall, their hands held above their head. Members of the orchestra and servants were compelled to obey the order. While one of the holdup men covered the crowd with his revolver, the other moved swiftly from person to person collecting jewelry, watches and money.

Penny saw Mrs. Dillon, pale and frightened, trying to drop her pearl necklace into a flower pot, but she was not quick enough. The holdup man jerked the string from her hand.

"Oh, no you don't, lady," he snarled. He admired the pearls an instant before dropping them into a small cloth bag which he carried.

Penny stood next in line. She wore no jewelry save an inexpensive brooch which had belonged to her mother. Tears came into her eyes as the thief jerked it from her dress.

"Oh, please don't take that—" she began.

"Make no resistance," Mr. Nichols ordered curtly.

Penny relapsed into silence. She was a trifle puzzled at her father's attitude for she had always imagined that in such a situation he would be the first to fly into action.

The holdup man paused in front of the detective.

"Your money and valuables," he commanded.

"Help yourself," the detective invited cheerfully.

As the holdup man reached into an inside pocket, Mr. Nichols' fist shot out, catching him squarely under the jaw. The startled thief staggered back and dropped his bag of loot. Before he could recover from the blow, the detective wrenched the revolver from his grasp.

"Look out!" Penny screamed. From the opposite side of the room the other holdup man was taking careful aim at the detective.

Mr. Nichols whirled and fired. The shot buried itself in the wall, but it was close enough to the crook to warn him that the detective was no amateur at handling firearms.

"Scram!" he yelled warningly to his companion.

They fled into the garden with the detective in close pursuit. The two thieves were too hard pressed to give any thought to the lost bag of loot. Several shots were exchanged but the men succeeded in reaching their car which was parked in the driveway. The engine roared as they sped away. Springing into his own automobile, Nichols took up the pursuit but he soon abandoned it as useless, returning to the house.

There he telephoned the police, offering not only the license number of the fleeing automobile but a detailed description of the men.

"The radio cruiser ought to pick them up in a few minutes," he told Penny.

While a curious crowd gathered about he took a knife and extracted the bullet which had been fired into the wall.

"What will you do with that?" someone questioned.

"Keep it for evidence," he explained. "And this revolver as well, although now that I've used it, all fingerprints probably have been obliterated."

The women were clamoring for their lost jewelry, so with Penny's assistance, the detective distributed the articles.

"I feel just like Santa Claus taking presents out of my pack," he declared jokingly. "Here's your brooch, Penny. Did you think you were going to lose it?"

"Yes, I did, Dad. I saw red when that man tore it off my dress."

"So did I."

"You certainly didn't show it. You advised me to make no resistance."

"That was because I didn't want you to be shot."

"Then you turned right around a second later and took a big chance yourself. You might have been killed."

"I knew what I was about," the detective returned quietly.

Mrs. Dillon came up to Mr. Nichols, gripping his hand. Her own was trembling.

"You were marvelous, simply marvelous!" she said tremulously. "Never before in my life have I witnessed such a display of courage."

Others joined in the praise until Mr. Nichols was embarrassed. He hurriedly began to distribute the remainder of the stolen jewelry.

"Your necklace," he said to Mrs. Dillon, presenting it to her.

"Thank you, thank you," the woman murmured gratefully. "How can I ever repay you for saving my pearls?"

"By taking better care of them in the future," he responded grimly.

Mrs. Dillon looked slightly offended. "I have always taken excellent care of my pearls, Mr. Nichols," she replied.

"Perhaps your idea of excellent care does not agree with mine. The necklace is insured?"

"No, it isn't," Mrs. Dillon admitted reluctantly. "My husband spoke of attending to it several times but never did."

"You took a great risk wearing the pearls at a function such as this without even the precaution of having detectives on the premises to watch for gem thieves."

"You were here," Mrs. Dillon smiled. "I shall have my husband send you a check in the morning."

"Then I shall be compelled to return it," the detective replied. "May I ask if you have been in the habit of keeping the necklace in the house, Mrs. Dillon?"

"Why, yes, but I assure you I have an excellent hiding place."

Mr. Nichols could not restrain an amused smile.

"An experienced gem thief could probably find it in ten minutes' time. But that's neither here nor there. The point is, you should not keep the necklace in the house at all unless you do not care if you lose it."

"Of course I care," Mrs. Dillon retorted. "That string cost my husband fifteen thousand dollars."

"Then the necklace is even more valuable than I imagined. I should advise you to take it to the bank vault in the morning. Keep it there until you have it fully protected by insurance."

"I'll do it," Mrs. Dillon promised. "I really think your advice is worth following. I have been careless with the pearls."

In a few minutes the orchestra began to play again and the party went on, although many of the guests were still too nervous and excited to dance. They sat in groups discussing the hold-up. Christopher Nichols became the center of one admiring circle after another. He did not enjoy the attention.

"Let's go home," he suggested to Penny. "I've had enough."

"All right," she agreed instantly. "I left my wraps upstairs. I'll get them."

She crossed the ballroom and entered a hallway. As she paused to permit a couple to pass, she noticed that Hanley Cron and Mrs. Dillon were standing at the foot of the spiral stairway, their backs toward her, engaged in earnest talk. She could not help hearing a snatch of their conversation.

"Mrs. Dillon, why don't you take lunch with me tomorrow at my studio?" the art critic invited.

"I should enjoy it, Mr. Cron," the woman replied. "I might drop in after I take my necklace to the bank vault."

"I see you are determined to follow Christopher Nichols' advice."

"Yes, don't you think I should?"

"I believe he is not considered a very reliable detective," the man replied. "However, in this instance, his advice might be worth following."

"I'm glad you think so, Mr. Cron. I'll take the necklace to the bank in the morning."

"Why not come to my studio before going to the bank?" the art critic proposed. "Then I could serve as an escort. With such a valuable package in your possession you really need a guard."

"It is very kind of you to offer," Mrs. Dillon returned, flattered. "I will meet you at the studio at one o'clock and after luncheon we'll go to the bank together."

Penny had reached the foot of the stairs. The two were so engrossed in their conversation that they were unaware they were blocking the path.

"I beg your pardon," she murmured suggestively.

"Oh, I'm so sorry!" Mrs. Dillon exclaimed, moving hastily aside.

Penny gave no hint either by look or action that she had overheard the conversation, but inwardly she raged at Hanley Cron's cutting reference to her father's ability. She slowly climbed the stairs. At the first landing she glanced

back over her shoulder and noticed that the art critic was staring after her. His expression startled her.

"How that man does hate me," she thought. "And all on account of a ruined fender. It's too ridiculous!"

Penny had observed during the evening that Mrs. Dillon and Hanley Cron danced frequently together. Apparently, the society woman was flattered by the man's attention, although Penny was at a loss to understand how anyone could consider him attractive. It seemed to her that the art critic deliberately was trying to ingratiate himself with Mrs. Dillon.

She considered the luncheon invitation which Cron had extended to his hostess. While it might have no significance, it tended to confirm her belief that the man was trying to gain the society woman's favor. She wondered, too, why he appeared so eager to accompany Mrs. Dillon to the bank.

"I don't believe it's because he wants to be generally helpful," she told herself shrewdly. "Hanley Cron simply isn't that sort of person!"

As she stood before the bedroom mirror Penny reflected upon what Cron had said about her father. Not reliable indeed! It was evident that the man deliberately was endeavoring to undermine Mr. Nichols' professional reputation.

Unexpectedly, Penny caught a glimpse of her face in the mirror and laughed because she looked so tense and worried.

"There's no use to take it so seriously," she advised herself. "I've merely learned that Hanley Cron may prove to be a dangerous enemy."

CHAPTER VIII

A Bold Move

A few minutes later as she was driving home with her father, Penny repeated

to him the conversation which she had overheard between Hanley Cron and Mrs. Dillon. The detective smiled at the slighting reference made by the art critic but looked disturbed when he learned of the luncheon engagement.

"Before she gets through, Mrs. Dillon will have informed everyone that she is taking the necklace to the vault tomorrow," he said impatiently. "If she ends up by losing the pearls then perhaps she'll know better next time."

Mr. Nichols stopped at the police station for a few minutes to leave the revolver and the bullet which he had retrieved from the ballroom wall. When he returned to the car Penny questioned him regarding the holdup men.

"Have they been captured?"

"No," he replied in disgust, "they got away."

It was long after midnight when they reached home. Penny would have liked to remain up awhile to discuss the exciting events of the evening but Mr. Nichols was too sleepy to be in a talkative mood. He hurried his daughter off to bed.

"I think I'll visit Amy Coulter sometime to-day," Penny remarked the next morning at breakfast. "What I saw last night convinced me that she could have no part in the theft of the painting."

"The picture in Mrs. Dillon's possession doesn't prove anything," Mr. Nichols replied as he pushed aside his coffee cup. "The painting may be a fake. Or if it's genuine this girl may have been one of a gang who negotiated the deal with Mrs. Dillon."

"If you met Amy you'd understand that she isn't the criminal type, Dad."

"And just what is the criminal type? Give me a definition."

Penny threw down her napkin impatiently. "Oh, there's no use arguing with you! You always win!"

"I'm not suggesting that your friend Amy is a crook," the detective smiled. "I'm merely trying to teach you to think and not to arrive at conclusions through impulse or emotion."

After the morning's work was done, Penny telephoned Susan Altman to tell her about the Dillon party. Susan was not at home so she walked to Amy Coulter's rooming house where she was admitted by the landlady.

"I'm so glad you came," Amy cried joyfully as she admitted the girl. "I took your advice and shut myself up here in my castle, but it's been dreadfully lonesome."

The young sculptress had been working on a small statue. After Penny had admired it, she covered the figure with a cloth and set it away.

"I'm worried about my Black Imp," she confessed, offering Penny a chair. "This morning a notice appeared in the paper that all contestants for the Huddleson prize should call within twenty-four hours at the Gage Galleries for their entries. I'm afraid to go for fear I'll be arrested."

"It wouldn't be safe," Penny agreed, "but if we're patient for a few days longer I believe the mystery may begin to clear up. In fact, I have an important clue already."

She then told Amy how she had discovered the Rembrandt in Mrs. Dillon's library. The girl was overjoyed to learn the news for she felt that the recovery of the painting would exonerate her. However, her face clouded as Penny mentioned that the picture might be a fake.

"If I were certain the picture was stolen from the museum, I'd go directly to the police," Penny declared, "but until I am sure I must move cautiously."

"I wish I could see the painting. I feel confident I could tell if it's a fake."

"I wish you could examine it," Penny said, frowning thoughtfully. "Unfortunately, I don't see how it can be arranged—unless——"

"What?" Amy demanded quickly.

"Mrs. Dillon would never permit us to see the painting if she could prevent it. We'd have to get into the house without her knowing it."

"How could we ever do that?"

"I have an idea, but there would be a certain amount of risk to it. Are you willing to take a chance?"

"If it isn't too great a one. I couldn't get into a much worse situation than I am now. The police probably will arrest me upon sight anyway."

"This is the plan," Penny explained. "I happen to know that Mrs. Dillon will be away from the house at one o'clock today for she's lunching with Hanley Cron. While she's gone we'll look at the picture."

"But the servants will be there," Amy protested.

"I think I can arrange it so they won't be suspicious. Do you want to try it?"

Amy hesitated only an instant before nodding her head. "I've nothing to lose and a great deal to gain," she said.

Penny glanced at the little ivory clock on the dresser. It was nearly noon. By the time the girls reached Mrs. Dillon's home the woman should be away.

"It will be wise to go in a taxi, I think," she remarked. "There should be less danger of anyone recognizing you that way."

While Amy changed her clothes, Penny went downstairs to call a cab. It came twenty minutes later and the two drove directly to Mrs. Dillon's residence.

"The coast should be clear," Penny remarked as they alighted at the door. "It's a quarter to one but Mrs. Dillon surely is on her way to meet Cron by this time."

Penny boldly rang the doorbell. Presently a maid answered the summons. Smiling graciously, the girls stepped inside without waiting for an invitation to do so.

"Tell Mrs. Dillon, please, that we have come to see the picture," Penny directed confidently.

"Mrs. Dillon isn't in, Miss."

"Not in?" Penny exclaimed, and turned to Amy in pretended chagrin. "Do you suppose she forgot our appointment?"

"I am afraid so," Amy murmured.

"Mrs. Dillon went away in a great hurry," the maid said apologetically. "She didn't mention that she was expecting guests."

"She failed to say that she invited us here to view the painting?"

"It was an oversight, of course. Mrs. Dillon will be sorry I know to have missed you. Your names—"

"It will be some time before we can come back I fear," Penny interrupted quickly. "And we did so want to see the picture. I don't suppose you could show it to us?"

"I am afraid not. I don't even know what picture she meant."

"Oh, the one hanging in the library," Penny informed. "It would only take us a minute to look at it."

"Why, I guess I could show you that picture."

Forgetting that she had neglected to learn the names of the callers, the maid led them to the library. The girls pretended to study the ugly painting which hung over the mantel.

"Is this Mrs. Dillon's last purchase?" Penny inquired.

"It's the only picture she's bought recently."

The girls shrewdly concluded that the maid was unaware of the hidden panel and were at a loss to know how they could manage to view the Rembrandt.

"I could study a beautiful painting for hours and hours," Amy remarked, sinking down into a chair opposite the mantel.

"So could I," Penny agreed, gazing with a rapt expression at the hideous picture. As an apparent afterthought she turned to the maid who stood waiting. "If you don't mind, we'll just sit here for a few minutes and admire it."

"Certainly, Miss. If you'll excuse me I'll go on with my dusting."

The instant the maid had gone from the library, Penny pulled on the silken rope and the hidden panel was revealed. She jerked aside the velvet curtain to disclose the Rembrandt.

"You'll have to make a quick examination," she warned. "That maid may come back any minute."

Amy studied the painting critically. When she did not speak, Penny impatiently asked for her opinion.

"I believe it's merely a copy of the original, although a rather clever copy. Rembrandt was very skillful in his method of handling light and shade—in this picture it is all lost."

"Then I was right!" Penny cried triumphantly.

"My opinion may not be right, Penny. If I could see the painting in a better light—"

With an anxious glance toward the library door, Penny hastened to the window and pulled aside the heavy draperies. A beam of sunlight fell across the picture.

"Yes, I'm sure it's a fake," Amy decided firmly. "If Mrs. Dillon bought this for the original Rembrandt she was cheated."

"Well, she deserved to be. She shouldn't have tried to buy stolen property."

"Let me look on the underside of the canvas," Amy suggested. "Sometimes that will give a clue as to the age of a painting."

They pulled the picture out from the wall and peered behind it. Directly in the center of the canvas was a strange, complicated symbol and beneath it the initials, "G. D." Both had been inscribed in India ink.

"What's that for?" Penny questioned.

"I wonder myself," Amy replied.

"Then it isn't customary to put symbols or initials on the back of a painting?"

"Decidedly not."

The girls studied the marking for a minute. They could make nothing of it.

"I can't explain the symbol," Amy said, "but I'm convinced this painting is a fraud."

Penny had expected such a verdict as it confirmed her own observations, but for her friend's sake she was sorry that the painting had not turned out to be the original Rembrandt. Had they actually located the stolen picture it would be a simple matter to lay their evidence before the police and demand that Mrs. Dillon be forced to reveal the dealer from whom she purchased the property.

"Everything is in a queer muddle now," Penny commented thoughtfully. "Mrs. Dillon really isn't guilty of any crime at all, for she didn't buy a stolen picture. We can't very well cause her arrest."

"Mrs. Dillon should complain to the police that she was cheated."

"She doesn't know it yet," Penny chuckled. "When she finds out about it, I imagine she'll never report the dealer. Her own part in the affair would be too humiliating. Even if she didn't buy stolen property, that was her intention."

"I suppose the real crooks counted upon just such a reaction," Amy said. "When they sold her that fake painting they knew they were safe."

"And in the meantime the genuine Rembrandt is still missing," Penny replied musingly. "I have a suspicion this dishonest dealer, who sold Mrs. Dillon the fake picture, might be able to throw a little light upon the subject."

"But how will we ever trace him unless we notify the police?"

"I am afraid that would be a sure way of losing his trail completely," Penny replied. "Mrs. Dillon's arrest would be the signal for the dishonest dealer to get out of town."

"That's probably true."

"We must work this thing out cautiously," Penny declared. "Perhaps if we went to Mrs. Dillon and talked with her—"

She broke off as they heard approaching footsteps in the hall.

"The maid!" Amy whispered.

"Quick!" Penny exclaimed in an undertone. "Help me get this picture back into place before she comes!"

CHAPTER IX

The Robbery

The girls hastily jerked the velvet curtains over the painting and closed the secret panel. When the maid entered the room a moment later they were gazing with rapt interest at the picture which served to disguise the Rembrandt.

"We must be going," Penny said casually for the benefit of the servant. "Thank you for permitting us to see the canvas."

Now that she and Amy had viewed Mrs. Dillon's purchase they were eager to leave the house before their identity was discovered.

"I'll tell Mrs. Dillon you were here," the maid said, escorting the girls to the front door. "I don't believe you mentioned your names."

Penny and Amy pretended not to hear. They went out the door before the servant could question them further.

Safe on the street, the girls congratulated themselves upon the success of their scheme.

"Mrs. Dillon is almost certain to learn what we did," Amy declared uneasily.

"Oh, she'll hear about it all right when she comes home," Penny agreed, "but she'll have no idea who called."

"The maid may describe us."

"Possibly, but you're safe, for Mrs. Dillon never met you, did she?"

"No, I doubt that I would even recognize the woman if I met her on the street. I've seen her pictures in the paper though."

"Even if Mrs. Dillon suspects that I came to her house she won't be sure I saw the Rembrandt," Penny commented thoughtfully. "She has no suspicion that I know about the picture."

"What will you do now that you know it's a fake?" Amy questioned.

"I haven't decided yet. I'd like to find out where Mrs. Dillon bought the painting—that might give us a clue as to the real thief. But before I question her I think perhaps I should talk the matter over with Father."

"I imagine it would be wise," Amy agreed.

The girls were passing a restaurant and Penny suddenly remembered that neither of them had lunched. At her suggestion they entered and sat down at a table for two near the front window.

"Hanley Cron has his studio in that building across the street," Amy remarked as they waited for the waitress to serve them.

"Does he really?" Penny asked with interest. "Do you know Mr. Cron personally?"

"Oh, no, only by sight. And the less I see of him from now on the better I shall like it!"

"I don't blame you, Amy. He didn't give you a fair deal in the contest at all. I dislike the man myself."

"I suppose I shouldn't take the competition so seriously. I admit I was terribly disappointed. It wasn't just the money—although goodness knows I need it."

"Everyone said your statue should have won."

"Oh, well, it's no use thinking about it now," Amy smiled. "I don't even dare go back to the museum to get the Black Imp."

"I'll stop in for it if you wish."

"No, the authorities would never give it to you without asking a lot of questions. I'll just wait until the trouble blows over. It will be soon, don't you think?"

"I'm sure of it, Amy. It's ridiculous that you were ever charged with the theft."

The girls finished their luncheon and Penny succeeded in capturing both checks. She was very glad of the opportunity for she suspected that her friend was low in funds. They emerged from the restaurant just as a large gray automobile pulled up to the curbing on the opposite side of the street.

"It's Mrs. Dillon!" Penny exclaimed, pausing to stare. "She must be late for her appointment with Hanley Cron."

The woman who was garbed in an elaborate afternoon gown, alighted from the car. She held a beaded bag clutched tightly in her hand.

Mrs. Dillon spoke for a moment with her chauffeur, then walked toward the building which housed Hanley Cron's studio.

Penny and Amy noticed a man in ragged clothing and with cap pulled low over his eyes, who stood lounging in the doorway. He had been watching Mrs. Dillon narrowly. Suddenly, he moved forward, blocking her path.

Before either of the girls were aware of the man's intention, he snatched the woman's purse and darted away, disappearing into the nearest alley.

"Help! Help!" Mrs. Dillon screamed frantically. "Police!"

With one accord, Penny and Amy ran across the street.

"My pearls!" Mrs. Dillon moaned. "They were in my handbag! I've lost a fortune!"

Penny and Amy reached the entrance of the alley in time to see the thief stealthily climbing a fire escape.

"Quick! Maybe we can head him off!" Penny cried.

While Amy ran into the building to give the alarm, Penny daringly ascended the fire escape. She saw the man climb hastily through an open window on the upper floor and disappear.

"If Amy guards the lower exits we'll capture him yet!" Penny thought.

Without stopping to consider that she might be endangering her life, the girl stepped through the open window. The room in which she found herself was an artist's studio and apparently it was deserted.

Penny glanced quickly about. There was no sign of the thief. She darted across the room to the hall door. To her astonishment, it was locked from the inside.

"May I ask what you are doing in my apartment?" a cold, masculine voice demanded.

Penny whirled around to face Hanley Cron. He had entered the studio from an adjoining kitchenette.

"Oh, Mr. Cron, did you see him in here?" she gasped.

"Did I see whom?" the man asked with provoking calmness.

"A thief just entered your studio by means of the fire escape," Penny informed. "I saw him come in here."

Hanley Cron shook his head and a slight sneer played over his lips. "No one has been in my studio during the past hour except yourself."

"But I'm positive I saw him. He entered through the open window."

"I've been in the studio all the time. As you see, the outside door is locked. The man couldn't have escaped."

Penny was baffled. Although several other windows opened off the fire escape, it was difficult to make herself believe that she had been mistaken. However, a careful glance about the room assured her that the thief was not hiding there.

"Will you leave?" Cron asked impatiently. "Your story about a thief running up the fire escape doesn't ring true. You probably used it as an excuse to get in here and spy!"

"You'll soon learn that it's the truth," Penny exclaimed with rising anger. "Just wait until your friend Mrs. Dillon arrives."

"What has she to do with it?"

"Her pearls were stolen. And it was partly your fault too, Mr. Cron, because you invited her to call at your studio on the way to the bank! You must have known she ran a great risk in carrying that necklace unguarded."

"Are you meaning to imply—?"

"I'm not hinting anything," Penny returned shortly. She was provoked at herself for wasting too much time in idle talk. It had given the thief an opportunity to escape from the building.

She turned to go, but just then her attention was drawn to a small statue upon which Cron evidently had been working. His smock was splattered with wet clay and the little figure which rested on a nearby pedestal had not yet fully dried.

As the girl's gaze wandered to the statue, Cron became slightly confused. Picking up a dark cloth from the floor he covered the mass of clay, endeavoring to make the action appear casual.

Penny was not to be deceived. She instantly divined that the art critic did not wish her to see his work. But she had caught a glimpse of the statue. She had seen enough to know that Hanley Cron was making a copy of the Black Imp—Amy Coulter's entry in the Huddleson prize contest!

CHAPTER X

Hanley Cron's Studio

Penny wondered why Hanley Cron should wish to duplicate the Black Imp. He had not thought highly enough of it even to award Amy honorable mention in the Huddleson contest.

She had no time to consider the matter, for her chief thought was to capture the jewel thief before he escaped from the building. Already she feared that she had lost him.

"Why do you keep your studio door locked from the inside?" she demanded, turning the key to open it.

"Because I don't care to be interrupted while I am working," Cron retorted significantly. "As a rule, visitors don't have the effrontery to come in the windows!"

Penny did not reply to the gibe. She opened the door just as Amy came running up the corridor, holding something in her hand. She stopped short when she saw Hanley Cron.

"Amy Coulter, I believe," he said sharply. "Wanted by the police."

"I've done nothing wrong," the girl retorted.

"You are under suspicion for the theft of a valuable painting from the Gage Galleries."

"I don't know anything about the picture."

"The charge is silly," Penny added.

"You seem to have an unlucky faculty of being present whenever valuables are stolen," Cron commented coldly. "Isn't that Mrs. Dillon's bag you have in your hand?"

"Yes, it is. I picked it up by the elevator. It was lying on the floor."

"The thief must have dropped it," Penny declared. "Are the pearls gone?"

"I haven't even looked yet," Amy admitted.

She offered the beaded bag to Penny who promptly turned it inside out. Save for a compact and a handkerchief the purse was empty.

"The pearls are missing all right," Cron commented, looking half-accusingly at Amy.

"Don't you dare suggest I had anything to do with it!" the girl cried furiously. "Mrs. Dillon will tell you that Penny and I were only trying to help!"

"I don't know anything about the pearls," Cron replied cuttingly, "but I intend to turn you over to the police for questioning in regard to the stolen painting."

Penny turned blazing eyes upon the art critic.

"Before you do that, Mr. Cron, you might explain to Miss Coulter why you are copying her statue!"

Darting across the room, she snatched off the cloth which covered the sculptor's work.

"Why, it's my Black Imp!" Amy cried in surprise. "You've reproduced it in every detail!"

Hanley Cron was taken aback at the unexpected exposure, but he quickly regained his usual nonchalance.

"I rather liked the figure," he said inadequately. "That was why I copied it. I had no other reason."

"You didn't like the Black Imp well enough to award it a prize," Amy cried indignantly. "You have a very good reason for reproducing the statue—perhaps you intend to put it to commercial use!"

"You flatter yourself, Miss Coulter. The statue has no value commercially or otherwise."

"You have no right to copy it," Amy insisted, with increasing anger. "The Black Imp is solely my work."

Before either Hanley Cron or Penny guessed the girl's intention, she darted

across the room and snatched the little figure from the pedestal.

"What are you doing?" the sculptor demanded harshly.

"I'm going to take the Black Imp with me. You've no right to it!"

"Drop that!"

Furiously, Cron caught the girl by the wrist, giving it a cruel wrench. Amy would not relinquish the mass of wet clay and Penny hastened to assist her. In the midst of the struggle, the door opened and a policeman looked in.

"What's going on here?"

Hanley Cron's hand fell from Amy's arm. The girls expected him to make a direct charge against them but he seemed confused by the appearance of the policeman.

"We're not having any trouble, officer," he muttered. "Just a little friendly argument about some of my work."

"Friendly, eh?" the policeman questioned. He gazed inquiringly at Penny and Amy.

"It was really nothing," the latter said hurriedly. "We merely disagreed about a statue."

The girls edged toward the door, Amy still clutching the Black Imp in her hands. They both confidently expected that Cron would bring up the matter of the stolen painting, but for some reason which they could not fathom, he stood mute.

The policeman, however, blocked the exit.

"Just a minute," he said. "What's this bag doing here?" He picked up the beaded purse which had been dropped on the table.

Penny explained where Amy had found it and told of her own attempt to capture the jewel thief.

"The man didn't come into my studio," Cron interposed. "These girls are so excited they don't know what they saw."

"The thief came up the fire escape," Penny insisted. "I admit I may have been mistaken as to the window he entered."

"You were," Cron said shortly.

"I guess it doesn't matter greatly now," Penny returned. "By this time the thief is probably blocks away."

It was Mrs. Dillon who had called the policeman. She had noticed him at the corner and had screamed for help. He had mounted the stairs so swiftly that she had been unable to keep pace with him. Now she hurried up, breathless from exertion. The corridor was rapidly filling with excited occupants of the building who had learned of the theft.

"Oh, thank goodness you've recovered my bag!" Mrs. Dillon cried joyfully, as she entered the studio room.

"Your pearls are gone," the policeman told her, handing over the purse. "The thief dropped the bag in the hallway after he had rifled it."

Mrs. Dillon sank weakly down in the nearest chair. Her face was white and Penny could not help feeling sorry for her.

"Can you describe the thief?" the officer questioned.

"Oh, I'm afraid not," Mrs. Dillon murmured. "I really didn't notice him at all until he came up to me. He asked me for fifty cents. When I refused he snatched my bag."

"It was a planned robbery, I think," Penny interposed. "I noticed that the man was waiting when Mrs. Dillon drove up. He seemed to be watching for her car."

The policeman directed his questions toward Penny who answered them to the best of her ability. However, she was unable to furnish a very good description of the thief.

"Officer, you must find that man," Mrs. Dillon said urgently. "I'll pay a liberal

reward for the return of my jewels. I must have them back! They represent a fortune!"

"I'll do the best I can, Madam."

"The pearls will be recovered, Mrs. Dillon," Hanley Cron said soothingly. "Our police force is very efficient."

"I shouldn't have carried the pearls in my purse," Mrs. Dillon moaned. "Christopher Nichols warned me. I should have heeded his words."

"Where were you when the bag was snatched?" the officer questioned.

"I had just left my car. I was coming here to meet Mr. Cron. We were taking luncheon together."

"Had you told anyone that you were carrying the pearls in the purse?"

"Only Mr. Cron. Of course Christopher Nichols was aware of my intention."

"I knew you were taking the jewels to the bank vault," Penny informed. "I overheard you talking at the ball, and I believe others must have listened to the conversation too."

"No guest of mine could be guilty of the theft," Mrs. Dillon replied in a shocked voice. "The man who snatched the bag was a stranger."

"He may have been employed by another," Penny suggested.

Amy was decidedly uneasy in the presence of Hanley Cron and the policeman, fearing that at any moment some reference might be made to the stolen painting. She could not understand why the art critic remained silent since he had threatened to expose her.

Hearing the whining whistle of a squad car arriving from police headquarters, the girls quietly slipped away. Cron made no move to detain them, even though Amy retained possession of the Black Imp.

"Why do you suppose Hanley Cron didn't try to make trouble?" Penny asked as they walked swiftly along the street toward Amy's rooming house. "I felt

certain he would."

"So did I. I guess he knew he had no right to copy the Black Imp."

"He was probably afraid he might get himself into trouble," Penny chuckled. "Either that, or he didn't want to make a scene in front of Mrs. Dillon."

"It's queer about the statue," Amy said musingly. "I can't understand what he intended to do with it."

She took the Black Imp from her pocket and examined it critically. The damp clay was slightly misshapen from rough handling. They sat down on a park bench while Amy deftly moulded it back into its original form.

"It should make a fairly nice figure when it dries," she remarked.

"Why don't you try to sell the Black Imp to some commercial firm?" Penny asked abruptly. "It seems to me it has possibilities. It's such a cute little figure."

"Perhaps I will try later on," Amy agreed. "But until my name is cleared I haven't much chance to do anything."

"That's true," Penny acknowledged. "What are you going to do with this copy of the statue?"

"Oh, I don't know. Would you like it?"

"Would I? Rather! But don't you want it yourself?"

"No, I have the original if ever I muster the courage to go to the museum and claim it."

"I'd love to have the reproduction," Penny declared enthusiastically. "Only I wish you had made it instead of Hanley Cron."

"I'll make you a nicer piece later on," Amy promised as she wrapped up the figure in her handkerchief and gave it to Penny.

Presently, after discussing at some length the exciting events of the afternoon, they arose and walked on down the street. They were nearing the downtown

business section when Penny halted and pretended to gaze into the plate glass window of a large department store.

"Amy, I think we're being followed!" she announced in a low tone. "Don't look around."

"What makes you think so?" Amy inquired skeptically.

"Ever since we left the park a man has been trailing us."

"Are you sure?"

"Every time we stop he does too. I can see his reflection now in the plate glass. He's pretending to be looking into that jewelry store window but he's really watching us."

"You mean the man in the gray topcoat?"

"Yes."

"Maybe he's a plain-clothes man who is after me," Amy said uneasily.

"We can soon find out. Come on!"

Catching Amy's arm, Penny steered her into the department store. They sauntered leisurely through the aisles, frequently pausing to examine merchandise. Unobtrusively, they kept watch of the main entrance.

"Here he comes, just as I knew he would!" Penny exclaimed in an undertone as she caught a glimpse of the man entering the store. "We must shake him quickly now."

They walked swiftly down the aisle and took a crowded elevator to the top floor.

"Now we'll walk down three flights of stairs," Penny commanded.

Already they had lost sight of the man, but to make certain that he would not catch them again, they crossed to the opposite side of the building and took a down-going elevator to the main floor. Mingling with the crowd they emerged

upon the street.

"We certainly gave him the slip," Amy laughed.

"My father taught me that trick. Even a trained detective finds it difficult to follow a person who is aware he is being shadowed."

"I guess I'll say goodbye to you here," Amy said regretfully. "I hope I'll see you again soon."

"Yes, indeed. I intend to talk with Mrs. Dillon about that painting she bought. I'll let you know what she says."

The girls parted company but Penny did not leave the scene. Instead, she walked across the street, establishing herself in a doorway where she could keep watch of the department store entrance.

"Two can play at this game of shadowing," she chuckled.

It was nearly twenty minutes before the man who had been following Penny and Amy emerged from the store. She noted him instantly. He was a tall, thin man dressed entirely in gray.

"I don't believe I've ever seen him before," Penny thought.

When the man moved off down the street, she crossed the street and trailed him. He walked swiftly and did not once glance backward, apparently having no suspicion that he was being followed.

Once the man paused to glance into the window of a pawnshop. He turned down East Franklyn Street which led through a dirty, poverty-stricken district to the river. Presently, Penny saw him enter a run-down, dilapidated brick building.

In the doorway he met another man, evidently the janitor who caught him roughly by the arm as he endeavored to pass.

"Just a minute, you," he said. "I've been trying to find you for a week. How about that rent you owe?"

"Try and get it!"

"I'll get it all right," the janitor returned threateningly. "If I don't I may make it my business to find out why you rented the entire top floor."

A strange look came over the other man's face. Reaching into his pocket he pulled out a large roll of bills.

"How much?"

"Fifty dollars."

"Here it is. And a five for yourself. Now don't bother me again."

And with that the man strode angrily into the building and mounted a long flight of stairs which led to the top floor.

CHAPTER XI

A Visitor

Penny watched the janitor closely after the man in gray had vanished into the building. From his inside coat pocket he removed a billfold and carefully deposited the fifty dollars in it. The five dollar bill he shoved into his trousers pocket, a possessive smirk on his face.

Penny moved forward to accost the man.

"How do you do," she greeted. "Are you the custodian of this building?"

"Yes, I am," he replied surlily. "If you have anything to sell, get out!"

"Oh, I'm not a saleswoman. I am looking for a place to rent."

"Is that so? Well, you've come to the wrong place. We are filled up."

Penny was aware that the janitor regarded her suspiciously. She did not believe that he was speaking the truth for she had noticed many apparently unoccupied rooms in the building.

"But you may have vacancies in the future, I suppose," she commented. "You see, I like the outlook a person would get from your top floor."

"That top floor is rented."

"Could you tell me the name of the party——?"

"No, I couldn't," the janitor interrupted irritably. "Run along now. I'm not interested in your chatter."

"All right, I'll go," Penny replied, "but you may hear from me again. And when I return, I'll bring a mate to that five dollar bill you just slipped into your pocket!"

Before the man had recovered from his surprise she turned and walked briskly down the street in the direction of her father's office. She deeply regretted

her last remark for she realized that the janitor might repeat it to the man who occupied the top floor. She had not intended to reveal how much she had seen.

Penny entered her father's office just as he was leaving on a business errand.

"Hello, Dad," she called out. "I seem to have caught the bird on the wing."

Mr. Nichols smiled at his young daughter and obligingly hung his hat back on the rack.

"My flight is off now that the fledgling has returned to the nest. What's on your mind now, Penny?"

"This little ornament, for one thing." Penny unwrapped the model of the Black Imp which Amy Coulter had given her and set it down on her father's desk. "Doesn't he look kind of lonesome and, well—mysterious?"

"He does at that," Mr. Nichols said as he picked up the little art piece and turned it over and over. "I should say the fellow has a wicked glint to his eye."

"Be careful how you handle him," Penny warned. "The clay is still damp."

Mr. Nichols placed the figure back on the desk. "It's a very clever design. I don't suppose this is that Black Imp you were telling me about?"

"It's a copy of the original."

"How did you get it?"

"I guess you might say I swiped it," Penny smiled, "or rather, Amy and I did together."

"You don't make yourself very clear."

Penny related her experience in Hanley Cron's studio, but at mention of the jewelry theft, Mr. Nichols lost all interest in the Black Imp. He insisted upon hearing every detail of the theft.

"It doesn't surprise me a bit," he declared when Penny finished the story. "I warned Mrs. Dillon that necklace would be stolen if she didn't get it locked up."

"She lost it on the way to the bank, Dad. Perhaps she thinks now that if she hadn't attempted to follow your advice, the pearls would still be safe."

"Nonsense!" Mr. Nichols exclaimed impatiently. "That necklace was stolen by someone who was lying in wait for her. Possibly by one of the same thieves who attempted to hold up the Dillon ball the other evening."

"Mrs. Dillon did make a grave mistake to carry the pearls unguarded," Penny admitted. "But it seems to me the thief must have been someone who was in the house after the holdup."

"Why do you think that?"

"Because otherwise how would the thief have known that Mrs. Dillon intended to take her necklace to the bank today? You remember she spoke of the matter openly before her guests."

"I remember," Mr. Nichols smiled.

"And Mrs. Dillon made an appointment to meet Hanley Cron at his studio before she went to the bank. The thief apparently was waiting for her in front of the building. It was no casual snatch. I'm sure of that."

"Your reasoning is very good," Mr. Nichols praised. "Tell me, who overheard this conversation between Mrs. Dillon and Hanley Cron?"

"Why, I did. There were some other people standing not far away, but I doubt that they heard. At least they did not appear to be listening."

"So you're the only person who knew of the appointment," Mr. Nichols said jokingly.

"Don't look at me like that," Penny laughed. "I swear I didn't take the necklace even if I was on the scene."

"I'll not turn you over to the police without more evidence," the detective promised. "I was just on my way to the station when you dropped in."

"I didn't mean to detain you."

"The matter was of no great importance. I merely wanted to inquire if the police had made any progress tracing the Dillon holdup men. It's queer how they made such a neat get-away."

"I don't think the police are very alert," Penny grumbled. "After Mrs. Dillon's handbag was snatched they were on the scene within ten minutes, but I imagine the thief will never be captured."

"You expect results too quickly, Penny," her father smiled. "From what you've told me I imagine this purse-snatcher is a member of an organized gang. The theft was no casual affair. Every detail was carefully planned."

"I wish you were on the case, Dad."

"I don't. I have enough troubles without wishing more upon myself. I really am not——"

He broke off as the telephone rang. "Hello," he said gruffly into the transmitter, then his face became sober as he silently listened. "Drop into my office tomorrow at nine," he terminated the conversation. "I'll give you my decision then."

"You sound like one of the judges of the Supreme Court," Penny chuckled as her father hung up the receiver. "What's this momentous decision you're to hand down?"

Mr. Nichols sat drumming his fingers against the edge of the desk.

"That was the Reliance Insurance Company. They want me to take the Dillon case."

"You don't mean in regard to Mrs. Dillon's lost necklace?"

"Yes, that's it."

"But Dad, how does the insurance company figure in the case? The pearls weren't insured."

"As it happens, they were. For fifteen thousand dollars."

"But I heard Mrs. Dillon say to you herself that the necklace had never been insured."

"Yes. Apparently, she didn't tell the truth."

"She acted dreadfully upset over the loss. What reason would she have for telling you a deliberate falsehood about the insurance?"

"I wonder myself."

"Are the pearls worth fifteen thousand?" Penny asked thoughtfully.

"No more than that certainly. It seems, too, that the policy was taken out from the insurance company only a few weeks ago."

"The company doesn't think that the robbery was planned surely?"

"It was planned all right—but whether by Mrs. Dillon I'm in no position to say."

"But why should she wish to resort to such a trick just to collect insurance?" Penny protested. "The Dillons are wealthy."

"Ostensibly so, at least. However, even to Mrs. Dillon, fifteen thousand might look attractive."

"I don't believe she's as honest as she should be," Penny admitted reluctantly. "At least that stolen picture isn't in her favor. She must have bought it with a full knowledge of what she was doing."

Christopher Nichols nodded thoughtfully.

"Will you take the case?" Penny questioned hopefully.

"I haven't decided yet. I admit I'm beginning to grow interested in it."

While the two were talking, Miss Arrow, the secretary, swiftly entered the room.

"I'm sorry to interrupt," she apologized, "but that dreadful man is here again."

"Which dreadful man?" the detective inquired, smiling.

"Max Lynch."

"Oh."

"Don't see him," Penny pleaded. "He might attempt to harm you, Dad."

Mr. Nichols paid no heed. He turned to Miss Arrow. "Is he carrying a gun?"

"I don't think so, Mr. Nichols. But I couldn't be certain."

"Please don't see him," Penny begged earnestly. "Max Lynch has a grudge against you."

"Now don't get yourself worked up, Penny," he chided, opening the top drawer of his desk to make certain that his own revolver was at hand for immediate use in an emergency. "I'll be in no danger, and Max may prove useful to me."

"Useful?"

"Yes, he's an expert on jewels and it's a well known fact he sometimes handles stolen gems."

"You think he may know something about Mrs. Dillon's necklace?"

"I don't suppose he had anything to do with the theft, Penny, but likely he has a pretty good idea who handled the job."

"Shall I tell him to come in?" Miss Arrow questioned.

"Yes, I'll see him."

"I suppose I'll have to go," Penny said reluctantly.

"Please," the detective requested.

Miss Arrow already had departed. As Penny reached the door she met Max Lynch coming in. He stood aside for her to pass, but there was no deference in the action. He eyed the girl insolently.

"Your daughter, Nichols?" he demanded.

"Yes," the detective answered shortly.

"Not bad looking."

"We'll leave her out of the conversation," Nichols said sharply. "What brought you here this time, Max?"

Without replying, Lynch leisurely sat down in a chair opposite the detective. He calmly helped himself to a cigar on the desk. But he never lighted it. For as he reached into his pocket after a match, he noticed an object directly in front of him. It was the Black Imp.

For an instant he stared at the figure, the expression of self-confidence completely washed from his face.

He hastily arose and his chair, as he pushed it back, made a harsh grating noise on the floor. Instinctively, Christopher Nichols' hand moved swiftly toward the top drawer of his desk. But there was no need for alarm. Max Lynch did not reach for his gun. Instead he made for the door.

"You're leaving?" Nichols asked.

Max did not reply. But as he went out the door, he glanced back over his shoulder, and for a fleeting moment his eyes rested in fascinated fear on the figure of the Black Imp.

CHAPTER XII

The Missing Workman

No sooner had Max Lynch banged out of the office than Penny came hurrying in.

"What happened?" she questioned her father.

"Nothing. Max just decided to leave."

"You must have said something to him," Penny insisted. "When he went out he looked actually frightened. His face was as white as if he'd seen a ghost."

"I don't know what made Max change his mind about wanting to talk with me," the detective said, frowning thoughtfully. "He seemed to be startled when he saw that statue of yours."

"The Black Imp?" Penny asked in surprise.

"Yes, he took one look at it and started off without a word of explanation."

Curiously, the detective picked up the figure and carefully examined it.

"I can't see anything wrong with it," he admitted. "You say this statue came from Hanley Cron's studio?"

"Yes, he was angry when Amy tried to take it away from him. Then the policeman came in and he seemed afraid to protest."

The detective made no reply. He sat lost in thought for a moment, then arose.

"Well, I guess I'll amble over to the police station."

"Then I may as well be going home," Penny said. She picked up the Black Imp from the desk and carefully wrapped it.

"I'll take you in the car if you like."

"No, I'll walk," Penny replied. "I've been gaining weight lately and need the exercise."

Mr. Nichols smiled, for Penny barely tipped the scales at a hundred pounds. They left the building together and separated.

"I should be home early for dinner tonight unless something unforeseen comes up," Mr. Nichols mentioned in parting.

Penny found Mrs. Gallup ironing in the kitchen. She paused to display the Black Imp, but the housekeeper was not greatly impressed.

"And you call that a work of art!" she scoffed. "It's just an old lump of clay."

"This is only a copy of Amy Coulter's fine piece, Mrs. Gallup. Not a very good copy either. But don't you think the design is clever?"

"I can't say I do. That Imp has such a sinister look on his face—as if he were guarding a wicked secret!"

"Now that's an idea!" Penny laughed. "Maybe he is. At least he frightened a crook out of Dad's office this afternoon."

"What was that?" Mrs. Gallup demanded quickly.

Penny did not repeat for she had no desire to alarm the housekeeper. After all she could not be certain that the Black Imp had been the cause of Max Lynch's sudden leave taking.

"Oh, I was just talking," she murmured, and departed before Mrs. Gallup could question her further.

Penny took the little statue to her room, and after trying it in several locations, decided that it looked best on the maple desk. She then sat down to write a few lines in her diary, but whenever she glanced up the Black Imp seemed to be staring down at her with an inquiring scrutiny.

"You are a wicked little beast!" Penny chuckled. "Are you trying to learn what I'm writing about the jewelry theft?"

She turned the Black Imp so that he faced the wall and finished the notation in her diary.

It was a few minutes after five when Penny heard the front door bell ring. Thinking that one of her school chums had come to call, she darted down the stairs to answer. The visitor was Mrs. Dillon.

"Why, how do you do," Penny stammered. "Won't you come in?"

She wondered what had brought the woman to the house at such a late hour of the afternoon. A conviction dawned upon her that Mrs. Dillon had learned of the hoax she and Amy had perpetrated in order to see the Rembrandt. She

steeled herself for an unpleasant interview.

"Is your father here?" Mrs. Dillon inquired.

"No, Mrs. Dillon. He hasn't returned from the office."

"It's very important that I see him—about my stolen necklace, you know."

A feeling of relief surged over Penny. "Father should be arriving any moment now. Would you care to wait?"

"Yes, I believe I will."

Mrs. Dillon sank wearily into the chair which the girl offered. "I've had such a dreadful day. My beautiful necklace was stolen and the police haven't been able to find a trace of the thief. But then, you know all about it, for you were there."

"Perhaps the pearls will still be recovered," Penny said politely.

"That's what Mr. Cron tells me. He says it's foolish of me to worry. The police are certain to find them within a few days."

"Your loss was covered by insurance?" Penny inquired innocently.

"Oh, no! That's the dreadful part."

Penny looked sharply at Mrs. Dillon. The woman seemed so earnest that it was difficult to believe she was deliberately telling a falsehood. Yet the incident of the painting already had given the girl a clue as to Mrs. Dillon's character. If the woman knowingly would purchase a stolen picture was it not reasonable to suppose that she would feel no qualms at cheating an insurance company?

In the hope of gaining a little information, Penny casually brought up the subject of the Rembrandt, but Mrs. Dillon immediately became secretive. She would not talk of the picture even in a general way.

"I'll never learn anything except by making a direct accusation," Penny thought. "I don't dare do that—yet."

She was relieved when her father came a few minutes later.

"I'm sorry to bother you at your home," Mrs. Dillon began nervously, "but I had to see you at once. My pearl necklace was stolen this afternoon."

"Yes, so I heard," Mr. Nichols replied.

"I want you to take the case. You must help me recover my pearls."

"I am afraid I can't take the case, Mrs. Dillon."

"But why not? You've helped others. Everyone says you are the best detective in the city. And I'll pay you well."

"It isn't a matter of money, Mrs. Dillon. To tell you the truth, the Reliance Insurance Company also requested me to work on the case."

"The Reliance Insurance Company? I don't understand. What have they to do with it?"

"Your necklace was insured with them, I believe," Mr. Nichols said evenly.

"Oh, no!"

"For fifteen thousand dollars."

"Certainly not," Mrs. Dillon replied indignantly. "Are you suggesting that I would lie about the matter?"

"I thought you might have forgotten."

"This is too ridiculous!" Mrs. Dillon snapped. "I didn't come here to be insulted."

"Please don't consider my remarks in that light, Mrs. Dillon. I was merely explaining why I can't take the case. I expect to serve the Reliance Company."

"They have absolutely nothing to do with the necklace." Mrs. Dillon angrily arose. "I am sorry I wasted my time coming here!"

Haughtily, she left the house, and Penny, who watched from the window, saw

her drive away with her chauffeur.

"Do you really intend to take the case for the Reliance people?" she questioned eagerly.

"Oh, I suppose I shall."

"What do you think of Mrs. Dillon, Dad?"

"She bores me," Mr. Nichols yawned. "Without a background of money and social position she would be nothing but a noisy phonograph record."

"I meant about her claim regarding the necklace. Were the pearls actually insured?"

"Oh, of course," Mr. Nichols returned, a trifle impatiently. He laughed. "I can't imagine the Reliance people turning over a cold fifteen thousand dollars if they didn't owe it."

"But if Mrs. Dillon expects to collect the money why should she lie?"

The detective shrugged. "Some women are funny."

Mrs. Gallup came to announce dinner and at the table the subject was not resumed. Penny sighed as she stole a glance at her father's immobile face. She could never tell what he was thinking and his reluctance to discuss any case upon which he happened to be working was at times irritating.

The next morning after helping Mrs. Gallup wash windows, Penny went down town to have luncheon with her father. She felt rather important as she entered the office for it was not often that he extended such an invitation.

The door of the inner room was ajar and Miss Arrow was nowhere in sight, so Penny entered. To her surprise the private office was in great confusion. Papers had been tossed over the floor and the filing cabinet rifled. Mr. Nichols and his secretary were occupied examining the contents of the safe.

"What's the matter?" Penny questioned. "Are you house cleaning or did a cyclone strike the place?"

"Someone broke in here last night and went through everything," Mr. Nichols answered.

"Anything valuable taken?"

"No, not so far as we've discovered. Only a little cash that was in the safe—nothing of consequence."

"Who do you suppose did it?" Penny asked. She leaned carelessly against the desk but her father pulled her away.

"Be careful where you park yourself," he ordered. "I haven't finished taking finger prints yet."

Penny waited while Miss Arrow and her father made a systematic inventory of the contents of the room. They were both too busy to talk. At one o'clock Penny grew discouraged.

"How much longer before you'll be ready to go to lunch, Dad?"

"Oh, an hour at least."

"Then I guess I'll go by myself. I'm dreadfully hungry."

"Good idea," the detective approved. "You might have some sandwiches and coffee sent in for Miss Arrow and myself." He tossed her a bill and went on with his work.

At a nearby restaurant Penny ordered luncheon for herself and had a package of cold food and a large thermos bottle of coffee dispatched to her father's office.

She ate somewhat mechanically as she reflected upon the audacity of the person who had dared to rifle her father's office. A few years before she recalled that a thief had broken into the safe, but he had been captured within forty-eight hours.

As Penny left the restaurant she purchased a newspaper and glanced at the headlines. The story of the Dillon robbery appeared in column one but the details were not given very accurately.

Penny folded the paper and walked slowly down the street. Having no destination in mind she wandered toward the park. Seating herself on a bench she idly watched the passersby.

Presently her attention was drawn to a man who had paused near a large tree not far away. He appeared strangely familiar, but at first glance Penny did not recognize him. She scrutinized him closely. He wore dark horn-rimmed glasses and kept the brim of his broad hat pulled low.

"Why, it's Mr. Hoges!" Penny thought. "The museum workman!"

She felt certain that the man had not worn dark glasses when she had seen him at the Gage Galleries. He was well dressed, even expensively, yet she knew the salary he had received from the museum could not be a large one.

"Mr. Hoges was supposed to be out of the city on vacation too," she reflected. "I think I'll go over and talk with him."

Before she could move from the bench she saw the man take out his watch and stare at it. Then he gazed impatiently up and down the walk as if he were expecting someone. Penny kept her head bent and he did not bestow a second glance in her direction.

She thought: "I'll just wait and see for whom he's waiting. I may learn more that way."

Ten minutes passed. Mr. Hoges grew more impatient. He paced back and forth in front of the tree. Then abruptly he halted, and his face lighted up.

From the other side of the park a girl in a blue coat rapidly approached. As she hurried up to the waiting Mr. Hoges, her face was slightly averted.

"I'm sorry to be late," she murmured.

The voice was musical and low. Penny recognized it instantly, yet found it difficult to believe her own ears. If only the girl would turn her head——

Just then she did, and Penny could no longer hope that she had been mistaken. The newcomer was Amy Coulter.

CHAPTER XIII

An Embarrassing Interview

At sight of her friend talking with the museum workman, a confusion of thoughts raced through Penny's mind. Why had Amy made an appointment with him in the park? She could not believe that the meeting was casual for the girl's own words had revealed otherwise. She was even more startled by Amy's next remark which, carried by the wind, came to her very clearly.

"You brought the money?"

"Yes. I will pay you now if you wish."

The workman drew from his inner pocket a fat wallet, removing a large roll of bills. Penny was so bewildered that for a moment she forgot to shield her face with the newspaper she pretended to read. However, Amy and the man were so engrossed in their conversation, neither of them glanced toward the park bench.

Mr. Hoges stripped off two of the bills, handing them to the girl.

"There," he said in a gruff voice, "that ought to be enough for a start. Stick by me, sister, and you'll earn plenty more like it."

Amy made no response, but pocketed the money. She was moving away when the workman detained her.

"You understand what's expected? You'll keep quiet if anyone asks you how you make your money?"

"I haven't made much yet."

"You will, never fear, if my little plan goes through. Do I have your promise to keep silent?"

"Yes," Amy answered shortly. She jerked away from Mr. Hoges and hurried

off through the park.

Penny was so absorbed in the little scene that she did not hear footsteps behind her. "Hello, Penny," a teasing voice greeted. "What are you doing here?"

Penny sprang up from the park bench, then laughed ruefully as she saw that it was Susan Altman who had spoken to her so unexpectedly.

"My! You surely startled me, Susan."

"What are you doing here all by yourself?"

"Oh, just watching the birds and squirrels and things."

"Human squirrels, I suppose," Susan smiled. "When I came up you were craning your neck at that man over by the oak tree."

"What became of him?" Penny demanded anxiously, turning to look.

She had talked with Susan scarcely a minute, yet the museum workman had disappeared. In vain she scanned the park. He was nowhere to be seen.

"I thought you were interested in him!" Susan proclaimed triumphantly.

"Of course I was!" Penny cried impatiently. "He was that same museum workman we met at the Gage Galleries."

"Not the one you suspected of stealing the Rembrandt?"

"Yes, and he was talking with—" Penny suddenly checked herself.

"What were you saying?"

"He was talking with a girl," Penny finished. "I intended to follow the man. Now it's too late."

"I guess it was my fault. But I didn't suppose you were really shadowing anyone. I'm sorry if I ruined everything."

"Oh, you didn't," Penny smiled good-naturedly, taking her chum's arm as they walked across the park together. "If I want to question Mr. Hoge I probably can

find him at the museum. No doubt he just returned from his vacation."

The girls dropped in at a corner drug store for ice cream, but Penny refrained from telling Susan the details of her recent adventures. She realized that if it became generally known that the stolen Rembrandt or even a reproduction of the famous picture were in Mrs. Dillon's possession, considerable trouble would result. Penny did not intend to tell anyone about it until she had interviewed the woman.

It was after three o'clock when the girls left the drug store. At Penny's suggestion they walked to the Gage Galleries to inquire for Mr. Hoges.

"He will not return here after his vacation," came the disappointing response to their question. "Mr. Hoges has resigned his position."

This information left Penny in more of a maze than ever regarding Amy Coulter. She could not help believing in the girl's integrity, and, despite Amy's rendezvous with Hoges, she still felt there must be a rational explanation for her actions.

As Susan and Penny left the museum together, the former cast a panic-stricken glance at her watch.

"It's nearly four o'clock and I promised to meet my mother at the library then. I forgot all about it. I have just ten minutes to get there."

"Twenty blocks in ten minutes! You'll never make it, Susan."

The excited girl looked up and down the street as if she were seeking some miraculous means of quick transportation. Just then a taxicab whirled around the corner. Susan held up her hand as a signal for it to stop.

"You don't mind, do you Penny? Mother will be so exasperated if I don't come. Hop in with me and I'll drop you off downtown."

"No thanks, Susan," Penny excused herself. "I just thought of a place I want to stop and it isn't on your route. See you tomorrow."

The cab door slammed and Susan was whisked away to her appointment. Penny walked rapidly toward the poorer section of the business district. She

finally stopped at the entrance of the building where the previous day she had encountered the mysterious man in gray and the arrogant janitor.

Penny walked into the stuffy little lobby at the foot of a steep stairway. She consulted a dilapidated office directory which hung haphazardly against the wall. The building was tenanted by small factories, printers, and agents. About half the spaces in the directory were blank, indicating the place was only partially occupied. She was interested to see that the top floor showed no tenants whatsoever.

"I think I'll just slip up there and see for myself," she resolved. With her foot on the first step, she looked quickly about. There was no one nearby to witness her actions. All was quiet except for the rhythmical thumping of small job presses in the scattered printing shops.

Penny thought there could hardly be so many steep steps in all the world as she climbed flight after flight, hoping each to be the last. Finally she reached the top landing. She tiptoed to the nearest door and listened. Hearing nothing, she opened it a crack and looked in.

The place was empty.

"That's queer," she thought. "I'm sure this top floor was rented yesterday. I saw the man pay the rent."

Walking as noiselessly as she could, Penny explored the large room. Here and there on the bare floor were colored splotches, as if someone had spilled paint. In one corner was a dirty piece of tarpaulin such as tradesmen use to protect floors and furniture.

Disappointed, Penny retreated to the hallway. She could not understand why the place was empty when she had been told by the janitor only the day before that it was occupied.

She walked slowly down the first flight of stairs and as she turned on the landing to continue her descent, she noticed the name, "James Wilson, Printer," on a glass door directly in front of her.

The name seemed strangely familiar. Then she remembered. It must be the shop of Jimmy Wilson, who did some of her father's printing.

Penny opened the door and there was Jimmy himself feeding envelopes into a small job press. He looked up from his work when he saw her, stopping his machine to say: "Well, if it isn't Miss Nichols. Rush order from your father, I'll bet."

"Not this time, Mr. Wilson. But I do wonder if you could give me a little information."

"I'll tell you anything but my lodge secrets," Jimmy replied.

"I want to know what became of the tenants on the floor above."

If the printer was surprised at such a direct question his expression did not disclose it.

"Oh, the janitor was telling me about that, Miss Nichols. He said they moved out, bag and baggage during the night."

"Last night?" Penny inquired quickly.

"Yes, seems their rent was paid up a week ahead too."

"What sort of place did they run?"

"Well, they claimed to be sign painters, but I couldn't tell you about that. In an old building like this a lot of strange specimens come and go."

"Did you notice the man who rented the floor?"

"Not particularly. There seemed to be three of them, a tall, rather well dressed man, and two kind of long-haired looking foreigners. Sometimes when I worked late in my shop, I could hear them up there messing around long into the night."

Further questioning failed to bring out any vital information, and not wishing to arouse the printer's suspicions, Penny thanked him and descended to the street.

She was disappointed at her failure to find the upper floor of the building occupied and it occurred to her that possibly her own actions had caused the sudden departure.

"The janitor may have mentioned to that man in gray that I came here yesterday," she reflected, "but why should it make any difference?"

Penny was certain that the man she had followed to the building had previously made a business of shadowing her. She had never seen him before in her life and could not understand why her movements should interest him.

"The riddle is too involved for me," she told herself. "I guess one mystery at a time is enough to worry about."

It was still fairly early in the afternoon and Penny did not wish to waste the day. She decided to make a bold move and call upon Mrs. Dillon. Yet she dreaded the interview.

Taking a bus, she soon arrived at the society woman's home. When she rang the doorbell, the maid who answered, recognized her immediately. Her glance was not friendly.

"Is Mrs. Dillon in?" Penny inquired.

"Yes, but I'm not sure she'll see you," the maid answered shortly. "When I told her you were here the other day to see the picture, she didn't know anything about it."

"Did you tell her my name?"

"How could I when you wouldn't give it?"

Penny smiled. "Please tell Mrs. Dillon that Miss Nichols would like to speak with her. You might add that the matter is important."

"I'll tell her," the maid said reluctantly.

Penny waited several minutes, but when the servant came back she was more cordial. "Mrs. Dillon will see you in the drawing room."

The woman arose as Penny entered.

"I am very glad you came this afternoon," she said pleasantly. "I intended to telephone your father but now you may give him my message."

"I'll be glad to, Mrs. Dillon."

"I owe your father an apology about the way I talked to him. You see, I didn't know that my pearl necklace was insured."

"And you have since learned differently?" Penny asked politely.

"Yes, my husband told me last night. He insured the pearls without telling me anything about it. Wasn't that fortunate?"

"Very," Penny agreed. "I suppose you feel greatly relieved."

"Oh, yes, but I still wish your father would take the case. You'll give him my apology?"

"Yes, indeed."

There was a little awkward silence as Mrs. Dillon waited for Penny to explain why she had called. The girl scarcely knew how to begin. She had been disarmed, as it were, by the society woman's manner.

"I wanted to talk to you about a picture which was taken from the Gage Galleries," she began hesitantly. "A Rembrandt."

A cold look came over Mrs. Dillon's face. "Yes?" she inquired.

Penny stirred uncomfortably. The interview was not to her liking. And when her father learned of it she was afraid it might not be to his liking either.

"It occurred to me, Mrs. Dillon, that possibly you could help in locating the stolen picture."

"I? You flatter me, my dear."

Penny saw the warning in Mrs. Dillon's dark eyes. But she dared to go on.

"Let's not pretend, Mrs. Dillon," she said quietly. "I know about that painting which you keep hidden behind the panel of the library."

Mrs. Dillon sprang to her feet, her face convulsed with anger.

"So you are the snooper who came here!" she cried. "Get out of my house and never, never come again! Go quickly or I'll call the police!"

CHAPTER XIV

The Mysterious Agent

Penny listened calmly to the woman's tirade, making no move to obey the impolite command.

"I am sorry, Mrs. Dillon," she said, "but I do not intend to leave this house until you have answered my questions."

"I shall call my servant. You are an insolent, impudent girl!"

"I should advise you not to call anyone until we have talked together," Penny said undisturbed. "After all, you know I have it in my power to cause your arrest."

Mrs. Dillon grew pale. "What do you mean?" she demanded.

"It is useless to pretend. I know that you bought the Rembrandt and have it secreted in your library. Unless you tell me where you purchased the painting, I shall feel it my duty to go to the police."

"And if I do tell you?"

"Perhaps I can help you. You should be able to escape arrest for the Rembrandt isn't genuine."

As she had anticipated, her words brought an astonished glint into Mrs. Dillon's eyes. Without thinking she exclaimed:

"The painting is genuine. I paid——"

"How much did you pay for it?" Penny questioned, smiling at Mrs. Dillon's

confusion.

"Well, since you seem to be so familiar with my private affairs, I suppose I shall have to tell you all about it. The painting is genuine and I bought it with the sole intention of returning it to the museum."

Penny made no comment, although she did not believe a word of the story. Mrs. Dillon was only trying to build up a defense for herself.

"How much did you pay for the picture?" she repeated, determined to tie the woman to facts.

"Two thousand dollars," Mrs. Dillon answered grudgingly. "But that is only the first payment. The next installment will soon be due."

Penny thought exultingly: "If Mrs. Dillon will only cooperate, it should be possible to catch the dealer who cheated her." Aloud she said: "Then you will see the dealer again—the man from whom you purchased the picture?"

"Not the dealer. His agent."

"Tell me the name of the persons from whom you bought the painting."

"I can't."

"You are unwilling to do so, you mean?"

"I don't know the dealer's name. I never dealt with him personally."

"You bought the picture through a third party?"

"Yes, and the agent is very well known to me. A gentleman of high standing."

Penny could not restrain a smile. She had her own opinion of a man who would negotiate a deal for a stolen painting.

"Who is this agent, Mrs. Dillon?"

"That I cannot tell you. I promised never to reveal his name."

"But it is your duty to do so," Penny urged. "I have every reason to believe

that this man has cheated you."

"I will not give his name," Mrs. Dillon repeated firmly.

"He is a special friend of yours?"

"Perhaps."

"I appreciate your motive in trying to shield him," Penny said, "but the matter is serious. This man has sold you a worthless picture, representing it to be a stolen Rembrandt."

"The painting is genuine," Mrs. Dillon insisted. "I have proof of it."

"What proof, may I ask?"

"The picture was viewed by an expert—a man whose judgment I trust implicitly. He assured me that it was genuine."

"This expert looked at your picture since it was delivered to the house?"

"No, at the studio."

"What studio?" Penny asked quickly.

"I will tell you if you promise not to betray me to the police."

"I came here today because I wanted to help you, Mrs. Dillon. I have no intention of going to the authorities if it can be avoided."

"The studio is on Franklyn Street," the woman informed. "On an upper floor."

"Do you have the exact number of the building?" Penny asked quickly.

"Yes, somewhere."

Mrs. Dillon went to her desk and after examining a number of papers found an old envelope upon which she had written the address. Penny glanced at it and a look of disappointment came over her face.

"Oh, this clue will do no good!" she exclaimed. "I know about this place. The

men have gone. They moved out last night—secretly."

The address was the same building which Penny had investigated that afternoon.

"Can you describe the person or persons whom you met in the studio?"

Mrs. Dillon shook her head.

"I did not meet the men personally. My friend took me there and showed me the picture."

"This same expert to whom you referred?"

"Yes."

"And yet you feel that his judgment was unbiased?"

"I do," Mrs. Dillon maintained loyally, "but I did not depend entirely upon his opinion. I am a very good judge of pictures myself."

"Has it occurred to you that possibly you did not receive the same painting which you purchased? I understand that sometimes art thieves prey upon innocent buyers by showing them a genuine picture and then delivering into their hands only a cheap copy."

"I am too shrewd to be so easily duped," Mrs. Dillon retorted. "I don't mind telling you that I protected myself against just such trickery."

"How?"

"When I viewed the picture and satisfied myself as to its quality, I marked the back of the canvas with a tiny symbol. In that way you see, another painting could not be substituted, for the marking would be absent."

"The symbol might be duplicated."

"No, I would instantly detect the difference."

Penny sat lost in thought for a moment. She now understood the significance of the strange marking on the back of the Rembrandt which had puzzled Amy

and herself. Was it possible that the Coulter girl had been mistaken in the quality of the painting?

"Mrs. Dillon," she said after a long silence, "you confidently believe that your painting is the same one which was stolen from the Gage Galleries?"

"All I know is that my picture is a genuine Rembrandt. I did not learn that a picture had been stolen from the museum until after I had made my purchase. I do not know even now that I have this same painting."

"In the event that it is the same, you wish to return it to the museum?"

Mrs. Dillon glared at Penny in frank dislike. She had been fairly trapped and knew it.

"Of course," she replied coldly. "I hope you do not think I would intentionally keep stolen property?"

"I thought you would see it that way," Penny declared, smiling. "And with your cooperation, the police should be able to capture the real culprits."

"What do you want me to do?"

"When will you see this agent with whom you dealt?"

"He is coming either today or tomorrow for the second payment."

"I don't need to advise you to refuse to give him any more money. But I wish you would try to learn from him the names of the original dealers who handled the picture."

"I'll try to find out."

"And another thing, Mrs. Dillon. You must notify the Gage Galleries immediately that you have the Rembrandt."

The woman made no response.

"You will do that?" Penny asked.

"Yes," Mrs. Dillon answered harshly.

"I'll see you again tomorrow," Penny said, arising to depart. "Until then you have my promise that I will not talk with the police."

"I have nothing to fear from them," Mrs. Dillon announced proudly.

"Not if you show a willingness to cooperate," Penny agreed. "When you think the matter over, I believe you will decide to reveal the name of your friend—the agent who negotiated the sale."

She waited an instant, hoping that Mrs. Dillon would reconsider. When the woman did not speak, she turned and walked from the living room, letting herself out the front door.

Emerging upon the street, Penny's first thought was to find a good hiding place where she could wait to view Mrs. Dillon's expected caller.

"I may have a tedious time of it," she reflected, "but if I learn the identity of the agent with whom she dealt it will be worth all the trouble."

A half block away she noticed a large truck parked along the curbing. The vehicle had been abandoned, a cracked-up front wheel giving mute evidence that it had been in an accident. The truck was of the closed cab type and it dawned upon Penny that if she could get inside, she would have a perfect observation post.

Luckily the cab of the truck had not been locked and she slipped into the driver's seat, slamming the door shut.

An hour passed. The job of watching Mrs. Dillon's house became irksome. No one had called except a peddler and a delivery boy from a laundry.

Penny tried to pass the time by examining the many gadgets with which the great truck was equipped. She imagined that it might be loads of fun to drive such a powerful machine.

Suddenly her attention was arrested by an automobile which with a shrill screeching of brakes came to a halt in front of the Dillon residence. A well-dressed middle-aged man, carrying a black leather brief case, got out of the car.

Penny was sure she had never seen him before. She observed him closely as

he emerged from his automobile. He crossed the street with a quick, energetic stride as if he knew just where he was going and what he intended doing after he arrived. She saw him standing patiently at Mrs. Dillon's door, waiting for a servant to answer his ring.

Was the man the agent Mrs. Dillon had mentioned? The rogue who had sold the fake painting to the gullible woman? He certainly did not look like a crook, Penny thought, nor did he act like one. Just one more reason, she decided, why she must take nothing for granted. She produced a notebook and pencil from her purse and made a careful notation of the stranger's automobile license number as well as its make and model.

For perhaps forty-five minutes the man remained inside the house. When he crossed the street to his car he skipped along with an agility surprising in a man of his years. He smiled broadly as if his mission, whatever it may have been, was successful. Scarcely had he driven away when another automobile swung into the same parking space.

From her place of advantage, Penny fixed her attention on the newcomer, but before she could see his face, she was startled by a gruff voice, almost in her ear:

"Hey there! Come down out of that!"

A roughly dressed truck driver stood on the running board, gesturing angrily. "What do you think this truck is?" he demanded. "A free park seat?"

Penny hastily climbed out of the cab, making an offhand apology for her presence.

"Okay Miss," the truck driver said, "seein' as you're a gal. But if you had been a man, I would have taken a fall out of ya. It's a crime that a man can't go for help without having some strange sister cuddle down in his cab."

The trucker's loud, gruff voice had attracted the attention of the man in the parked automobile. He stepped from his car and came toward the couple.

"What's the idea of abusing a helpless young girl?" he asked.

Penny recognized the voice, and resisted an impulse to turn her head. She knew that the newcomer was Hanley Cron. He had come to call upon Mrs.

Dillon. That was plain. She must not let him discover that she was watching the house. Quickly, before either of the men were aware of her intention, she darted behind the truck and fled down the street.

CHAPTER XV

A Puzzling Letter

Rounding the corner at the end of the street, Penny paused to catch her breath. It had been foolish to run away. She realized that now. But she had acted impulsively, without thinking.

She thought hopefully that Hanley Cron might not have recognized her. She was certain he had not seen her face.

Penny walked slowly home. She was as bewildered as ever regarding the identity of the mysterious agent who had sold Mrs. Dillon the Rembrandt. It might have been the first caller—or perhaps Hanley Cron.

Yet Penny smiled as she considered the latter possibility. Cron held an enviable position with a newspaper, he was highly respected in art circles, and besides, was a special friend of Mrs. Dillon. It seemed far more likely that he had merely dropped in to pay a casual afternoon call.

Penny wondered if she had acted wisely in talking so frankly with the society woman. Mrs. Dillon, fearful of arrest, had agreed to communicate with the museum authorities, but would she keep her promise? Penny could only wait and hope that she had acted for the best.

It was nearing the dinner hour when she reached home. Mr. Nichols, whose hobby was gardening, rested on his hoe as his daughter came up the stepping stone path. She thought he looked worried and spoke of it.

"I am worried," the detective confessed. "Some confounded new fangled bug is eating up all my choice aster plants. Just look at this one. Riddled with holes

as if it had been peppered with a machine gun!"

Penny laughed as she bent down to pick a bouquet of flowers for the dinner table.

"You ought to be able to solve a simple case like that," she teased.

"I've already sprayed the plants with everything I can think of. It's disgusting!"

Penny was not especially interested in insects, and began to question her father about the office robbery.

"Nothing valuable was stolen so far as Miss Arrow and I could determine," he informed. "The office was pretty thoroughly torn up, but apparently the thief didn't get the thing he was after."

"Have you any idea what that was, Dad?"

"Not the slightest. Papers of some sort, I suppose."

"Did you find any leading clues?"

"Nothing of consequence. The fingerprints were worthless for the thief wore gloves. Would you like to have the case, Penny?"

"No thanks. I've involved myself in enough trouble as it is. You may not like what I've done, Dad."

"And just what have you done?" the detective asked with twinkling eyes.

Penny gave a detailed account of her interview with Mrs. Dillon. Mr. Nichols frowned thoughtfully, but did not chide her.

"You made a bold attack, Penny," he commented, "but perhaps no harm has been done. However, after this I must ask you not to do anything about the matter without consulting me. You see, I've taken the jewel theft case for the Insurance Company and I can't afford to antagonize Mrs. Dillon until I learn whether she is involved in a plot to obtain fifteen thousand dollars under false pretenses."

"You and Mrs. Dillon didn't part upon such friendly terms the last time you met," Penny reminded him with a smile.

"No, that's true."

"By the way, Dad, Mrs. Dillon requested me to offer you her apology. It seems she has just learned that her husband did insure the pearl necklace with the Reliance Company. He neglected to tell her about it."

"Oh, I see," Mr. Nichols commented dryly. "Well, I'll talk with her tomorrow."

Penny had finished picking the bouquet of flowers and was walking toward the house, when the detective called her back.

"Just a minute. I learned something today which may interest you."

Penny halted, waiting expectantly.

"It's about that new friend of yours."

"Amy Coulter?" Penny inquired eagerly.

"Yes, the police have traced her to that new rooming house where you tell me she's staying. She'll probably be arrested sometime tonight."

"Oh, Dad! Amy has done nothing wrong. Why can't the police leave her alone?"

"It strikes me they are making a mistake in this case."

"Of course they are. Oh, Dad, can't I warn Amy?"

"It's probably too late now."

"Perhaps not. Let me try at least."

Mr. Nichols had anticipated such a request. He did not believe in assisting a fugitive from justice, yet unknown to Penny he had investigated Amy Coulter, and was inclined to feel that she was innocent of the charge against her.

"All right, if you like," he assented. "But if you see that the house is watched, have the good sense not to go in."

"I'll be careful," Penny promised. "Tell Mrs. Gallup not to wait dinner for me."

Mr. Nichols opened the garage doors for her and closed them again after she had backed the car to the street.

Penny parked a half block from Amy Coulter's rooming house. She walked slowly past the place, carefully glancing about. No one was in sight and she doubted that the building was being watched.

Entering, she ran up the stairway to her friend's room, rapping sharply on the door.

"Who is there?" Amy asked.

"It's I—Penny. Let me in."

Instantly the door was flung open. "I was afraid it might be the police," Amy confessed, laughing nervously.

"That's why I came," Penny informed, closing the door behind her. "They have traced you here."

"The police?"

"Yes, you must leave at once."

"But where can I go? I have no friends and very little money."

It occurred to Penny to mention that she had seen Amy accept payment from the museum workman, Huges, but she refrained from doing so. Instead, she examined the contents of her purse.

"I can't take money from you," Amy said.

"But you'll need it."

"I'll have enough to keep me for a few days. But I don't know where to go."

"You must find a new rooming house. I'll help you pack."

"But I can't leave tonight," Amy protested weakly.

"You must! Unless you do, the police will surely catch you."

"It's after six o'clock. How can I get my trunk moved?"

"You must abandon your trunk," Penny advised. "I'll help you pack your bags."

Amy gazed disconsolately about the room at the many art objects and trinkets that she loved.

"After the trouble blows over you can come back for your things," Penny said.

"But will it ever clear up?" Amy asked hopelessly. "It might be better to stay and face it."

"If you can prove your innocence——"

"I can't prove anything," Amy responded. "No, you're right. I must remain in hiding until the thief is captured."

Penny had begun to gather up clothing. "Where are your bags?" she asked. "There's no time to lose."

"Under the bed," Amy answered.

She ran to the closet and jerked her dresses from the hangers. Penny crossed the room to pick up a sweater which had been tossed into a chair. As she moved past the table which Amy used as a writing desk she noticed a stamped, sealed envelope lying there.

Unintentionally, Penny glanced at the name and address. It read:

"Mr. George Hoges, General Delivery, Belton City."

For a moment Penny stared at the letter. The scene which she had witnessed in the park came back to her. Why should Amy and the ex-museum worker have

business together? The next instant she was heartily ashamed of her suspicion, yet she could not let the matter pass without speaking of it.

"Amy," she called.

"Yes." The girl emerged from the closet with a pile of dresses in her arms.

"I don't mean to be prying," Penny said awkwardly, "but I couldn't help seeing this letter."

A faint flush crept over Amy's face. She questioned defiantly: "What about it?"

"Nothing," Penny answered shortly. If Amy did not feel like explaining, she could not bring herself to ask.

In silence the girls continued their packing. Presently Amy picked up the letter and thrust it into her pocketbook.

"I guess I'm ready," she announced.

They each took a bag and started down the stairway. But as they reached the lower landing, Penny abruptly halted, warning her companion to keep back.

"What is it?" Amy whispered.

Penny indicated a man who was standing on the opposite side of the street, loitering in the doorway of a bakery shop.

"A detective from police headquarters! I've seen him at the station."

Hastily the girls retreated back up the stairs to the bedroom. Amy flung herself into a chair.

"It's useless trying to escape," she murmured. "I may as well give myself up."

Penny went to the window and looked out. The bedroom opened over an alley and she was elated to see that it had a fire escape. No one was in sight.

"You still have a chance, Amy," she urged, "but you must hurry."

"Thank you for everything you have done to help me," the girl murmured gratefully, moving to the window which Penny had opened for her. "I'll never forget it."

"I've done nothing," Penny replied, assisting her to climb over the sill. "Can you manage both bags?"

"Yes, I think so."

"Will you let me know the address of your new rooming house, Amy?"

"Yes, of course. I have no idea now where I'll go. I may not escape at all."

"Keep to the alley," Penny advised. "Good-bye and good luck."

She stood watching from the window while Amy descended the fire escape to enter the alley. The girl waved her hand reassuringly and vanished.

Penny closed the window and straightened up the room so that there would be no appearance of sudden flight. She wondered if she had done right to help Amy escape the police.

She felt troubled because the girl had failed to explain why she had written to Mr. Hoges. Yet the letter provided Penny with a valuable clue.

"Undoubtedly, the man told Amy to address him in care of General Delivery," she thought. "That means he'll call there for his mail. If I keep watch I may locate him."

Since the day Penny had encountered the museum workman at the Gage Galleries, she had held to the theory that the man had something to do with the mysterious disappearance of the priceless Rembrandt. It had been her firm belief that if she apprehended Mr. Hoges for questioning, the establishment of his own guilt would result in Amy's exoneration. But now that she had learned the two were friends, she did not know what to think. Certainly Amy's association with the man did not tend to point to her own innocence.

"I'll not help the girl again unless she reveals everything concerning her connection with Hoges," Penny decided. "From now on matters must take their own course."

Leaving the bedroom, she went downstairs and out the front door. The watchful detective was still stationed across the street, but Penny was so engrossed in her own thoughts that she cast only a casual glance in his direction.

She had walked a short distance down the street, when she felt a firm pressure on her arm.

"Just a minute, young lady!"

Penny whirled around to find herself face to face with the police detective.

CHAPTER XVI

Watchful Waiting

"What do you want?" Penny gasped. She felt certain the man intended to arrest her for aiding Amy Coulter to escape.

The detective stared down at her face.

"I beg your pardon," he apologized. "When you came out of that rooming house I mistook you for another."

He released his grip on her arm and continued to offer excuses as Penny walked away. She chuckled to herself, realizing that the plainclothes man had taken her for Amy Coulter. But the smile quickly left her face, for she did not feel very proud of the trick she had played on the police. If it should turn out that the girl was guilty, then indeed she would be sorry.

Dinner was over when Penny reached home, and Mrs. Gallup reported that Mr. Nichols had returned to his office to work on a case.

"Your food is in the oven, Penny," she told the girl a trifle irritably. "I declare, I can't see why you had to run off just when I was setting things on the table. Your father is the same way!"

"We're a dreadful pair," Penny agreed amiably as she dished herself up a generous helping of meat and potatoes. "Any gravy, Mrs. Gallup?"

"No, your father ate it all and I don't feel like making any more."

"Of course not. I have a big plate of food now. Just leave that pan of dishes, Mrs. Gallup, and I'll do them for you."

The housekeeper immediately softened. "You may wipe them if you like," she said. "I am tired tonight. I don't mean to be cross, only it's annoying to have folks late for meals. I like food to be eaten when it's good and hot."

"You're a dear," Penny laughed, giving her a squeeze. "I'll try not be late again."

After the dishes were stacked in the cupboard, Penny spent a half hour

reading, then she went to bed although it was only a little after eight o'clock. She could not remember when she had been so tired.

"You're not sick?" Mrs. Gallup inquired anxiously, for usually Penny was the last one in the house to retire.

"No, I'm all right. Just sleepy."

Penny might have added that she was likewise blue and discouraged. It seemed to her that she had made no progress at all in trying to solve the mystery which surrounded Amy Coulter.

As she slowly mounted the stairs, Penny's attention was attracted by someone standing by the garage door. She paused, thinking that it might be her father. To her astonishment, the man darted back behind a group of tall bushes which banked the building.

Penny snapped out the light and watched. The man did not reappear.

"What are you doing?" Mrs. Gallup questioned.

"I think someone is watching the house. I just saw a man by the garage."

"Oh! I'll call the police!"

"No, wait!" Penny commanded. "I may have been mistaken." She said it to reassure the housekeeper.

Mrs. Gallup came to the window and peered out. There was no sign of anyone about the grounds.

"I'll take a flashlight and investigate," Penny proposed.

Mrs. Gallup caught her firmly by the arm. "You'll do nothing of the kind. We'll lock all the doors and not stir from the house until your father returns!"

The housekeeper insisted upon drawing all the blinds and fastening the doors and windows. It seemed an unnecessary precaution to Penny who believed that the prowler had gone.

An hour slipped by and the man was not seen again. Penny went wearily to bed, but Mrs. Gallup was so nervous that she declared her intention of remaining up until Mr. Nichols arrived home.

The detective drove in shortly after ten o'clock and Penny could hear the two talking in the living room. She dropped off to sleep before her father came upstairs.

In the morning Penny awoke feeling refreshed and cheerful again. After breakfast she walked to the post office, stationing herself near the General Delivery window. For an hour she watched men and women come and go, claiming their mail at the little window. George Hoges did not appear, but Penny had scarcely dared to hope that he would come so soon.

Presently, she walked over to the window and questioned the clerk who was in charge.

"Can you tell me if a man by the name of George Hoges gets his mail here?"

The clerk thumbed through a stack of letters before answering. "I don't remember the man but he'll probably call here sooner or later for he has two letters."

Penny retreated to her post near the door. It was tedious waiting.

"When I get to be a taxpayer I'll vote for chairs in every post office!" she thought.

Penny spent nearly the entire day waiting for George Hoges to appear. By nightfall she was so weary she could scarcely stumble home. She felt certain she would not have the fortitude to resume her watch the following day.

Mr. Nichols was amused when she told him of her unpleasant experience.

"A detective must learn to spend half of his time just waiting," he declared. "Why, I've handled cases where we assign men to watch a certain street corner. Perhaps they'll be required to keep it up for six months."

"That's a long time."

"Not if the man you're after comes along in the end."

"If I keep up my vigil even six days I'll have corns on the bottom of my feet," Penny sighed. "Everything considered, I don't believe I'm cut out to be a lady detective."

However, the following day found her again at her station in the post office. The task of waiting and watching seemed even more tiresome than before. When she came home late in the afternoon Mrs. Gallup offered scant sympathy.

"I never heard of such a silly thing," she declared. "Standing all day in the post office! I don't know why your father permits you to play around at being a detective!"

"If you think it's play just try standing in one spot for eight hours!" Penny said indignantly.

"I'd have better sense," Mrs. Gallup retorted. Then she softened. "I know you're tired, Penny. Sit down and rest while I make you a cup of hot chocolate."

With a blissful sigh, Penny sank into an upholstered chair. She was looking at a magazine when the housekeeper returned with a pot of chocolate.

"Here is a letter for you," she mentioned, dropping it into the girl's lap. "It came this afternoon."

Noticing that it was postmarked Belton City, Penny quickly tore it open. The envelope contained a brief note from Amy Coulter, who had written to give her new address.

For a long time after she had finished reading the message, Penny sat staring down at it without being aware of her preoccupation.

"I hope it isn't bad news," Mrs. Gallup said anxiously.

"Oh, no." Penny folded the message and thrust it into her pocket. "I was only thinking."

Her thoughts had not been pleasant. She still liked Amy Coulter despite the girl's strange actions, yet she felt that she could not continue to help her without

positive proof of her innocence. If only Amy had explained her connection with George Huges!

"You haven't been a bit like your usual self, Penny," Mrs. Gallup said severely. "You're not sick, are you?"

"Of course not. I'm just tired."

"You've had too much excitement lately. It seems to me this household is always in turmoil. The past week all I've heard of is robberies, prowlers and more robberies!"

"At least we've had no murder yet," Penny chuckled. "By the way, what did Dad say last night when you told him about the man we saw hiding behind the garage?"

"He thought probably it was some crank. But I noticed he examined the ground for footprints."

"Perhaps the prowler was the same person who broke into Dad's office," Penny remarked. "Only that doesn't seem reasonable either, for what could anyone be after here at the house?"

"Silverware or possibly some of your father's papers."

"He doesn't keep anything of great value here as far as I know."

Before Mrs. Gallup could make a response the telephone rang and she went to answer it.

"Can you come, Penny?" she called a moment later. "It's for you."

The girl hurried to the adjoining room and was surprised as she took the receiver to hear Mrs. Dillon's voice. The woman was greatly agitated.

"Miss Nichols, you were right about the picture," she began abruptly. "I communicated with the museum authorities as I promised and they told me that the painting is a fake!"

"I thought it would turn out that way," Penny commented in satisfaction.

"I can't understand how I was duped," Mrs. Dillon went on excitedly. "I was so careful. I've been cheated out of four thousand dollars."

"Four thousand!" Penny exclaimed. "Why yesterday you told me you had paid only half that sum."

"Since then I've made the final payment."

"But I warned you, Mrs. Dillon," Penny cried in exasperation. "Why did you do it?"

"Because I couldn't help myself," the woman wailed. "My friend—the agent convinced me that if I didn't complete the payments I would get into serious trouble with the police—that we both would be disgraced."

"And you believed his story! He only cheated you!"

"No, he wouldn't do that," Mrs. Dillon replied firmly. "This gentleman's reputation is above reproach. He couldn't have known any more than I did that the Rembrandt was a fake."

"The only thing for you to do now is to reveal everything," Penny urged. "Tell me the name of this man."

"No, I can't. I have promised to keep silent."

"Mrs. Dillon, I am unable to understand your attitude. Don't you want to help capture the persons who tricked you?"

"Yes, I'll do anything I can except reveal this gentleman's identity. I'll learn from him the name of the firm where the picture was bought and notify the police."

Penny made a grimace which Mrs. Dillon could not see. After a moment's silence, she asked bluntly:

"Is it Hanley Cron whom you are protecting?"

"Certainly not," Mrs. Dillon retorted, and hung up the receiver.

"I wonder if she told the truth?" Penny thought, turning from the telephone. "At least she was afraid to answer any more questions."

It occurred to the girl that if Hanley Cron were not the mysterious agent who had visited Mrs. Dillon the previous afternoon, then the caller must have been the elderly gentleman with the black leather brief case. Recalling that she still had the license number of the man's car, Penny thought that it might be well to show it to her father and ask him to trace the owner for her. Mr. Nichols would soon be coming home for it was nearly dinner time.

Penny searched in her purse but the notebook was not there.

"Mrs. Gallup, have you seen a little green paper-covered book anywhere in the house?" she inquired anxiously.

"I saw it in your room this morning," the housekeeper informed. "I think it was on the dresser."

"Oh, yes, I remember now, that was where I left it!" Penny laughed in relief.

She raced up the stairs two at a time, forgetting that she had ever been tired. To her delight the little book was lying just where she had dropped it.

She caught it up, rereading the notations which she had made the previous day. Hearing her father's car on the driveway, she slipped the notebook into her pocket and turned to leave. As she crossed to the door, her eye chanced to rove toward the desk. She stared in blank amazement.

The Black Imp was gone.

CHAPTER XVII

"Private—Keep Out"

Penny's cry of alarm brought Mrs. Gallup hurrying up the stairs.

"What is the matter?" the housekeeper asked anxiously.

"The Black Imp is gone!" Penny exclaimed. "Did you do anything with it?"

"Why, no. It was on the desk the last time I saw it."

"It isn't there now. Someone has stolen it!"

"Nonsense!" Mrs. Gallup said impatiently. "Who would want that little statue? If a thief entered the house he would take things of greater value than that. You must have put it in a different place and forgotten about it."

"Oh, but I didn't, Mrs. Gallup. The Imp was on the desk this morning when I left the house."

"Well, I've not seen it." The housekeeper began to open bureau drawers, for despite Penny's words she was not entirely convinced that the girl had left the statue on the desk. Penny often misplaced cherished possessions only to spend an unhappy hour trying to recall where she had deposited them.

"It's no use to search, Mrs. Gallup," she wailed disconsolately. "The Black Imp is gone and will never be found."

"But no one has been in the house all day."

"The window is open," Penny observed. "I know I closed it this morning before I left the house."

The bedroom overlooked a porch against which stood a sturdy rose trellis. It would be a simple matter for a thief to reach the window by means of it. Once when Penny had found herself locked out of the house she had tested the trellis and discovered that it made an excellent ladder.

"I did go away for an hour this afternoon," Mrs. Gallup admitted. "I went to the grocery store."

"That would be long enough for a thief to enter the house."

"But I'm sure nothing else is missing," Mrs. Gallup maintained. "It doesn't seem reasonable that anyone would steal a little statue—an unfinished one at

that."

Mr. Nichols had entered the house by the rear door. He called from below:

"Anyone home?"

"We're upstairs," Penny shouted down. "A thief has been in the house!"

The detective joined the two in the bedroom. "What's all the excitement?" he demanded.

"The Black Imp has been stolen!" Penny informed.

"It seems to be missing," Mrs. Gallup corrected, "but I can't believe anyone would want that lump of clay."

Mr. Nichols did not reply as he surveyed the room. Nothing appeared to be out of place. He noted the open window instantly and crossed over to it.

"The thief entered here," he said.

"That was what I was trying to tell Mrs. Gallup," Penny cried triumphantly.

The detective picked up something from the window ledge. It was a strand of gray wool which had caught on a rough board.

He then stepped out on the top of the porch and crossed over to the place where the rose trellis projected.

"Be careful," Mrs. Gallup warned anxiously as she saw that the detective intended to climb down the fragile wooden framework.

"The trellis is strong enough to hold a man much heavier than myself," Mr. Nichols replied. "And I see the thief came this way too!"

"How can you tell?" Penny questioned eagerly.

"The rose bush has been broken off in several places."

Mrs. Gallup was somewhat disconcerted by the discovery. Fearing that other things besides the Black Imp might have been stolen she hastened downstairs to

make a thorough search. Penny joined her father outside the house.

"What do you make of it, Dad?" she inquired. "Why did the thief break in?"

"Obviously for the Black Imp."

"But who would be interested in it and for what reason?"

"I can't answer that one, Penny. But I'm wondering if this theft could have anything to do with Max Lynch's visit to my office."

"He appeared frightened when he saw the Imp on your desk!" Penny recalled.

"Yes, he turned and fled without revealing his mission."

"And directly after that your office was ransacked."

"Yes, but that may or may not have had any connection."

"Then I noticed a man prowling about the house," Penny continued. "He must have been the one who stole the Imp!"

"You weren't able to furnish a very good description of the man."

"No, I caught only a fleeting glimpse of his face."

"It wasn't Max Lynch?"

"I'm sure it wasn't, Dad. I'd have recognized him instantly, for his appearance is distinctive."

Mr. Nichols bent down to examine a footprint in the soft earth beneath the rose trellis. He measured it with his hand.

"The thief must wear about a size eleven shoe," he mentioned, "and a gray suit of excellent quality. Other than that, I'm afraid we have no clues."

"Why should anyone want my copy of the Black Imp?" Penny repeated in a bewildered tone. "Dad, you don't suppose Hanley Cron considered it his property and dared to take it?"

"That's a possibility," Mr. Nichols agreed after a moment of thought. "From the first his connection with the Imp has been odd to say the least. I'll have a talk with him tomorrow and see what I can learn."

When Penny and her father entered the house, Mrs. Gallup was still searching the lower floor.

"Anything more missing?" the detective asked.

"Not that I can discover. The silver is all here."

"Apparently only the Black Imp was taken," Mr. Nichols said musingly. "That little figure must guard some important secret."

"I never dreamed it could be valuable," Penny said. "I liked it only because it was a copy of Amy's statue. I thought the work rather crude."

"I doubt that the figure has any intrinsic value," Mr. Nichols answered slowly, "but for some unknown reason, it's highly important to the man who stole it."

That evening Penny accompanied her chum, Susan, to a moving picture show, but although the bill was an exceptionally good one, she found it difficult to center her attention upon the screen. She kept thinking of the Black Imp and wishing that she could recover it or at least solve the mystery of its strange disappearance.

"I'm afraid I'll just have to forget it," she thought gloomily, "but at least I'm making a little headway in tracing the persons who may know something about the stolen Rembrandt."

Penny was convinced that if only she could maintain a patient vigil at the Post Office, in time the ex-museum worker would appear there for his mail. The next morning found her at her usual station, determined not to become discouraged by failure.

For three long hours she kept faithful watch of the General Delivery window. A great many persons came and went but no one who remotely resembled Mr. Huges. Penny became aware of a growing hunger although it was not yet noon. She noticed a restaurant directly across the street.

"I'll slip over there and have a sandwich," she decided. "It will only take a minute."

The restaurant was crowded. It was impossible for Penny to find a table near the window. She was forced to sit at the rear of the room and other diners blocked her view of the street.

She hastily ate her sandwich and returned to the post office. Scarcely had she taken her position near the door, when the clerk at the General Delivery window signalled her.

"Weren't you the girl who wanted to see George Hoges?"

"Yes, I am."

"He just called for his mail a few minutes ago."

Penny's heart sank. After waiting nearly two days she had missed the man. And it was entirely her own fault.

"You didn't see which direction he went?"

"No, I didn't," the clerk answered. "But he left only a minute or so before you came in."

"Then maybe I can still catch him," Penny said hopefully.

She ran from the building, pausing on the outside steps to survey the street. A man who from a distance resembled the ex-museum worker was just turning the corner.

"I believe it's Mr. Hoges!" she thought excitedly.

Penny raced to the corner. The man was only a little ways ahead, and as he paused for an instant to glance into a shop window, she caught a glimpse of his face. It was George Hoges.

Penny's original intention had been to question the man, but now she slightly altered her plan. She would follow him.

The ex-museum worker walked rapidly down the street with Penny in close pursuit. However, she took care not to draw too near, fearing that he might glance back and recognize her.

At first Hoges kept to the main streets, but presently he turned toward a section which was somewhat deserted. Penny was forced to drop farther behind. They came soon to a factory district with many vacant buildings, similar in many respects to the Franklyn Street section.

Hoges halted in front of an old building, and disappeared inside. When Penny drew near a minute later, he was nowhere to be seen.

The office directory was of no use, for not a single listed name was familiar to the girl. However, Penny had a suspicion that the man she sought might have engaged the top floor of the building. She was thinking of mounting the stairs when the janitor appeared.

"Looking for someone?" he inquired.

"Yes, but I don't know his name," Penny replied. "He is an artist I think."

"The top floor is rented to a firm of commercial artists," the man informed.

"That must be the place I'm looking for. Thank you."

Penny slowly mounted four long flights of stairs, pausing at the top landing to regain her breath.

She observed with keen interest that several doors opened off the hallway and each bore a freshly lettered sign:

"Private—Keep Out."

Penny glanced down the stairs to make certain that the janitor had not followed her. Then she tiptoed along the hall, pausing by the first door to listen. She could hear an indistinct murmur of voices. Now and then she caught a few words.

"The girl sent it back," she overheard. And then, a moment later: "We'll have to find someone to do her work. She may take it into her silly head to squeal

too."

Could the men be speaking of Amy Coulter? Penny felt sure that the letter Huges had received at General Delivery had come from her.

A loud creaking sound from the direction of the stairway caused Penny to straighten up and listen intently. Someone was coming! While it might be only the janitor she did not wish to be seen. Frantically, she glanced about for a hiding place.

At the end of the hall a broom closet stood with door slightly ajar. She darted to it and shut herself inside, leaving a wide crack through which she could look out.

The corridor was dark. At first she could not see the newcomer very plainly. She distinguished only a tall, shadowy form.

However, as he paused at the very door where Penny had stood listening only a moment before, she caught an excellent glimpse of his face. She saw then, with a start of recognition, that it was Hanley Cron.

CHAPTER XVIII

Captured

The art critic rapped three times on the door. It opened instantly and closed after him as he vanished inside.

After waiting a few minutes, Penny tiptoed back down the hall. Her suspicions had been aroused and she was determined to learn what was going on inside the room.

She paused at the door and listened again. She could hear voices but this time it was impossible to catch even a word.

Penny moved on to the next door. She gently turned the knob. The door was

locked. So were all the others along the corridor until she came to the last one.

To Penny's surprise, it opened. Cautiously, she peeped inside. The room appeared to be empty. She entered.

It was only a small office, empty of furniture. A few papers were scattered over the bare floor, but upon examination Penny found them of no significance. It was clear that if she were to learn anything of value, she must find a means of entering the room where Hanley Cron, the ex-museum worker and the others were talking.

An inside door opened into an adjoining room. Penny was elated to find it unlocked. But her satisfaction was of short duration, for the next office likewise was empty and devoid of any clues.

By placing her ear against the north wall, she was able to hear the three men talking. It was provoking to be so close and yet unable to learn what they were saying. She felt convinced that if only she could hear their conversation, a great many puzzling matters might be cleared up.

Presently, Penny heard a door slam. She peeped out into the hallway in time to see Cron, Huges and another man disappearing down the stairway.

"The coast is clear now!" she thought. "If I can just find some way to enter that room while they're away!"

She made another tour of the hall, trying the door. As she had anticipated it was locked.

Returning to the room she had just left, she went to the window and looked out. A wide ledge of stone extended along the wall of the building, connecting the windows. At best it offered a dangerous footing. Yet Penny was tempted to try to reach the adjoining room by means of it, for there was no other way to gain admittance.

She raised the window and looked down. Her courage nearly failed her. While the ledge was wide, it meant a long fall and instant death should she become dizzy and lose her balance.

"I can do it—easy," Penny told herself grimly.

Climbing out on the ledge, she clutched an overhanging telephone wire for support and cautiously eased herself along, an inch at a time. She kept her gaze ahead, resisting the temptation to glance toward the deserted street.

She reached the next window which was open an inch at the bottom. The gap provided a finger-hold and enabled her to raise the window. With a sigh of intense relief, she dropped lightly to the floor.

She found herself in a large, studio room, well illuminated by two sky lights. Obviously, several artists had been working there, for the place was cluttered with easels, palettes, and discarded paintings. A number of pictures of uniform size stood in a little pile, face downward.

Curiously, Penny lifted one to gaze at it.

"The stolen Rembrandt!" she gasped.

Then she knew better. It was only a copy, identical with the one she had viewed at Mrs. Dillon's home.

She lifted the other pictures and looked at them. They were all the same.

"So this is where Mrs. Dillon's fake came from!" she thought. "The men who rented this place apparently are manufacturing Rembrandts in wholesale quantities!"

At the other side of the room she noticed a picture which was only half finished, and beside it a canvas covered easel. She crossed over to lift the protecting cloth.

Still another Rembrandt was revealed.

"Just a copy," Penny told herself, and started to replace the canvas.

Then she looked at the picture again. It did not look exactly like the others. The detail was the same, yet this painting seemed to have a depth and quality which the others lacked. Penny wondered if it could be the original Rembrandt, the priceless painting which had been stolen from the Gage Galleries.

"I believe it is!" she decided.

As Penny stood gazing at the picture, she was dismayed to hear footsteps in the hallway. Frantically, she looked about for a hiding place.

It was too late to escape through the window. The only refuge available was a clothes closet.

Penny darted inside and softly shut the door. Scarcely had she secreted herself when three men entered the room. Peering out through the keyhole, she distinguished Cron, Hoges, and the man in gray whom she had once followed to the Franklyn Street address. Apparently, the men had returned for something they had forgotten. Hanley Cron searched in a table drawer.

"Say, who left that window open?" he demanded unexpectedly.

"I didn't," Hoges said.

"You can't blame me for it," the other man growled. "Probably you opened it yourself."

"I did not," Cron retorted. He crossed the room and slammed down the window. "Be careful about things like that. If we're not more cautious we'll have the cops on us."

"If you ask me, I think it's about time we blow," Hoges commented. "This town is getting pretty hot for us."

"Maybe you're right," Cron muttered. "I had a disagreeable hour with that simple minded Mrs. Dillon. She's still afraid to notify the police, but that Nichols girl has been talking with her, and she may make us trouble."

"Christopher Nichols has been assigned to the jewel case too," Hoges added. "He's no sloth when it comes to action!"

"Our game has just about played out," Cron agreed. "But I have one more good customer lined up. I told him to come here at one-thirty to see the picture."

"Maybe we could pull this last job," Hoges agreed. "Does he know much about painting?"

"Very little. We ought to nip him for three thousand at least."

Hoges glanced at his watch.

"If your customer is coming at one-thirty we'd better get the stage set."

"All right," Cron nodded. "Let's clean up the joint."

Uncovering the genuine Rembrandt, he took one of the copies, and deftly inserted it in the picture frame behind the original painting, but in such a manner that only the back of the canvas was visible. When the frame was replaced only a person with keen eyesight could detect the trickery.

"We'll pull the usual gag about identifying the picture with a signature or a symbol," Cron muttered. "That always goes big."

By this time Penny had seen enough to understand how Mrs. Dillon and other gullible customers had been duped. They had been shown the original stolen Rembrandt, but when invited to place an identifying mark on the back of the canvas to insure that they received the same picture, actually signed the fake copy. It was then a simple matter to remove the two paintings from the frame and send the customer the worthless one which bore his mark.

"Cron and his confederates have worked a fairly safe racket too," Penny thought. "Even if a customer learns he has been cheated, he's afraid to go to the police for fear he'll expose himself as a person willing to buy stolen property!"

She was not greatly surprised to learn that Cron was a party to the dishonest scheme, notwithstanding that Mrs. Dillon had denied the art critic was the mysterious agent who had visited her. Now Penny knew that the woman had not spoken the truth. Doubtlessly, she had feared to accuse Cron, lest he in turn expose her to the police.

A knock sounded on the door. Cron and his confederates froze into tense attitudes, then relaxed.

"It must be our customer," Cron whispered. "Open the door."

As it swung back, Max Lynch stepped into the room. He smiled blandly.

"Hello, boys. You don't look as if you were expecting me."

"We weren't—exactly," Cron muttered. "What do you want, Max? You know I've warned you not to come here."

The gambler had been making a quick survey of the room. His eyes came to rest on the Rembrandt. He smiled again, unpleasantly.

"Say, who are you anyway?" Hoges demanded angrily. "What business do you have with us?"

"My business is with your pal, Hanley Cron. We're partners."

"Partners?" Hoges echoed, his eyes narrowing. He wheeled toward Cron. "If you've been double crossing me——"

"Oh, calm down," Cron said sharply. "Lynch and I had a little private business together but it has nothing to do with the picture racket."

"I'm not so sure about that," the other retorted. "You've been collecting all the money. Maybe you've stuck some of it into your pocket."

"I didn't come here to start an argument," Lynch interposed. "But I'll not stand for any monkey business either. Hand over the pearls, Cron!"

"I don't have them. I told you once that girl——"

"Yes, you've told me a good many things, Cron. But I happen to know you have the necklace. Hand it over or——"

The threat was left unsaid for at that unfortunate moment Penny felt an overpowering impulse to sneeze. She buried her face in her handkerchief but succeeded in only partially muffling the sound.

Immediately, the closet door was flung open and she was found cowering there. Cron dragged her from her hiding place.

"So you've been listening!" he sneered.

"Yes," said Penny boldly. "And I've heard enough to confirm what I've always believed. You are the person who stole the Rembrandt from the Gage Galleries! You're a cheap trickster who pawns himself off as a gentleman!"

As she uttered the tirade, the girl made a quick dive for the door, but Max Lynch caught her by the arm and flung her back.

"Not so fast, Miss Nichols," he muttered. "This is once when you won't go tattling to the police or to that father of yours!"

The discovery of Penny hiding in the closet had brought an abrupt end to the quarrel. In the face of the new emergency, the four crooks laid differences aside to consider what must be done.

"Tie her up!" Cron ordered harshly.

Penny's arms and legs were securely bound with stout cord, a gag was drawn over her mouth, and she was unceremoniously thrown back into the closet. But she could still hear the men talking.

"This changes all our plans," Cron said. "If this girl knew enough to follow us here, the police may soon be on our trail. We must get out of town."

"Not without dividing on that necklace job we planned together," Lynch interposed angrily. "You'll never leave town until you cough up."

Hoges and his unnamed companion were regarding Cron with open suspicion.

"You've been holding out on us," they accused the art critic.

Cron realized that he had placed himself in an awkward position.

"All right, I'll admit I have the pearl necklace," he said shortly. "We'll split four ways, and then no one can kick."

Max Lynch did not like the decision, but after grumbling a little, he unwillingly agreed.

"Now let's get out of here!" Cron urged nervously. "The necklace is at my room. We'll have to go there."

"What about the Rembrandt?" Hoges asked, turning to look at it.

"Take my advice and leave it behind," Lynch spoke up. "That picture is as hot as a rivet. It's a bulky thing to tote around the country as luggage too."

"How about the girl?" Hoges demanded.

Cron hesitated only a fraction of an instant. "Leave her in the closet."

"Maybe she won't be found very soon," Lynch remarked.

"That's her hard luck," Cron retorted. "We have to look out for ourselves."

"Okay," Lynch agreed indifferently. "Let's go."

The men hastily gathered up a few possessions which if left behind might serve to identify them. Then they went out the door, locking it after them.

Penny heard the key turn in the lock, and her heart sank. With a gag over her mouth, she could not even call for help. She was indeed in a desperate plight.

CHAPTER XIX

Fire!

Penny worked at her bonds, but the cords had been fastened securely and she could not free herself. Exhausted, she lay quiet, trying to think of some way to attract attention. She thumped with her feet on the floor of the closet, but minutes passed and no one came to her assistance.

It was useless, she thought miserably. There was scant chance that anyone would discover her until it was too late. How maddening it was to know that while she remained helpless, Cron and his confederates were escaping from the city!

Now that the knowledge was valueless to her, she comprehended the entire plot. Cron and Hoges had worked together, and the latter had smuggled the genuine Rembrandt from the Gage Galleries just as she had suspected. Then

instead of trying to sell the stolen picture they made copies of it, disposing of the duplicate many times and at a handsome profit.

Penny was not certain as to Max Lynch's connection with the men, but mention of the pearls suggested to her that Cron and the gambler had relieved Mrs. Dillon of her necklace. She recalled that the art critic had made a point of learning the exact hour when the woman would carry the pearls to the bank vault. Was it not likely that he had proposed the meeting solely as a means of providing an opportunity for the robbery?

When Penny considered Amy Coulter's part in the affair, she was without a theory. She wondered if she would ever know whether or not the girl was involved with the gang.

Presently Penny became aware of a crackling noise in the building. At first she paid it slight heed, but as the strange sound became louder, she listened intently. She could hear timbers snapping and cracking and the interior of the closet was growing uncomfortably warm. Even then the horrible truth did not dawn upon her.

She heard excited shouts and running footsteps. Suddenly Penny distinguished a cry which struck terror to her heart.

"Fire! Fire!"

She was momentarily stunned. Then, realizing that she was trapped in a burning building, she struggled desperately to free herself. She kicked with all her strength against the floor and walls of the closet. Finally, she succeeded in loosening her gag.

"Help! Help!" she screamed.

Her voice sounded muffled and weak. The top floor was without tenants, and Penny knew that the chance of anyone hearing her was very slight. She was doomed to a horrible fate.

Her courage failed her for the moment and she sobbed in terror. But she soon had herself in check again and was struggling to free herself. It seemed to her that the cords which held her wrists were a trifle looser—she worked at the knots with her teeth.

From below she heard a loud clanging, and the shrill whistle of a fire siren. New hope surged over her. Perhaps the firemen who had arrived upon the scene would reach her in time!

"Even if they shoot a ladder up to the window they'll never think anyone could be tied up in the closet," she reasoned. "If I'm to escape, it will be from my own efforts."

Penny knew that the fire was rapidly spreading, for she could hear a steady roar which rapidly grew louder. The closet was so warm that she found difficulty in breathing. She could plainly smell smoke.

Then suddenly, almost when she had given up hope, she was free. Her wrists were bruised and bleeding but that was of no consequence. It required only an instant to untie the cords which bound her ankles.

A new fear assailed her. The closet door might be locked!

She turned the knob and laughed aloud in hysterical relief. It had not been locked. But as she darted out into the room she inhaled smoke-laden air and began to cough and choke. Covering her face with her dress, she groped her way to the door.

It did not give as she tried it. Then she remembered that Cron and his confederates had locked it from the outside.

She threw herself against the wooden panels with all her strength, but quickly comprehended that she could not break them. She ran to the window and looked down.

Smoke was swirling upward in such large black clouds that she caught only an indistinct view of the street below. The big red fire engine had pulled up beside the building and rubber-coated men were squirting streams of water on the roaring blaze.

Penny lifted the window sill and climbed out on the ledge. She clung there, waving one hand to attract attention to her plight.

Below, when the smoke cleared a little, she could see a solid bank of spectators, edged off neatly by a cordon of police. Others were trying to push

their way through the crowd. A great clanging of bells announced the arrival of another fire company. It pulled in alongside the one already on the job.

With the precision of a war machine, the newcomers drove into action. A hydrant was quickly tapped and a long reel of hose swiftly unwound and connected. A water tower arose from the ground as if by magic, and soon a great stream was pouring from its peak into the blazing building.

Penny shouted for help, although she knew her voice would not carry above the roar of the flames. Then as she was beginning to despair, she was seen.

With quick discipline, the firemen placed a ladder directly beneath the window. Slowly it arose, section on section.

Now that rescue was in sight, Penny suddenly vanished through the window back into the room from which she had escaped. The crowd below groaned in unison, fearing that the girl had lost her courage and was afraid to descend the ladder from such a height.

But Penny quickly reappeared at the window, bearing two bulky objects in her arms. She had determined to save the stolen Rembrandt and one of the copies which would serve as damaging evidence against Cron and his confederates.

A fireman swiftly mounted the ladder to help the girl descend.

"You'll have to leave those pictures," he said tersely. "This wall is about ready to fall and we have to work fast."

"I can't leave them behind," Penny wailed. "This one painting is worth thousands of dollars!"

"Then give them to me," the fireman ordered tersely.

He helped Penny step from the ledge to the ladder.

"Don't look down," he commanded.

Penny gripped the sides of the ladder, descending very slowly, with the fireman just below to steady her should she grow dizzy. She was not afraid

although the ladder weaved under her weight. Even when a cloud of dense smoke caused her to choke and cough, she did not falter.

As the ground loomed up, she glanced back at the window ledge where she had clung only a moment before. Flames were shooting out, licking greedily at the top rungs of the ladder.

A great shout went up from the crowd as Penny stepped to the ground uninjured.

"Here you are, Miss, safe and sound," the fireman said grimly. "And just in time too!"

Scarcely had the ladders been removed from the building when the wall fell inward. Penny did not speak for a minute. Now that it was all over, she felt weak and shaken. Her escape had been such a narrow one.

"Are you all right?" the fireman asked, taking her arm.

"Quite," Penny smiled. "You needn't hold me. I'll not faint."

"You have pluck, Miss. And your wrists are cut too. I'll call the doctor."

"No, don't bother. It's nothing," Penny protested. "Where are my pictures?"

"Here." The fireman handed them over to her. "It was foolish going back after them. You might have lost your life."

"I realize that now," Penny responded soberly, "but I just had to get those pictures. Thank you for helping me save them."

Before she could add that she felt deeply grateful for her own rescue as well, the fireman was called to another post.

With a policeman as a bodyguard, Penny pushed her way through the crowd, the precious Rembrandt and the duplicate clutched under her arm.

"I'll send you to the hospital where you can have those wrists properly dressed," the policeman said. "How did you cut them?"

"Trying to get out of the closet," Penny answered. "I was bound and gagged and locked in."

Tersely, in response to the officer's questions, she related her terrifying experience in the studio, and displayed the paintings as evidence of the plot in which Cron and his friends were involved.

"If the police go to Cron's studio right away they may be able to capture the entire gang," she finished. "But there's not a second to lose!"

"Leave it to me," the policeman assured her grimly.

He communicated with headquarters and in an incredibly short time a squad car picked up Penny and the officer, driving with all speed toward the studio of Hanley Cron.

CHAPTER XX

The Secret Revealed

When Hanley Cron and his three companions abandoned Penny to her fate, they hurriedly left the building. But in passing down the hallway, Hoges carelessly snubbed out a cigarette and dropped it on the floor.

The cigarette smoldered and did not go out. Soon a tiny flame leaped up, igniting the dirty old carpet which stretched the length of the hall. The fire spread rapidly, fed by wood that was very dry and brittle.

Unaware that they had started a disastrous blaze, the four men fled to Hanley Cron's studio apartment to make plans for a hasty departure.

"The game's up," Cron said to his companions. "If Christopher Nichols ever finds his daughter, he'll put the heat on us right. We can't get out of this town soon enough."

"Divide up the money, and we'll skip," Hoges answered gruffly.

Cron tore the cover from a day bed couch, and with a sharp knife slit open the mattress. He removed a neat, thick roll of bills.

"How much?" Max demanded.

"Forty thousand. Not a bad haul for a little over a week's work." Cron laughed triumphantly. "We sold that picture seven times, and not one of the suckers dared to squawk. If that Nichols girl hadn't horned in, the racket would have been good for another twenty thousand at least."

"We ought to have kept the picture," Hoges complained. "Then we could start up in another city and try the same thing over again."

Cron shook his head. "Too dangerous. If that Nichols girl should escape——"

"That's where we made a big mistake," Lynch cut in. "We shouldn't have left anything to chance."

"It's certain enough," Cron laughed harshly. "She may be a smart girl, but she's not smart enough to get out of that closet."

"Let's divide up the money and get out of here," Lynch said nervously. "Forty thousand dollars—that's ten grand apiece."

The men began to argue angrily over the proposed distribution, Hoges insisting that Lynch was not entitled to any part of the money received from the sale of the pictures.

"It was our racket, and you just horned in," he protested. "You took none of the risk."

"If I pass the word around, you'll never get out of town with any of the money," Lynch retorted sneeringly.

"We're willing to divide up," Hoges said hastily, "but in return we expect a split on the pearl necklace."

"That was a deal between Cron and me."

The argument waxed hotter, the men's voices rising until Hanley Cron feared

they could be heard outside.

"Pipe down," he ordered. "Do you want to bring the police? The important thing now is to get away from here before we're caught. Why not split everything four ways and no hard feelings?"

"Okay," Lynch growled. "We divide even. Where are the pearls?"

"They're safe here," Cron answered. "I'll get them."

He started across the room, but just then a loud knock sounded on the door.

The four froze into tense attitudes.

"Better answer," Lynch whispered. "Maybe it's only your landlord."

"Who's there?" Cron demanded.

"Open up!" a voice shouted. "Open in the name of the law!"

"The police!" Cron muttered in an undertone. "Quick! Down the fire escape!"

"Open the door or we'll break it down!" came the shouted warning.

Cron and his companions ran to the window, there to halt in dismay as they faced three policemen who had crept up the iron stairway so quietly that they had not been heard. The four crooks were covered before they could reach for their guns.

"Hands up!" An officer ordered tersely, stepping through the window into the studio.

Cron and his confederates sullenly obeyed.

"What is the meaning of this outrage?" Cron asked with a show of indignation. "Do you realize who I am?"

"Maybe we'll be more sure of it after you've been finger-printed and mugged," the policeman retorted. "Keep your hands up."

"What's the charge against us?" Lynch questioned, with studied indifference,

seating himself on the bed. It was not the first time he had ever been arrested. He frequently boasted that no jail would ever claim him.

"You're wanted on two counts," the policeman informed. "For theft of a pearl necklace belonging to Mrs. Dillon, and for stealing a valuable painting from the Gage Galleries."

"Anything else?" Cron inquired sarcastically.

"Yes, several other things, but I'll let the judge tell you about it."

"It takes evidence to make an arrest," Lynch said sneeringly. "Produce your proof."

"I'll introduce you to our star witness," the policeman retorted.

He crossed to the door and unlocked it. Penny Nichols and six policemen entered.

At sight of the girl the four crooks were taken aback. But they quickly covered their confusion.

"Can you identify these men?" Penny was asked.

"Yes, I can," she answered. "They are the ones who locked me in the closet and then set fire to the building."

"Set fire to the building?" Hoges echoed. "That's a lie."

"Shut up," Lynch growled.

"Here are the pictures which I saved as evidence," Penny continued, displaying the original Rembrandt and one of the copies.

"See here, this girl is stark crazy," Cron interposed. "I don't know where she obtained these pictures, but no one could be more delighted to have the Rembrandt recovered than myself. I am well connected at the museum and if you will only call the officials there they will assure you that this girl is making a most unjust accusation."

"You have pleasant companions," a policeman remarked, nodding in Lynch's direction.

The four men were lined up and searched. Only Cron was found to have a gun.

"You can't get me on that," he sneered. "I have a permit to carry a weapon."

The forty thousand dollars was brought to light.

"Quite a nice haul," a policeman commented, examining the roll of bills.

"You can't arrest a man for having money in his pocket," Lynch said harshly. "You don't find it marked do you?"

"The truth is, you have no case against us," Cron snapped. "It's only this silly girl's word against ours. No doubt she's been reading detective stories!"

"I can furnish an alibi for the entire day," Lynch added.

"Unless this ridiculous charge is dropped I warn you I'll sue for false arrest," Cron went on furiously.

The officers paid no heed to the talk, yet they knew that their case against the four was not water-tight. As Cron had said, it was a matter of Penny Nichols' testimony against the four. True, she had the Rembrandt as evidence, but it might be difficult to prove that the four men had been involved in the theft. They had painful recollections of other cases against Max Lynch which had dissolved like soap bubbles in a wind. The man had no equal at producing unexpected witnesses who for a sum of money would provide him with a complete alibi. His lawyer, employed at a yearly salary, was as clever as he was unscrupulous.

"Search the room," the police captain ordered. "The Dillon pearls must be here."

The men set about their task with system and thoroughness. They examined every inch of the mattress, they went through all of the clothing, even ripping out the linings of coats and jackets. The floor boards were tested to learn if any had been recently loosened.

"You'll not find the necklace here," Cron said harshly.

Penny watched the search with growing uneasiness. She had felt certain that the pearls would be found in the studio. The conversation she had overheard while tied in the closet had led her to believe that the necklace was in Cron's possession. It must be somewhere in the room.

She crossed over to a bookcase which the officers had not yet examined. Instantly, she noted that Hanley Cron was watching her intently. She lifted out the lower row of volumes. Nothing had been hidden behind them.

"Little Miss Detective!" Cron jeered.

Penny took out a few of the books on the second shelf. She uttered a little cry of surprise.

"My Black Imp!" she exclaimed, wheeling toward Cron. "So you were the one who entered my room and stole it."

Triumphantly, she caught up the little clay figure from its hiding place.

"Now I know you're crazy!" Cron snapped. "Someone sent that figure to me in the mail. And rightly it should have been returned to me too! You and that Coulter girl came here and robbed me of it."

Penny gazed thoughtfully down at the Black Imp. She recalled how startled Max Lynch had been when he had viewed it on her father's desk. Then later, either Cron or an agent of his, had risked capture to enter the Nichols house and recover the little statue. Why was it so valuable? What secret did it guard?

Suddenly, Penny knew. With a triumphant laugh, she raised the Black Imp and hurled it against the wall. It shattered into a dozen pieces.

"Say, what's the idea?" a policeman demanded. Then he stared down at the floor.

Among the broken fragments of day lay Mrs. Dillon's pearl necklace.

"There's your evidence," Penny said calmly. "I think even Max Lynch may find it difficult to alibi this."

With a fatalistic shrug, the gambler turned to the policeman who guarded him.

"You win," he said. "Buckle on the cuffs and let's go."

"There's something I'd like to learn before you take these men away," Penny mentioned to the captain. "Mr. Hoges has a letter in his possession which I wish I might examine."

"Is this the one you mean?" the officer asked. The envelope he indicated had been taken from Hoges when he was searched a few minutes before.

"I think it is."

The policeman handed Penny the letter and he quickly examined it.

"This is the right one," she said in relief. "And it exonerates Amy Coulter of any wrong doing."

The brief message read:

"Mr. Hoges: I shall be unable to accept the work which you offered me. I am returning the money paid me as an advance fee."

Penny was jubilant at the way matters had ended. She had many questions to ask Cron and Max Lynch but she decided to postpone them, realizing that the men were not likely to reveal anything which could be used as evidence against them.

As the four crooks were led away, the captain waited to compliment Penny for her valuable assistance.

"Tell me, young lady," he commanded admiringly, "how did you know Mrs. Dillon's pearls were hidden inside that clay figure?"

"I wasn't absolutely certain," Penny admitted. "But a number of things made me suspicious. First, I recalled that the man who snatched the necklace from Mrs. Dillon ran into this studio."

"Could you identify that man?"

"I think you already have him under arrest. I don't know his name, but I feel certain he is the same person now that I have viewed him closely."

"He ran into this studio you say?"

"Yes, and when I entered I found Hanley Cron modeling the Black Imp. The possibility did not occur to me at the time, but now I know he must have received the pearls from the actual thief, and molded them into the wet clay."

"A very clever scheme."

"Yes, and it would have succeeded, save for one thing. Cron copied the statue of Amy Coulter's Black Imp. We thought he intended to put it to some commercial use, and took it from him."

"He permitted you to take it away?" the officer asked in surprise.

"It happened that a policeman came into the studio. I think he must have been afraid to make a fuss."

"Undoubtedly. Then what happened?"

"I took the statue to my father's office. Max Lynch came to talk with Dad and saw it. He hurried out of the office as if he had seen a ghost."

"Of course he knew the pearls were hidden inside the statue," the officer smiled. "He probably thought Mr. Nichols had discovered them and suspected the plot."

"That's the way I figured it out," Penny nodded.

"Our house was watched. Then one day the Black Imp mysteriously disappeared. I never saw it again until I entered this room."

"Either Cron or Lynch stole it."

"Cron I think, for the Black Imp was in his possession."

"Well, young lady, you've done a fine bit of work today," the captain said soberly. "It's evident that you're destined to follow in the footsteps of your

illustrious father."

"Thank you, sir," Penny flushed.

With the four crooks on their way to jail, and the Rembrandt and the pearl necklace in the possession of the police, she felt that her responsibility was ended. Calling a taxicab, she drove to Amy Coulter's new rooming house.

"I have wonderful news for you!" she greeted the girl. "The painting has been recovered!"

"Then I'm exonerated?"

"Completely."

"Oh, Penny! It's your doing, I know. How can I thank you?" Tears of joy streamed down Amy's face.

She listened breathlessly to the story Penny related.

"So George Hoges turned out to be a thief!" she exclaimed. "When he asked me to copy a painting for him, I was suspicious that he had involved himself in something dishonest."

Penny spoke of the meeting she had witnessed in the park.

"Yes, Mr. Hoges gave me money," Amy acknowledged ruefully. "I needed it so badly or I shouldn't have listened to him."

"Then you knew you were to copy the Rembrandt?" Penny questioned quickly.

"Oh, no! He didn't tell me what painting I was to reproduce. I accepted the money because I needed it so badly. Later, when I thought the matter over more carefully, I realized that the scheme couldn't be an honest one. So I sent the money back."

"A fortunate thing that you did," Penny commented. "Had you kept the money you might have been accused of being one of the gang."

"I'm glad the painting has been recovered," Amy said. "And to think that my little Black Imp guarded the hiding place of Mrs. Dillon's jewels!"

Penny remembered that she had a taxicab waiting outside and hastily said goodbye. When she reached her father's office, he was talking on the telephone. He smiled broadly as he hung up the receiver.

"Well, I've heard all about it," he declared. "You'll be famous as soon as the evening papers are on the street. Reporters are on their way here now."

It developed that Mr. Nichols had not been informed of all the details of Penny's remarkable adventure. He was quite shaken when he learned of her narrow escape from death in the burning building. The warmth of his praise for her courage, brought the color rushing to the girl's cheeks.

"I only hope Cron and his friends receive the sentences they deserve," she commented.

"Don't worry, they will, Penny. You fairly snowed them under with damaging evidence."

Mr. Nichols was entirely correct in his opinion. Under police grilling, Hoges and Cron confessed to the crimes for which they were charged. Max Lynch refused to plead guilty but in the end a long legal battle availed him nothing. With his three companions he was sentenced to the state penitentiary.

Hanley Cron in his confession admitted that he had accepted a fee as a bribe for awarding the Huddleson prize to "Winged Night," a statue of inferior merit. The entire contest therefore was declared void. Months later a new competition was held, and to the delight of everyone Amy Coulter's Black Imp won the cherished prize.

Penny and her father were not to learn of these important developments for some time. But they were both elated at the outcome of the case.

"Well, you seem to have relieved your old Dad of a job," the detective smiled. "Now that Mrs. Dillon's necklace has been recovered, my work for the Insurance Company is over."

"I hope you haven't been cheated out of any fat fees on my account."

"The company will be pleased because its financial responsibility to Mrs. Dillon is over," the detective answered. "I may charge a double fee on the strength of your work!"

"And do I get half of it?" Penny countered.

Her father smiled broadly. "Perhaps, if you promise to lock it up in your bank account." He added with a chuckle: "I believe I could increase my profits by taking you into the firm. 'Nichols and Nichols.' How does that strike you?"

"I think it would look grand in print," Penny laughed. "Let's paint it on the door right now!"

THE END

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