

NATIONAL
ASSOCIATION
OF
SECURITIES
DEALERS,
INC.

NASD

REPORT TO MEMBERS—1952

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PURPOSES OF THE ASSOCIATION

1. To promote the investment banking and securities business.
2. To standardize its principles and practices.
3. To promote high standards of commercial honor and to promote among members observance of federal and state statutes.
4. To provide a medium for membership consultations.
5. To cooperate with governmental agencies in the solving of problems affecting the public, the investment banking business and investors.
6. To adopt and enforce rules of fair practice in the securities business.
7. To promote just and equitable principles of trade and to protect the investor.
8. To promote self-discipline among members.
9. To investigate and adjust grievances between members and between the public and members.

National Association of Securities Dealers, Inc.
1625 K STREET, N. W.
Washington 6, D. C.

To Members:

It gives me a great deal of pleasure to submit, for the Board of Governors, this annual review to the membership. I believe it is the most complete statement ever submitted to members within the cover of a single report.

In looking back over the year I have served as Chairman, one experience stands out boldly in my memory. It was the Association's appearance before the Heller Committee of the House Interstate and Foreign Commerce Committee during the Spring. Weeks of preparation preceded that appearance by the Chairman and Executive Director as the representatives of the membership. The staff, among other things, supplied the Committee with a ten-year review of the Association's record—a voluminous document that covered every segment of a decade of work. In addition, as witnesses before the Committee, Mr. Fulton and I were called upon to discuss current as well as historical aspects of the Association's work and objectives.

Upon concluding its hearings, intended to examine into legislation under which the Securities and Exchange Commission operates—and whether NASD had fulfilled the role Congress created for it under the Maloney Act—the Heller sub-Committee filed with its senior Committee a detailed report of its inquiry, and recommendations respecting the SEC. The report occasioned no recommendations concerning our Association, although the information before the Committee permitted a searching investigation of the record made by the Association.

It seems to me that this situation is one which Congress could well have in mind in considering amendments of the Securities Acts. These Acts were adopted many years before our Association was established. Congress should now recognize the success of our sincere efforts voluntarily to advance protection of investors through the NASD. Congress should adopt sensible amendments to the Acts, to simplify procedures for the registration and offering of new securities and, at the same time, provide relief from excessive restraints on the listed and over-the-counter securities markets.

I have a very real feeling of regret that my term of service on the Board of Governors has come to a close. I want to thank all Governors who served with me in 1952 for their aid and generous support. The fourteen District Committees deserve a special word of commendation for their excellent record in meeting many problems confronting them in 1952. I would also like to say a word of thanks to all of the staff in the Executive Office and District offices as well for the fine work performed in a year of unusual demands.

Yours sincerely,



Chairman

January 20, 1953

Report of the Executive Director

THIS report to members, covering the year 1952, is an effort to adapt the annual report form in use by industrial corporations to the Association's purpose. It is the hope of the Board of Governors and the executive staff that members will find this form of report useful and informative. In past years, the annual financial statement, the review of a year's activities by the Executive Director as well as reports of major committees, to say nothing of the identity of hundreds of individuals engaged in Association work, have gone to the membership in unconnected and abbreviated accountings. With this report, the endeavor has been to consolidate under one cover the vital information about the Association which members should have and in this way to better relate the work of all segments to the whole Association effort.

MEMBERSHIP

The membership total as of December 31, 1952 was 2,990—the largest since the organization began in 1939, and a net gain for the year of 108.

Membership has risen each year since 1943 when the low-point of 2,193 was reached. The previous high in membership, set in August, 1941, was 2,977.

Among other significant signs of growth, was the rise in branch offices of members. At the end of 1952, members had registered with the Association 1,417 branch offices against 780 in 1945.

Several of the Districts experienced pronounced growth in the years 1944-1952. Greatest proportionate growth was shown in District 6—Texas. From a war-time low of 44, members in Texas rose to 93 by the end of 1952, an increase of 111 per cent. The Mountain States (Arizona, Colorado, New Mexico, Utah and Wyoming) had a gain of 109 per cent over the same period.

The largest District, 13 (New York, New Jersey and Connecticut), also enjoyed marked growth in the period under review. From a war-time low-point of 760 members, the New York area experienced a net increase in membership of 48 per cent to a total of 1,124 on December 31, 1952. The seven southern States, as a District, District 9, had an expansion of 67 per cent in membership, to a total of 205 at the end of 1952. District 8 (the States of Illinois, Indiana, Iowa, Michigan, Nebraska and Wisconsin) had a relative stability of membership and remains second to the "New York District" in size.

Other Districts where membership growth was substantial include California and Nevada, 44%; Kansas, Oklahoma and western Missouri, 67%; District of Columbia, Maryland, North Carolina, Virginia and West Virginia, 65%.

Personnel figures, supplied by members for assessment purposes, show the following gradations in size:

<u>Number of members with personnel of</u>	<u>1952-53</u>	<u>1951-52</u>
One	417	467
Two	383	423
3 to 5	818	824
6 to 10	525	526
11 to 15	204	201
16 to 25	184	213
26 to 50	204	188
51 to 100	137	123
101 to 200	59	49
Over 200	48	47

MEMBER SERVICES

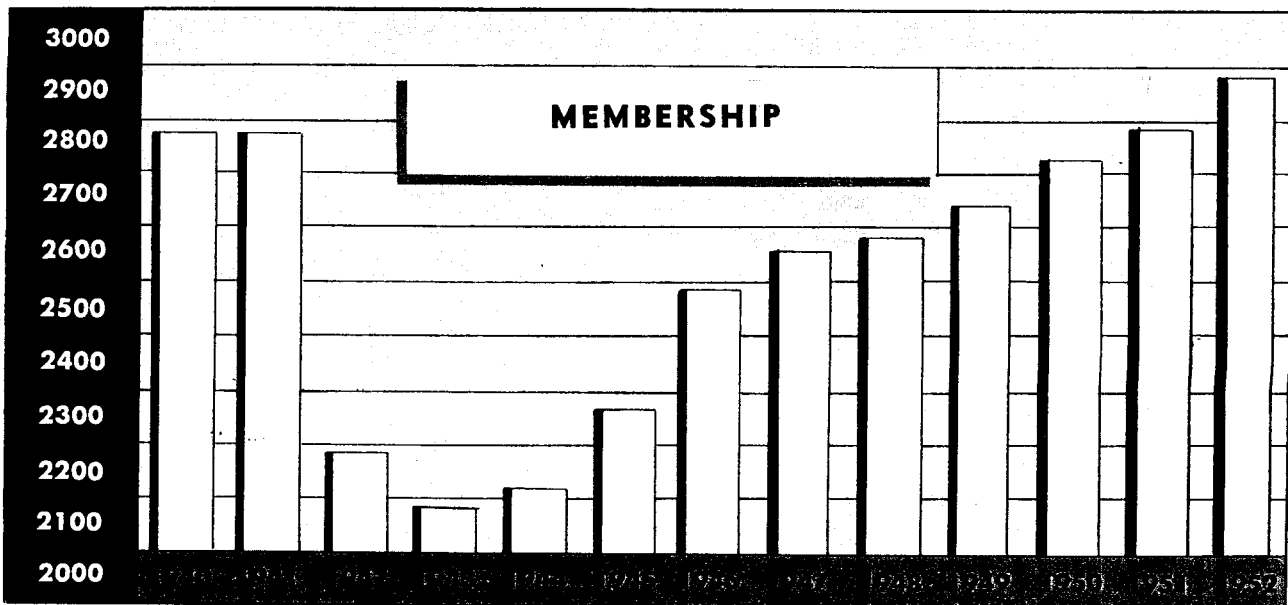
One of the services performed for members is the periodic visit made by trained accountant-examiners

to discuss and review business practices of members. In some Districts it is possible to schedule such visits on approximately an annual basis. In the centers of denser membership the objective is to make calls every two years.

It is not the responsibility of these examiners solely to establish observance by members of their obligations under the By-Laws and Rules of Fair Practice—although this is a prime function of the examining force. The measure of that force's true value to the membership, however, is in the contribution it can make to improving and strengthening methods and controls of members' own operating procedures. Safeguards, not to mention economies, can accrue from

Hospitalization and Surgical coverage, sponsored by the Association, are now, individually or in combination, available to all members. Since first introduced, these services have been popularly received and have grown steadily in both number of members enrolled and amount of coverage.

At the end of 1952, there were 781 members in our Group Life policy with 5,555 persons covered for \$28,819,100 of life insurance. Many large as well as smaller members are presently covered. Group Life was first announced in 1948. Group Hospitalization coupled with Surgical Expense insurance was made available to members in August 1952. Since that time, 361 members have subscribed for this coverage for 1,772 personnel and 875 dependents.



intelligent cooperation on the part of the member with the inquiries and recommendations that can be made by Association personnel. Certainly, there is no reason for a member not to welcome the Association representative on his periodic calls. The number of favorable comments received by District Committees and the Executive Office from members after consultations with Association personnel on records, practices and internal controls attests the benefits that can be derived from this service.

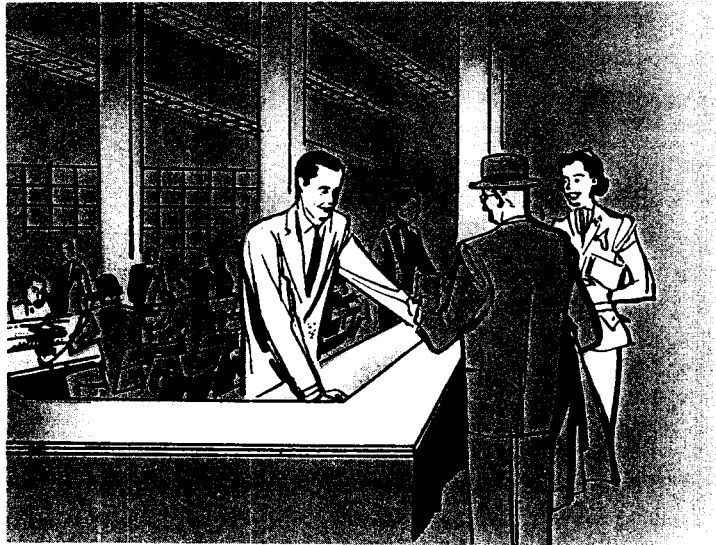
During 1952, District Committee and Executive Office representatives called on 809 members. In 1951, 737 calls were made. It is expected that the 1953 record will approximate or better the aggregate mentioned for 1952.

Group Insurance. Group Life Insurance and Group

It is interesting to note that since Group Life Insurance went into force, 177 death benefit claims have been settled for a total of \$1,009,600. Meantime, two dividends have been paid subscribers, each in the amount of 16%. It is the policy of the Insurance Trustees to make dividend payments each year as sound practice will permit.

As of December 31, 1952, 88 claims under Hospitalization and Surgical policies have been settled for a total of \$12,154.

Members who do not have group insurance or whose insurance of this kind is inadequate, should compare the coverages afforded by Association policies with others available. The Insurance Trustees believe arrangements available through the Association are as attractive as can be obtained.



"Rights" Costs. Positive steps were taken by the Board of Governors in 1952 to place before issuers problems with which securities dealers must contend in seeing to it that "rights" for the purchase of additional stock on the part of stockholders are handled in an orderly and efficient manner in the interests of both the stockholders and the corporation concerned. Dealers, generally, perform this task at no cost to the stockholder or the corporation. However, in recent years, with much higher operating costs and strict regulations to be complied with, the out-of-pocket expense to dealers has become an item of concern. A score or more of entries and physical handlings are required for the processing of each "right", it has been pointed out.

The facts concerning this situation and the obligations imposed upon the dealer are being brought to the attention of issuers directly by members and through the facilities of the Association. There are signs that the position of the dealer is becoming better understood among issuers and that some support for that position is being aroused.

Whenever the opportunity presents itself, members should place this problem before managements of corporations in their local areas. Meantime, the Association will do its utmost to focus attention of issuers on the matter.

We have submitted to the Securities and Exchange Commission suggested changes in the bookkeeping rules and regulations to simplify the keeping of records with respect to "rights", when the transaction involves less than \$100. Several conferences have been held with the staff of the Commission but no effective solution has as yet been found.

Speech Material. The job of promoting the welfare of the securities business is a never-ending one.

Nothing can take the place of, nor be as effective

as, the direct effort made by individual members through various means—one being appearances as a speaker at group meetings in the member's own community.

To encourage this effort, the Executive Office compiled material which members could use in the preparation of their own addresses. The announcement of the availability of this material during the past year drew a gratifying response from members all over the country. In the light of members' experience with this material, it is being reviewed and revised, as well as enlarged, in the hope of making it more comprehensive and useful.

Booklet. A well-informed member is the one best qualified to speak about the Association, the nature of the public service it renders and of its value to the public. With that thought in mind, a booklet was prepared last year to contain in condensed form the vital facts about the Association. Titled "What You Should Know About NASD", the booklet can be an invaluable source of quick reference for all members and their employees. Quantities are being supplied at cost upon request to the Executive Office.

SEC FEES PROPOSAL

Early in the year, the Securities and Exchange Commission announced its intention to charge annual registration fees and to collect from registered brokers and dealers, additionally, a head tax on personnel. In this way, the Commission proposed to raise some \$500,000 or more annually, plus revenues to be realized from other incidental charges.

Upon learning of the SEC-proposed fees, the Association supplied every member with a copy of the release covering the matter. Members were asked to submit their comments on the proposals to the Executive Office, having in mind that the Board of Governors would file a statement of members' views at a forthcoming hearing. At the same time, members were advised by the Association that if this proposition were one that they decided to place before their Congressmen and Senators, copies of communications to Congress should be forwarded to the Association also.

Hundreds of communications were received from members. Copies of these were transmitted to the SEC when the memorandum of the Board of Governors opposing the fees proposal was submitted to the Commission. The response of the membership in this situation was a striking demonstration of the Association's

capacity to focus attention upon a matter of great importance to the business.

At the SEC hearings on the fee proposal, the Chairman of the Board, Clarence A. Bickel, former Chairman John Sullivan and Governor John D. McCutcheon appeared as witnesses in opposition to this venture on the part of the Commission. The Association was further represented by Counsel through whom a careful examination of the legal authority of the Commission to exact registration and other fees was presented, including a review of the meaning and intent of language of the Independent Offices Appropriation Act of 1952, under which the SEC had acted initially. The Chairman of the Board also appeared before the House Interstate and Foreign Commerce Committee which held hearings on a bill to exempt brokers and dealers from the payment of such fees. A memorandum also was filed with a sub-committee of the Senate Appropriations Committee.

All of this activity occurred between January 31 and May 1.

Meantime, a sub-committee of the House Interstate and Foreign Commerce committee, headed by Louis B. Heller of New York, in a report on the SEC, said: "The sub-committee does not undertake to pass upon the question as to whether or not there should be charges for specific services. The sub-committee is of the opinion, however, that should there be charges or fees, such should be fixed in specific legislation passed by the Congress rather than through any delegation of authority to any agency to pass upon the need for or the amount thereof."

This same committee, it should be added, recommended a revival of conferences between the business and the SEC looking toward amendments to the Securities Acts.

REVENUE AND EXPENDITURES

A detailed statement of revenue, expenditures and unexpended funds, coupled with an analysis of assessment collections, will be found on pages 8 and 9.

Total receipts of the fiscal year ended September 30, 1952 of \$636,078 compared with \$556,576 realized from assessments of the preceding year. There were no changes in the rates of assessment—on underwritings, membership, personnel—so that the increase in receipts for the last year resulted from larger underwritings of members so assessed and growth in members and their assessable personnel.

Expenditures in the last fiscal year totalled \$601,402 against \$551,163 the preceding year. District Com-

mittees' expenditures amounted to \$280,777 against \$241,160; Executive Office, \$170,958 against \$153,656.

The unexpended balance of the Association at the end of the fiscal year amounted to \$433,638. At the end of the previous fiscal year, this balance was \$398,963.

EDUCATION

Much constructive work is being done in the field of education. Much remains to be done now and continuously in the future. Although the Association and other organizations in the securities business may draw some satisfaction from efforts made to date, public education on the functioning of capitalism, the economics of that system, investment banking's role and the subject of investing itself is still in the realm of pioneering.

Much was learned on that score by the business itself in 1952 with the completion by the Brookings Institution of the first comprehensive study ever made of stock ownership in this country. The Association, at the request of the New York Stock Exchange which sponsored the study, assisted in an extensive sampling of over-the-counter securities issuers. Results of the study—published in detail—provide sufficient reason for accelerating and broadening every undertaking feasible in public education on investing.

One of the most promising avenues open to educational programs is that afforded by established courses of adult study. A committee was named in May, 1952, by the Chairman to develop a program which could be introduced where such classes are conducted. A few cities have already had experience with projects of this kind and in each case interest and results were gratifying.

For the past five years, a Joint Committee on Education has represented the securities business at large in sponsorship of special annual on-the-scene courses for university professors and selected students. These classes have been held each Summer in New York and include not only study sessions but actual contact with the operations of the business. The object is to familiarize professors and aspiring teachers of economic subjects with current methods of financing and with the mechanics of investment banking in all of its major aspects.

Another project which has won renewed support after an initial three-year study is the over-the-counter market inquiry and analysis conducted by the Wharton School with funds supplied by the Merrill Foundation. This project has published three monographs and two additional monographs are being prepared. A wealth

of material heretofore unavailable on the over-the-counter market has been gathered by those engaged in this undertaking. The importance and essential character of that market are being demonstrated by these studies. If it is to present itself convincingly to the public, it is obvious that the over-the-counter market should be fortified with all the knowledge of its operations that can be assembled.

TRANSFER TAXES

A cause of complaint for many years on the part of securities dealers outside New York is that State's stock transfer tax, the inequity of which is commonly decried but the cure of which has so far defied realization. Over a period of years, the Association has spent time and money seeking to have the law amended or interpreted so as to exempt out-of-state transactions and, in other ways, it has tried to bring an end to the law's unfair impact.

The development of the dual-transfer agent and the ease of establishment of sub-transfer facilities in States which do not impose a stock transfer tax have created means for effecting transfers in many transactions which would otherwise incur the New York transfer tax. Accessibility of these facilities was brought to the attention of issuers by the Chairman of the Board in a letter which called attention to the opportunity thus afforded of aiding the free market for their securities. The Chairman pointed out the inequity of payment by the stockholder or the local dealer of a New York State transfer tax on a transaction taking place elsewhere than within that State—the situation that has prevailed for many hundreds of issues.

It was pointed out by the Chairman that the cost of establishing sub-transfer agencies is but nominal and would be offset by expediting transfers of securities in most cases.

BUSINESS CONDUCT

Business conduct committees had a busy year in 1952. A total of 67 complaints was filed in the fourteen districts. (For a summary of the year's business conduct activities see the report of the National Business Conduct Committee on Page 12.)

A disciplinary action of the Association came before the Supreme Court of the United States for the first time. It involved expulsion of R. H. Johnson & Com-

pany. The expulsion order had previously been sustained in proceedings before the Securities and Exchange Commission and had been upheld in the Circuit Court of Appeals. The Supreme Court refused to review the decision of the Circuit Court.

COMMITTEE WORK

Elsewhere in this report will be found the reports on work done in 1952 by several Committees of the Board of Governors. Even these reports will be found in condensed form and it is regretted that space is not sufficient to include reports of numerous other committees. To do justice to work of Uniform Practice Committees, for instance, would require a volume in itself.

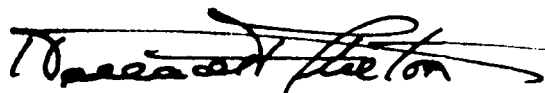
Committees during the year made studies of the problem of part-time salesmen, the supervision of employees, foreign government obligations as to "dollar bonds", state and federal legislation, and the particular problems of dealers in investment company shares—to mention but a few.

The fact is that the Association could not function without members liberally contributing their time to Association assignments. No problem can be tackled, let alone solved, without a few or a score of men from the business giving to it their own time and effort. Whatever success the Association may claim can be directly attributed to this unselfish motivation of people in the securities business to serve the business and the public interest.

A heavy load was carried by the District Committees during 1952. They discharged their duties ably and always with conscientious regard for the responsibility attached to their assignments.

The staff in the Executive Office and in District offices rendered loyal and efficient service and it is a pleasure for me to extend the thanks of the Board of Governors for their efforts.

Respectfully submitted,



Executive Director

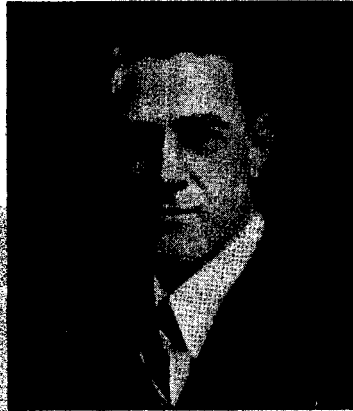
March 2, 1953

Officers -
1953



Carl Stolle
New York
Chairman

John F. Bunn, Jr.
Philadelphia
Treasurer



John D. McCutcheon
St. Louis
Vice Chairman



H. P. Schlemmer
San Francisco
Vice Chairman



Wallace H. Fulton
Washington, D. C.
Executive Director

Officers - 1952

Clarence A. Bickel
Milwaukee
Chairman

W. Fenton Johnston
New York
Vice Chairman

Harper Joy
Spokane
Vice Chairman

Charles P. Cooley, Jr.
Hartford
Treasurer

Wallace H. Fulton
Washington, D. C.
Executive Director

Comparative Statement

OF REVENUE, EXPENDITURES and UNEXPENDED FUNDS
for the fiscal years ended September 30, 1952 and September 30, 1951

	Year ended September 30,	
	1952	1951
Balance, Beginning of Fiscal Year (October 1)	\$398,961.90	\$393,549.05
Revenue:		
Assessments	534,086.86	470,175.66
Dues from branch office registrations	14,620.00	13,670.00
Registered Representatives' fees	66,170.00	54,090.00
Admission fees	6,600.00	5,500.00
Subscriptions to Manual	412.50	330.00
Reinstatement fees	—	83.32
Interest on U. S. Treasury securities	7,443.24	5,526.89
Fines and costs collected in prior year	6,745.30	7,200.00
Total Revenue	\$636,077.90	\$556,575.87
	\$1,035,039.80	\$950,124.92
Expenditures:		
National office:		
Salaries	109,914.39	102,329.39
Printing and stationery	35,086.23	28,192.18
Office rent	8,340.00	8,340.00
Postage	6,769.71	5,779.22
Telephone and telegraph	4,622.02	4,579.15
Incidental office expense	2,356.16	2,066.80
Office equipment	2,783.37	1,520.64
Amortization of leasehold improvements	1,085.74	848.60
	170,957.62	153,655.98
Traveling and meeting expense:		
Board of Governors and Advisory Council	35,478.29	37,770.25
Employees and others	7,802.21	8,742.46
	43,280.50	46,512.71
National standing and special committees' expense (including salaries)	67,551.89	58,659.80
District committees' expenses	280,777.22	241,159.80
General expense:		
Legal fees and expense	26,835.01	41,977.44
Accounting fees and expense	2,350.00	1,500.00
Insurance	5,187.01	3,694.62
Taxes	4,462.33	4,002.67
	38,834.35	51,174.73
Total Expenditures	\$601,401.58	\$551,163.02
BALANCE—September 30	\$433,638.22	\$398,961.90
Balance, September 30, consisting of:		
Cash in banks and on hand	\$ 59,434.38	\$113,022.84
U. S. Treasury securities, at cost	398,114.00	348,985.00
Advances for traveling expenses	2,850.00	2,300.00
Advances to Trustees, Insurance Trust	1,648.58	977.63
Advance to U. S. Committee for German Corporate Dollar Bonds, made with the understanding that it is to be repaid in full or in part as funds become available.	5,000.00	—
Deposits	775.00	775.00
Accrued interest on U. S. Treasury securities	1,210.01	1,223.55
Leasehold improvements, less amortization	814.29	1,485.03
Accounts payable	(15,687.25)	(58,418.99)
Accrued payroll taxes and taxes withheld from salaries	(5,084.03)	(3,898.36)
Fines and costs collected pending review	(14,260.51)	(6,745.30)
Deferred receipts—Assessments collected in advance	(1,176.25)	(744.50)
	\$433,638.22	\$398,961.90

ASSESSMENT BREAKDOWN

If it had not been for the \$6,000 ceiling in effect during the fiscal year ended September 30, 1952, a total of \$57,239.04 additional would have been paid by 12 members:

Member	Assessable Personnel	Assessment No. 19	Assessment Without Ceiling:			Total
			Membership Fee	Personnel Fee	Underwritings Fee	
1	297	\$ 6,000.00	\$ 50.00	\$ 1,485.00	\$ 9,379.35	\$ 10,914.35
2	508½	6,000.00	50.00	2,542.50	6,148.47	8,740.97
3	74	6,000.00	50.00	370.00	12,815.33	13,235.33
4	411	6,000.00	50.00	2,055.00	17,501.79	19,606.79
5	122	6,000.00	50.00	610.00	7,924.00	8,584.00
6	204	6,000.00	50.00	1,020.00	5,258.35	6,328.35
7	365½	6,000.00	50.00	1,827.50	11,411.85	13,289.35
8	114	6,000.00	50.00	570.00	12,771.22	13,391.22
9	598	6,000.00	50.00	2,990.00	6,312.42	9,352.42
10	62½	6,000.00	50.00	312.50	9,199.64	9,562.14
11	144½	6,000.00	50.00	722.50	5,512.09	6,284.59
12	232½	6,000.00	50.00	1,162.50	8,737.03	9,949.53
		\$72,000.00	\$600.00	\$15,667.50	\$112,971.54	\$129,239.04

PRICE, WATERHOUSE & CO.
1000 Vermont Ave., N. W.
Washington 5, D. C.

December 22, 1952

National Association of
Securities Dealers, Inc.
1625 K Street, N.W.
Washington 6, D.C.

We have examined the statement of revenue and expenditures of the National Association of Securities Dealers, Inc., for the year ended September 30, 1952. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying comparative statement presents fairly the revenue and expenditures of the National Association of Securities Dealers, Inc., for the two years ended September 30, 1951 and September 30, 1952 and the composition of the funds remaining in its custody at those dates.

(signed)

PRICE, WATERHOUSE & CO.

CLASSIFICATION OF MEMBER ASSESSMENTS

A breakdown of Assessment No. 19, covering the fiscal year ended September 30, 1952, shows billings as follows: Membership fees \$147,012.50 or 27.5%; Personnel fees \$167,609.88, or 31.4% and Underwriting fees (including Investment Trust Gross Sales fees) \$219,593.61 or 41.1%. Detailed data follows:

Rate of Annual Assessment	Number of Members Billed	Amount
\$ 50.00 to \$ 74.99	1,737	\$ 99,745.33
75.00 to 99.99	526	43,244.96
100.00 to 199.99	451	59,827.00
200.00 to 299.99	112	27,070.54
300.00 to 399.99	46	15,906.55
400.00 to 499.99	31	13,921.35
500.00 to 599.99	26	14,185.23
600.00 to 699.99	22	14,345.70
700.00 to 799.99	12	8,895.94
800.00 to 899.99	11	9,257.58
900.00 to 999.99	9	8,609.17
1,000.00 to 1,499.99	25	30,129.14
1,500.00 to 1,999.99	13	21,949.38
2,000.00 to 2,999.99	10	23,998.52
3,000.00 to 3,999.99	12	41,752.94
4,000.00 to 4,999.99	4	18,630.32
5,000.00 to 5,999.99	2	10,746.34
\$6,000.00	12	72,000.00
	3,061	\$534,215.99

Report made by Harper Joy, at a meeting of the Board of Governors, January 19, 1953:

SOME day when someone asks me what I did when I was Chairman of the Member and Public Relations Committee, I shall give the same answer as the Frenchman gave when he was asked the question: "What part did you play in the French Revolution?"

The Frenchman replied: "I survived!"

When I became Chairman of the Committee I had some vague impressions as to just what a Public Relations Committee could accomplish, and soon this became complicated by the fact that I discovered our Committee would also cover the field of Member Relations. Now, when you are supposed to do things that are good for the members and the customers at the same time, you find yourself in a rather interesting position.

It has been the feeling of our Committee that the Association should undertake so-called "trade" association work, it being our judgment that this Association cannot avoid *doing* things for the membership, even though they be classified as "trade" association activities.

OPPORTUNITIES

To the new members of the Board, our Committee wishes to say that you can individually help the cause along by spreading in your own field of endeavor the gospel of the NASD: what it is doing; what it plans to do. The average dealer knows as much about the NASD as "Sitting Bull" did about the Sermon on the Mount!

Familiarize yourself with the 5% policy—one of the most misunderstood tenets of the Association. We think it is no sin to make money, and the Member and Public Relations Committee begins each one of its meetings with a prayer of thanks for the 5% doctrine.

Governors should also be alert for that cocktail-hour gripe about the "damned NASD" and be quick to put the record right, promptly, when the Association is being criticized as a popular scapegoat with snide asides. The NASD is a self-regulatory body, organized to protect our business, not to destroy it.

In the political atmosphere in which we will live for the next four years, a word of caution ought to be spoken. The Securities Acts aren't going down the drain and the SEC, which has been a blessing to dealers, large and small, is going to be around for a long time.

Just as in the last twenty years there has been a shifting of responsibility to the government, it is clear that in the next four years there will be a return of responsibility to business itself.

We can, therefore, look for an even greater field of responsibility in our Association, and our most obvious opportunity will be to make the NASD so effective that more and more of the regulation of our industry can be entrusted to our Association. With

the quality of people who have characterized this Board since its inception, great strides have and will be made for our industry.

THE DEVIL!

In the field of public relations our job looms large.

My mother to her dying day regarded me as being in some kind of "gentlemanly racket"—a sort of aesthetic "Jimmy" Valentine! She looked on the investment business just as she always looked on the circus—"as an instrument of the devil"—but she took us to the circus each year to "see whether the devil had put in any new features!"

Now, we in the investment business know that the public looks on us with a jaundiced eye—simply because it does not understand how we function. To a large segment of our population the name "Wall Street" and "Investment Banker" is synonymous.

"There is nothing harder to believe than the truth."

Since our industry provides the rivers of capital for "Big Business" we, in the public mind, epitomize "Big Business." Our stake in the capitalistic system is very large.

MEMBER JOB

Our membership, in their own areas, through advertising, dealer-sponsored investment courses and kindred activities must inculcate into the minds of all workers alike the fact that by owning cars, insurance, homes and bank accounts, they, in reality, are "capitalists" themselves.

The investment business, like "Big Business," has been supremely successful in selling everything to the American public except itself.

Our industry has financed automobiles, refrigerators, radios, TV sets, and thousands of other products that are sold around the world, but every time some political hack says that we are a villain—millions of people believe it.

Why? Because instead of selling ourselves, we try to justify ourselves. We simply say, "We're not so bad", instead of showing people that we have helped make the American standard the best in the world.

UNDERSTANDING

It is only human nature to dislike, distrust and fear anything you do not understand.

Our job, then, is to create understanding.

Let us remember that the public doesn't know a debenture from a sabre-toothed tiger and has been conditioned to fear one as much as the other.

Public relations is most important to our industry. There is no blue print for a public relations job, but we know a public relations job works best when more people *do more to help more*.

Members of the Board all have an opportunity to help this Association in the field of Member and Public Relations.

Make the most of it!

Investment Companies

THE year 1952 was marked by an expansion and broadening of the job, undertaken in 1950, of administering the "Statement of Policy" which seeks to provide self-regulation of sales efforts in the growing field of retail distribution of investment company shares.

The program in which the Association has been engaged to date involves review of all sales literature and advertising used by members in promoting the sale of investment company shares. It is directed at eliminating from such material, in accordance with standards set out in the "Statement of Policy", statements and claims which may have the capacity to mislead potential investors. The program is under the general direction of the Investment Companies Committee, and is administered from the Executive Office by a committee staff, subject to the guidance of the Executive Director. This Committee receives information and reports from a separate committee representing dealers who retail the shares. This effort has but one main objective: to provide for this important field of securities activity machinery which can administer sound and effective competitive practices in the interest of both the business and the public investor.

VOLUME SUBSTANTIAL

The volume of material presented for review to staff members has been substantial since the program got under way. In 1952, 5,531 proposed pieces of literature or advertising were filed with the Executive Office; in 1951, the total was 6,520. Monthly receipt of material ranged from 355 individual pieces in November to 703 in April and the monthly average for 1952 was 400 pieces.

As a measure of the extent of compliance attained in original filings, it can be reported that in 1952, 2,580 pieces of literature or advertising required amendment; in 1951, 2,740 required amendment to meet the standards. Staff records show that in 1952, 2,060 letters were required to be written to members on material filed; in 1951, 1,814 letters.

MEMBERS' ACTIVITY

It is estimated that between 1,000 and 1,500 members actively engage in retail distribution of investment company shares. Some 550 firms are consistently filing material with the Association. Firms not filing either rely entirely on sales material supplied by underwriters (which is cleared in advance or generally corrected promptly after staff review) or these firms represent the area of failure in the compliance effort.

It should be said in frankness to the membership that the Investment Companies Committee has been concerned from the start with the extent of compliance

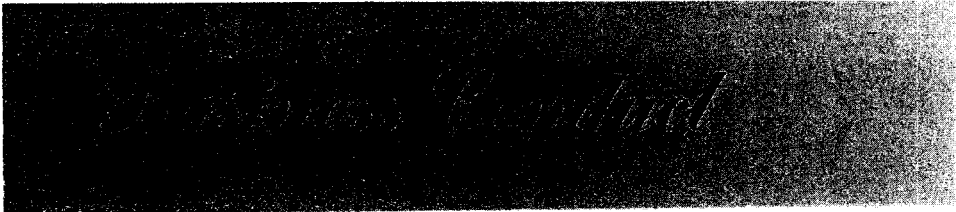
with filing requirements as well as with observance of the standards of the "Statement" itself. Originally, it was concluded that the best way to start was to insure compliance on the part of underwriters. A reasonable degree of satisfaction is felt with respect to the record in this regard, although it is recognized that there is still room for improvement both with underwriters and dealers. The Committee is aware that the terms of the "Statement of Policy" are complex and the requirements of filing, etc., under it do not realize fulfillment automatically. Even so, evidence of neglect has been apparent even in these later stages of operation under the "Statement". Efforts are to be made to obtain a better and wider understanding of the filing requirements and of the constructive purpose ultimately to be served with unanimous observance of the policies enunciated.

OTHER PROBLEMS

Other developments in this broad program of investment company activity included two important matters: (1) negotiations were undertaken with the SEC on the form and substance of a proposed rule to govern general literature and advertising covering investment company shares, which would supplant the Commission's interpretation which has been governing in this field since 1948; (2) development of a guidebook to assist underwriters and dealers in understanding interpretations of the "Statement of Policy" which have evolved during the two and a half years the Association has been administering the "Statement". Considerable progress has been made on both of these fronts, and it is hoped that the final action on both will occur in 1953.

The proposed new general advertising rule submitted to the SEC Commissioners, following discussions between the Commission's Staff and the Association's Investment Companies and Investment Companies Dealers Committees, contemplates the use of brochures of an educational nature to explain the investment company idea. It would permit advertising describing such brochures and noting their availability from investment dealers. It is primarily directed at educating the uninitiated investor on the investment company idea, and at the same time permitting dealers to obtain names of persons who may be interested in this medium of investment.

The proposed guidebook, which is now being revised to conform to comments received from the Investment Companies Committee, will be submitted to the Staff of the Commission for its comment. It is planned that the book will be in loose-leaf form so that any necessary interpretations after publication may be added conveniently.



DURING 1952, 67 complaints were filed, the second highest number handled by the Association in any one year. The highest year was in 1941 when 121 complaints were filed. Moreover, in the past year, three actions of the Association were appealed to the Securities and Exchange Commission.

Last July, the United States Court of Appeals for the Second Circuit affirmed the Association order of expulsion of R. H. Johnson & Co. In August, R. H. Johnson & Co. made application for a Writ of Certiorari to the Supreme Court of the United States for a review of that decision. The Supreme Court denied this application on October 20, 1952.

SIGNIFICANCE

The significance of the opinion of the United States Court of Appeals, in view of the denial of the Writ of Certiorari, is as follows:

1. The delegation of authority by the Congress to this Association through the Maloney Act is constitutional;
2. The Association, in a proper case, may expel a firm for improper activity in connection with the account of a single customer;
3. An individual officer, partner, or employee may be named as a cause of such an order, even though not precisely named in the complaint;
4. There must be effective supervision of personnel in their dealings with investors.

SUSPENSION

The second important case, upheld by the Commission, involved the suspension of a member with a fine of \$500, based on improper recommendations to a

customer in the purchase of two bonds. It was found by the District Committee and the Board that the principal of the firm had not used due diligence in making recommendations to the customer. On appeal, the Commission affirmed the order of the Board and found that he had not used due diligence in ascertaining significant available facts with respect to the security he was recommending, prior to his recommendation of purchase, and that such failure constituted violation of Section 1, Article III of the Association's Rules of Fair Practice. This conclusion by the Board and the Commission is of significance to the Association's members in that it emphasizes that it is the duty of members, in connection with their recommendations to customers, to exercise reasonable diligence to ascertain the merit or demerit of a particular security recommended to customers for purchase or sale.

REVOCAION

Another appeal to the Commission was argued early in the Fall and the decision was rendered December 17, 1952, upholding the revocation of registration of a registered representative. This case is significant because it is the first time that the Commission, in upholding a District Committee and the Board, has affirmed the principle that a member may be expelled and the registration of a representative revoked for failure of the individual to fulfill and execute his undertakings to the District Business Conduct Committee. The principal was required by the Committee to put more money into the firm. He did this, but shortly thereafter withdrew the money. When the Committee was apprised of this, it conducted another hearing and changed an original, contemplated decision of censure and a small fine, to expulsion. No customers were in any way hurt by the actions of the firm.

COMPLAINTS AND DECISIONS IN 1952

Dis- trict	Complaints	Complaints	Complaints	Dismissed		Fines		Expul- sions		Suspen- sions		Cen- sured	
	pending January 1, 1952	filed since January 1, 1952	closed since January 1, 1952	M	RR	M	RR	M	RR	M	RR	M	RR
#1	1	4	—										
#2	1	3	2	2	1			1					
#3	—	—	—										
#4	—	—	—										
#5	1	—	—										
#6	—	3	3					3					
#7	—	8	—										
#8	3	4	3			3				1	1		
#9	—	10	1	1					1				
#10	2	3	1	1	1								
#11	—	4	2	1	1	1	1					1	1
#12	6	3	6	3	1	1	1	2	4			1	2
#13	3	20	3	2	3								
#14	2	5	2	1	1	1	3		1			1	2
TOTAL	19	67	23	10	8	6	5	5	7	1	1	3	5

M—Member; RR—Registered Representative

Quotations

THE Association, from the earliest days of its inception, has accepted as one of its functions the responsibility of compiling for the press, daily and weekly, the markets on hundreds of over-the-counter securities. This is done in recognition of the wide public interest that can be served with authoritative and reliable markets, regularly published. It is done also in the interest of the securities business, since the appearance of quoted markets in newspapers of general as well as trade circulation serves as an aid in the merchandising of such securities.

When the Association undertook to organize, guide and supervise this activity, price ranges on over-the-counter securities were released for publication in a kind of free-for-all, with little or no policing of them as to their regularity or dependability. This is not to say that many over-the-counter firms did not render a useful service by serving as a source for such markets. Lacking any organized effort, the business was served in the best way that was possible. Nevertheless, it was generally recognized that the situation was at times chaotic and that a market with so wide a following among investors deserved to have an orderly system of gathering and disseminating quotations.

With the help of countless members, such a system was established and it has been enlarged and improved upon as experience accumulated. The aim from the beginning has been two-fold: (1) to furnish to the investor a reliable guide as to prices and (2) to promote, to the fullest extent possible, adequate representation for over-the-counter securities in the financial columns of the daily and trade press.

ORGANIZATION

Quotations activities of the Association are conducted by committees especially organized for the purpose. The top committee is the National Quotations Committee. This Committee is not actively engaged in the actual release of markets to the press. Its function, by direction and authority of the Board of Governors, is to supervise the collecting and releasing of quotations along policy lines and procedures laid down in accordance with Association decisions. The Committee also conducts periodic surveys and analyses of the quotations field. It consults from time to time with the SEC.

Market-releases emanate from quotations commit-

tees located in the various Districts of the Association. At present, there are twenty-eight active quotations committees. The efficient functioning of this department of Association work is dependent not only upon the voluntary services of quotations committee members, but also upon the willing cooperation of the personnel of many members who are responsible for compiling the retail markets released to the press.

NEWSPAPER COVERAGE

At regular intervals, a survey is made of the use of quotations supplied through the Association's machinery. Recently, one such survey was made of newspapers which publish markets on over-the-counter securities.

One hundred seventy-eight newspapers were found to be using over-the-counter quotations. (The quotations are supplied to the Associated Press and United Press, as well as to newspapers direct.) Of the 178 newspapers, 139 published exclusively, quotations supplied by the NASD. Others published quotations from the Association and "other sources." In addition to the daily coverage, a special weekly compilation of about 600 issues is made for the Wall Street Journal and New York Journal of Commerce.

Board of Governors

TO SERVE UNTIL JANUARY, 1954

John F. Bunn, Jr.
Paul Devlin
John D. McCutcheon
Gerald P. Peters
H. P. Schlemmer
Carl Stolle
George H. Stubbs, Jr.

Bioren & Co.
Blyth & Co., Inc.
John D. McCutcheon and Co., Inc.
Peters, Writer & Christensen, Inc.
Schwabacher & Co.
G. A. Saxton & Co., Inc.
Stubbs, Smith & Lombardo, Inc.

Philadelphia, Pa.
New York, N. Y.
St. Louis, Mo.
Denver, Colo.
San Francisco, Calif.
New York, N. Y.
Birmingham, Ala.

TO SERVE UNTIL JANUARY, 1955

Walter I. Cole
Claude T. Crockett
Edward C. George
George Geyer
Harold C. Patterson
William C. Roney
Murray Ward

Beecroft, Cole & Co.
Crockett & Co.
Harriman Ripley & Co., Incorporated
Geyer & Co., Incorporated
Auchincloss, Parker & Redpath
Wm. C. Roney & Co.
Hill, Richards & Co.

Topeka, Kansas
Houston, Texas
Chicago, Ill.
New York, N. Y.
Washington, D. C.
Detroit, Mich.
Los Angeles, Calif.

TO SERVE UNTIL JANUARY, 1956

William J. Collins
Roy W. Doolittle
Allen C. DuBois
George F. Noyes
William H. Potter, Jr.
Frank B. Reid
Harold E. Wood

William J. Collins & Co.
Doolittle & Co.
Wertheim & Co.
The Illinois Company
First Boston Corporation
Fulton, Reid & Company
Harold E. Wood & Co.

Portland, Ore.
Buffalo, N. Y.
New York, N. Y.
Chicago, Ill.
Boston, Mass.
Cleveland, Ohio
St. Paul, Minn.

TERMS EXPIRE JANUARY, 1953

Clarence A. Bickel
Ewing T. Boles
Charles P. Cooley, Jr.
W. Fenton Johnston
Harper Joy
Ira D. Owen
Albert W. Tweedy

Robert W. Baird & Co.
The Ohio Company
Cooley & Co.
Smith, Barney & Co.
Pacific Northwest Company
Allison-Williams Co.
H. C. Wainwright & Co.

Milwaukee, Wis.
Columbus, Ohio
Hartford, Conn.
New York, N. Y.
Spokane, Wash.
Minneapolis, Minn.
Boston, Mass.

Committees of the Board

(1953)

EXECUTIVE COMMITTEE

CARL STOLLE, Chairman
JOHN D. McCUTCHEON, Vice Chairman
H. P. SCHLEMMER, Vice Chairman
JOHN F. BUNN, JR.
PAUL DEVLIN
EDWARD C. GEORGE
GERALD P. PETERS
WALLACE H. FULTON

FINANCE COMMITTEE

PAUL DEVLIN, Chairman
JOHN F. BUNN, JR.
CARL STOLLE
GEORGE H. STUBBS, JR.
MURRAY WARD
WALLACE H. FULTON

NATIONAL BUSINESS CONDUCT COMMITTEE

EDWARD C. GEORGE, Chairman
WILLIAM J. COLLINS
CLAUDE T. CROCKETT
ALLEN C. DuBOIS
GEORGE F. NOYES
WILLIAM H. POTTER, JR.
HAROLD E. WOOD

LEGISLATION COMMITTEE

WALTER I. COLE, Chairman
WILLIAM C. RONEY, Vice Chairman
ROY W. DOOLITTLE
GEORGE F. NOYES
WILLIAM H. POTTER, JR.

NATIONAL UNIFORM PRACTICE COMMITTEE

HAROLD C. PATTERSON, Chairman
HENRY H. BADENBERGER, Vice Chairman
B. S. KAMPERT
THOMAS M. MacDONALD
GUENTHER M. PHILIPP
RALPH W. WELSH

NATIONAL QUOTATIONS COMMITTEE

GEORGE GEYER, Chairman
PAUL E. ALM
ALBERT C. PURKISS
FRANK B. REID
DONALD E. SUMMERELL

INVESTMENT COMPANIES COMMITTEE

JOSEPH E. WELCH, Chairman
WARD L. BISHOP
HUGH W. LONG
HARRY I. PRANKARD, II
WILLIAM F. SHELLEY
S. L. SHOLLEY

INVESTMENT COMPANIES DEALERS COMMITTEE

ROY W. DOOLITTLE, Chairman
EUGENE P. BARRY
JAMES F. BURNS, JR.
J. LESTER ERICKSON
ALBERT W. TWEEDY
ADOLPH WOOLNER

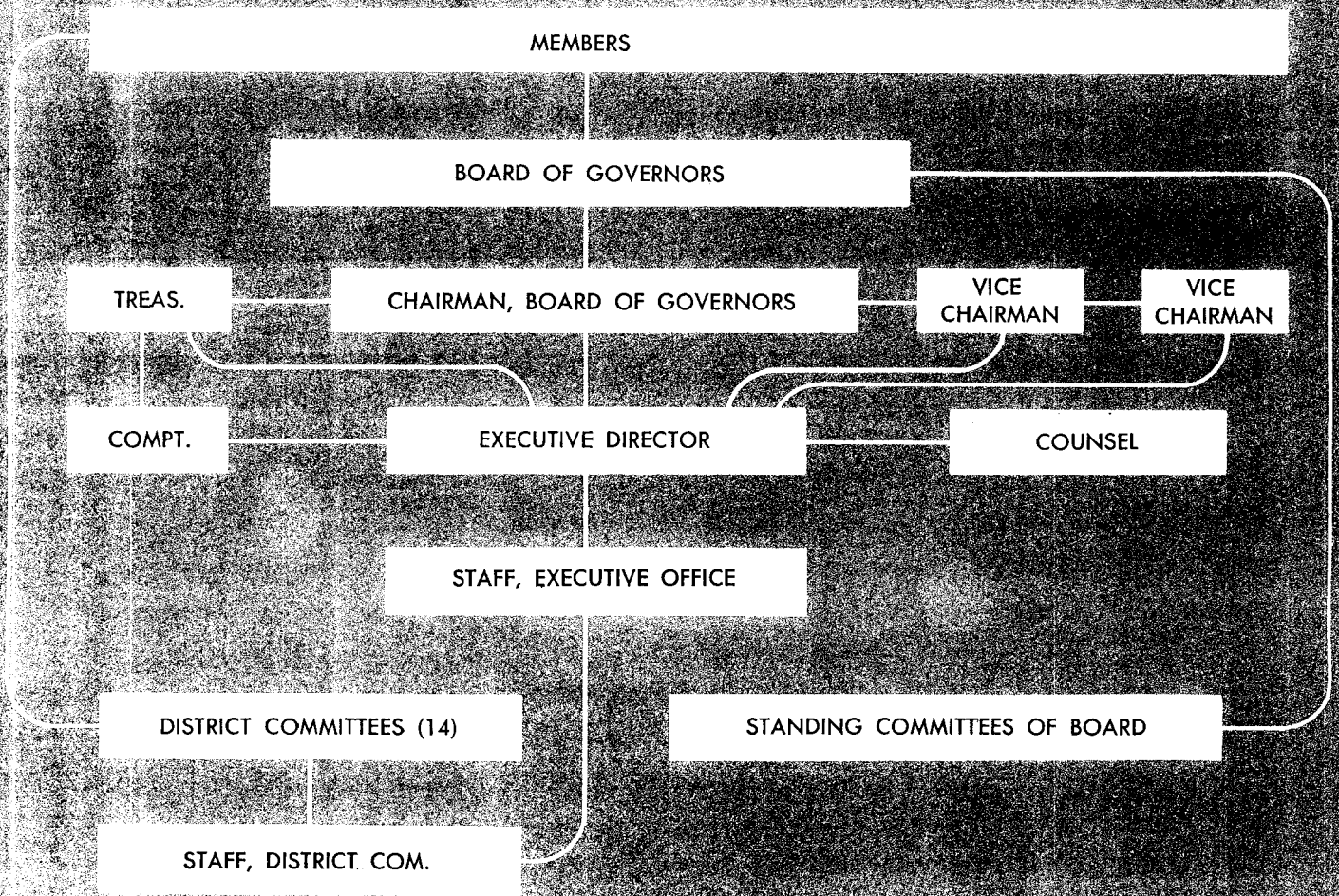
PUBLIC AND MEMBER RELATIONS COMMITTEE

HARPER JOY, Chairman
CLARENCE A. BICKEL
HOWARD E. BUHSE
CLEMENT A. EVANS
JOHN J. SULLIVAN

District Committees

- DISTRICT No. 1—(Idaho, Oregon, Washington)**
To serve until January 1954:
 John J. Hasfurther
 Spokane, Wash.
 *Donald W. Hinton
 Seattle, Wash.
To serve until January, 1955:
 William B. Boone
 Portland, Ore.
 Charles C. Muller
 Seattle, Wash.
To serve until January, 1956:
 Harold M. Martin
 Spokane, Wash.
 L. Brooks Ragen
 Portland, Ore.
Terms expire January, 1953:
 William J. Collins
 Portland, Ore.
 Wilmer C. Hewitt
 Tacoma, Wash.
- DISTRICT No. 2—(California, Nevada)**
To serve until January, 1954:
 *Curtis H. Bingham
 Los Angeles, Calif.
 *Daniel J. Cullen
 San Francisco, Calif.
 E. J. Evans
 Los Angeles, Calif.
 Emerson B. Morgan
 Los Angeles, Calif.
To serve until January, 1955:
 Arnold Grunigen, Jr.
 San Francisco, Calif.
 C. Wesley Hall
 San Diego, Calif.
 Stevens Manning
 Los Angeles, Calif.
 Thomas E. Morris
 San Francisco, Calif.
To serve until January, 1956:
 Harold G. Mason
 San Francisco, Calif.
 Wendell W. Witter
 San Francisco, Calif.
Terms expire January, 1953:
 Ferdinand C. Smith
 San Francisco, Calif.
 Frank Walker
 San Francisco, Calif.
- DISTRICT No. 3—(Arizona, Colorado, New Mexico, Utah, Wyoming)**
To serve until January, 1954:
 *Frederick D. Walter
 Denver, Colo.
 Paul E. Youmans
 Denver, Colo.
To serve until January, 1955:
 Richard F. Beck
 Salt Lake City, Utah
 Henry E. Dahlberg
 Tucson, Ariz.
 A. B. Harrisberger
 Colorado Springs, Colo.
 Malcolm F. Roberts
 Denver, Colo.
To serve until January, 1956:
 George P. Clark
 Denver, Colo.
 William J. May
 Denver, Colo.
 Robert L. Mitton
 Denver, Colo.
Terms expire January, 1953:
 Donald F. Brown
 Denver, Colo.
 Paul Gorham
 Denver, Colo.
 Karl L. Mayer
 Denver, Colo.
- DISTRICT No. 4—(Minnesota, Montana, N. Dakota, S. Dakota)**
To serve until January, 1954:
 *Donald E. McFarland
 Minneapolis, Minn.
 Irving J. Rice
 St. Paul, Minn.
 R. J. Steichen
 Minneapolis, Minn.
To serve until January, 1955:
 William S. Macfadden
 Minneapolis, Minn.
 William Mannheim
 St. Paul, Minn.
 Edward J. McKendrick
 Minneapolis, Minn.
To serve until January, 1956:
 Thomas H. Garrett
 St. Paul, Minn.
 John G. Kinnard
 Minneapolis, Minn.
 Wright G. Wells
 Austin, Minn.
- * DISTRICT CHAIRMAN**
*** CO-CHAIRMAN**
- Terms expire January, 1953:*
 Robert L. John
 Minneapolis, Minn.
 Mortimer H. Stanford
 St. Paul, Minn.
 Harold E. Wood
 St. Paul, Minn.
- DISTRICT No. 5—(Kansas, western Missouri, Oklahoma)**
To serve until January, 1954:
 Harry Beecroft
 Topeka, Kan.
 *Richard J. Stern
 Kansas City, Mo.
To serve until January, 1955:
 Glenn L. Milburn
 Wichita, Kan.
 Dwight Robinson
 Oklahoma City, Okla.
To serve until January, 1956:
 Frederick H. MacDonald
 Kansas City, Mo.
 Frank W. North
 Kansas City, Mo.
Terms expire January, 1953:
 Frederic P. Barnes
 Kansas City, Mo.
 Laurence B. Carroll
 Kansas City, Mo.
- DISTRICT No. 6—(Texas)**
To serve until January, 1954:
 *James F. Jacques
 Dallas, Tex.
 Russell R. Rowles
 Houston, Tex.
To serve until January, 1955:
 Edward H. Austin
 San Antonio, Tex.
 Hugh D. Dunlap
 Dallas, Tex.
To serve until January, 1956:
 Philip R. Neuhaus
 Houston, Tex.
 John W. Pancoast
 San Antonio, Tex.
Terms expire January, 1953:
 Earl G. Fridley
 Houston, Tex.
 John Williamson
 San Antonio, Tex.
- DISTRICT No. 7—(Arkansas, western Kentucky, eastern Missouri)**
To serve until January, 1954:
 Irwin R. Harris
 St. Louis, Mo.
 *Andrew S. Mills
 St. Louis, Mo.
To serve until January, 1955:
 Arthur A. Christophel
 St. Louis, Mo.
 Paul B. Jones
 Little Rock, Ark.
 Mel M. Taylor
 St. Louis, Mo.
To serve until January, 1956:
 J. H. Fotheringham
 St. Louis, Mo.
 Elvin K. Popper
 St. Louis, Mo.
Terms expire January, 1953:
 Bert H. Horning
 St. Louis, Mo.
 George A. Newton
 St. Louis, Mo.
- DISTRICT No. 8—(Illinois, Indiana, Iowa, Michigan, Nebraska, Wisconsin)**
To serve until January, 1954:
 James H. Ellis
 Lincoln, Neb.
 *Newton P. Frye
 Chicago, Ill.
 Carl McClone
 Chicago, Ill.
 C. William Raffensperger
 Indianapolis, Ind.
To serve until January, 1955:
 Russell H. Goodrich
 Jackson, Mich.
 David J. Harris
 Chicago, Ill.
 J. Gordon Hill
 Detroit, Mich.
 G. Edward Slezak
 Milwaukee, Wis.
To serve until January, 1956:
 Arthur S. Crossman
 Chicago, Ill.
 Alfred R. Kramer
 Burlington, Iowa
 John D. McHugh
 Chicago, Ill.
 W. Thurman Riley
 Milwaukee, Wis.
- Terms expire January, 1953:*
 Vern S. Bell
 Madison, Wis.
 Joseph E. Dempsey
 Chicago, Ill.
 Reuben Thorson
 Chicago, Ill.
 Harry G. Williams
 Davenport, Iowa
- DISTRICT No. 9—(Alabama, Florida, Georgia, Louisiana, Mississippi, S. Carolina, Tennessee)**
To serve until January, 1954:
 William J. Anderson, Jr.
 Nashville, Tenn.
 O. L. Garrison Elder
 Chattanooga, Tenn.
 *Vivian M. Manning
 Greenville, S. C.
To serve until January, 1955:
 Alonzo H. Lee
 Birmingham, Ala.
 Julian A. Space, Jr.
 Savannah, Ga.
 Howard S. Wheeler
 Orlando, Fla.
To serve until January, 1956:
 John P. Labouisse
 New Orleans, La.
 Ernest C. Villere
 New Orleans, La.
 Alexander Yearley, IV
 Atlanta, Ga.
Terms expire January, 1953:
 G. Price Crane
 New Orleans, La.
 Wayne Martin
 Atlanta, Ga.
 Macrery B. Wheeler
 New Orleans, La.
- DISTRICT No. 10—(eastern Kentucky, Ohio)**
To serve until January, 1954:
 *Ralph Elam
 Columbus, Ohio
 Charles King
 Louisville, Ky.
 Joseph H. Vasey
 Cincinnati, Ohio
To serve until January, 1955:
 William E. Beadling
 Youngstown, Ohio
 Melville J. M. Cox
 Cleveland, Ohio
 Claude F. Turben
 Cleveland, Ohio
To serve until January, 1956:
 Frederick M. Asbeck
 Cleveland, Ohio
 Lee W. Hoefinghoff
 Cincinnati, Ohio
 Dale F. Linch
 Louisville, Ky.
Terms expire January, 1953:
 Jean E. Bennett
 Cincinnati, Ohio
 Russell Ebinger
 Louisville, Ky.
 J. L. Quigley
 Cleveland, Ohio
- DISTRICT No. 11—(District of Columbia, Maryland, N. Carolina, Virginia, W. Virginia)**
To serve until January, 1954:
 *Charles P. Lukens, Jr.
 Washington, D. C.
 George C. Shriver
 Baltimore, Md.
To serve until January, 1955:
 J. Read Branch
 Richmond, Va.
 Harvey B. Gram, Jr.
 Washington, D. C.
To serve until January, 1956:
 Glenn E. Anderson
 Raleigh, N. C.
 Edwin B. Horner
 Lynchburg, Va.
 F. Grainger Marburg
 Baltimore, Md.
 W. Olin Nisbet, Jr.
 Charlotte, N. C.
Terms expire January, 1953:
 Edward J. Armstrong
 Baltimore, Md.
 W. Erskine Buford
 Charlottesville, Va.
 William D. Croom
 Durham, N. C.
 Ben S. Willis
 Winston-Salem, N. C.
- DISTRICT No. 12—(Delaware, Pennsylvania)**
To serve until January, 1954:
 John H. Blye, Jr.
 Philadelphia, Pa.
 John C. Bogan, Jr.
 Philadelphia, Pa.
 *Frank H. Hunter
 Pittsburgh, Pa.
To serve until January, 1955:
 *Sidney S. Blake
 Philadelphia, Pa.
 Edison Cherrington
 Pittsburgh, Pa.
 George W. Elkins, Jr.
 Philadelphia, Pa.
 W. Bruce McConnell, Jr.
 Pittsburgh, Pa.
To serve until January, 1956:
 Addison W. Arthurs
 Pittsburgh, Pa.
 R. Victor Mosley
 Philadelphia, Pa.
 John S. Patton, Jr.
 Pittsburgh, Pa.
 Joseph Lincoln Ray
 Sunbury, Pa.
 George Winchester
 Wilmington, Del.
Terms expire January, 1953:
 Arthur Lowrie Applegate
 Pittsburgh, Pa.
 Robert V. H. Harned
 Allentown, Pa.
 Carl S. McKee
 Pittsburgh, Pa.
 Samuel K. Phillips, Jr.
 Philadelphia, Pa.
 Lddie W. Young
 Pittsburgh, Pa.
- DISTRICT No. 13—(Connecticut, New Jersey, New York)**
To serve until January, 1954:
 Charles M. Kearns
 New York, N. Y.
 *Joseph S. Nye
 New York, N. Y.
 Nathan Oppenheimer
 Buffalo, N. Y.
 Walter W. Wilson
 New York, N. Y.
To serve until January, 1955:
 Earl K. Bassett
 New York, N. Y.
 Paul A. Gammons
 New York, N. Y.
 Edward S. Hincley
 Newark, N. J.
 George H. Walker, Jr.
 New York, N. Y.
To serve until January, 1956:
 Harold H. Cook
 New York, N. Y.
 Charles C. Glavin
 New York, N. Y.
 Henry Holbrook Hyde
 Hartford, Conn.
 John J. O'Kane, Jr.
 New York, N. Y.
Terms expire January, 1953:
 Harry R. Amott
 New York, N. Y.
 George L. Austin
 Hartford, Conn.
 William L. Canady
 New York, N. Y.
 H. Warren Wilson
 New York, N. Y.
- DISTRICT No. 14—(Maine, Massachusetts, New Hampshire, Rhode Island, Vermont)**
To serve until January, 1954:
 Gilbert M. Elliott, Jr.
 Portland, Me.
 T. Edmund Williams
 Boston, Mass.
To serve until January, 1955:
 *Edmond E. Hammond
 Boston, Mass.
 Richard W. Lisle
 Providence, R. I.
 Edmund H. Sears
 Boston, Mass.
To serve until January, 1956:
 Horace O. Bright
 Boston, Mass.
 Wilfred N. Day
 Boston, Mass.
Terms expire January, 1953:
 Ellery W. Rogers
 Boston, Mass.
 Thomas Whiteside
 Boston, Mass.

Organization Chart



NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

DISTRICT OFFICES

DISTRICTS No. 1 AND No. 2

D. J. Conway
Crocker Building
San Francisco 4, Calif.

DISTRICT No. 3

Albert J. Gould
1114 Security Building
Denver 2, Colorado

DISTRICT No. 4

Edward J. McKendrick
Syndicate Building
Minneapolis 2, Minnesota

DISTRICT No. 5

Robert B. Fizzell, Jr.
201 First National Bank Bldg.
Kansas City 6, Missouri

DISTRICT No. 6

Paul J. Fagan
201 Reserve Loan Life Building
Dallas 1, Texas

DISTRICT No. 7

Charles S. Glazer
408 Olive Street
St. Louis 2, Missouri

DISTRICT No. 8

John F. Brady
10 So. LaSalle Street
Chicago 3, Illinois

DISTRICT No. 9

William H. R. Gould
924 First National Bank Building
Atlanta 3, Georgia

DISTRICT No. 10

Joseph J. Van Heyde
16 E. Broad Street
Columbus 15, Ohio

DISTRICT No. 11

L. Victor Seested
1625 K Street, N. W.
Washington 6, D. C.

DISTRICT No. 12

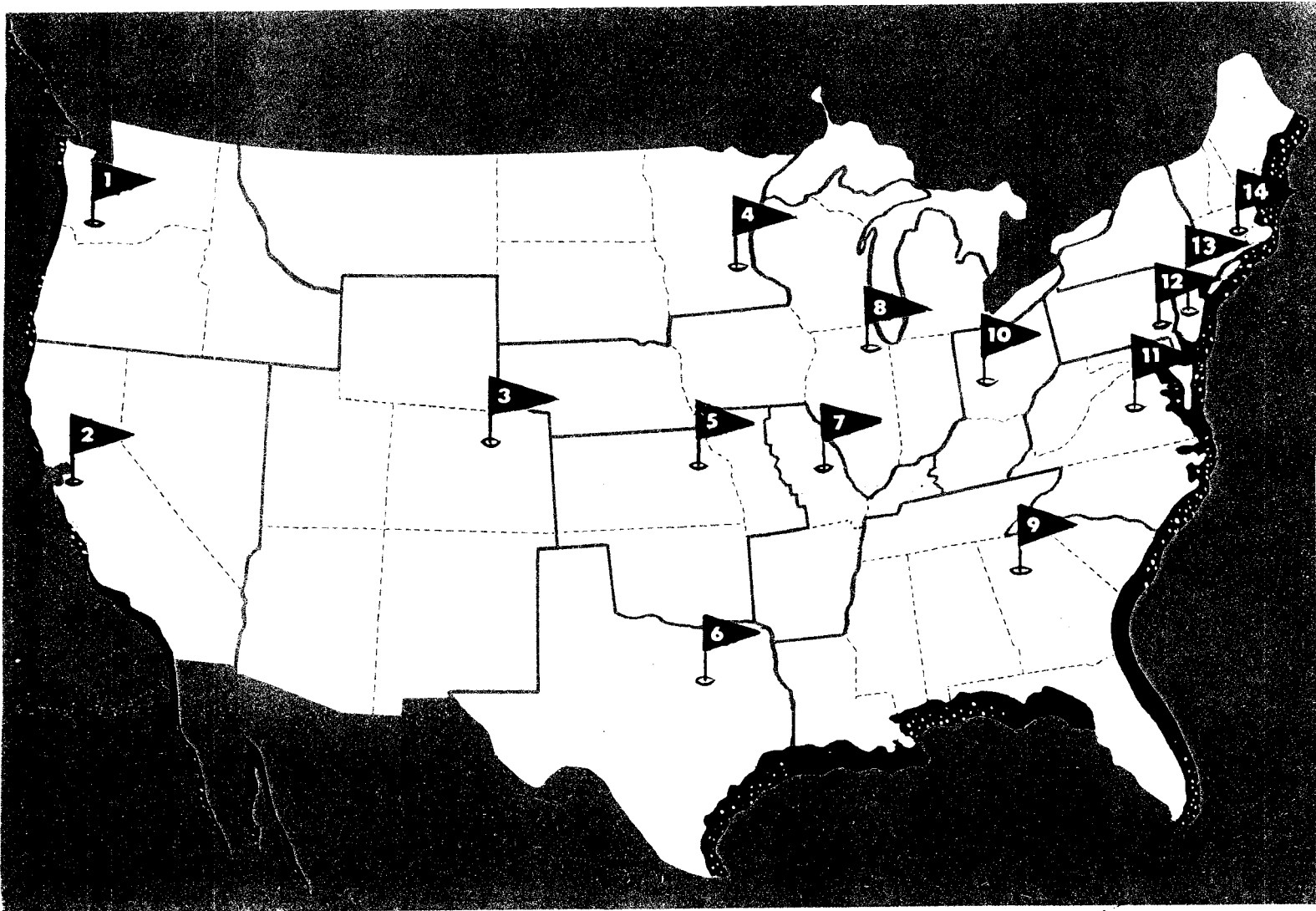
Edward R. Gilleran
123 So. Broad Street
Philadelphia 9, Pennsylvania

DISTRICT No. 13

George E. Rieber
111 Broadway
New York 6, N. Y.

DISTRICT No. 14

Francis C. Doyle
80 Federal Street
Boston 10, Mass.



NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

MEMBERSHIP SUMMARY—December 31, 1952

DISTRICT No. 1:			
Idaho	4		
Oregon	20		
Washington	53	77	
DISTRICT No. 2:			
California	197		
Nevada	2	199	
DISTRICT No. 3:			
Arizona	10		
Colorado	38		
New Mexico	6		
Utah	16		
Wyoming	3	73	
DISTRICT No. 4:			
Minnesota	46		
Montana	3		
North Dakota	1		
South Dakota	1	51	
DISTRICT No. 5:			
Kansas	27		
Missouri (West)	26		
Oklahoma	17	70	

DISTRICT No. 6:			
Texas	93	93	
DISTRICT No. 7:			
Arkansas	16		
Kentucky (West)	1		
Missouri (East)	54	71	
DISTRICT No. 8:			
Illinois	159		
Indiana	48		
Iowa	27		
Michigan	49		
Nebraska	25		
Wisconsin	49	357	
DISTRICT No. 9:			
Alabama	22		
Florida	38		
Georgia	29		
Louisiana	44		
Mississippi	12		
South Carolina	25		
Tennessee	35	205	
DISTRICT No. 10:			
Kentucky (East)	13		
Ohio	126	139	

DISTRICT No. 11:			
District of Columbia	33		
Maryland	31		
North Carolina	26		
Virginia	31		
West Virginia	11	132	
DISTRICT No. 12:			
Delaware	6		
Pennsylvania	172	178	
DISTRICT No. 13:			
Connecticut	38		
New Jersey	80		
New York City	851		
New York State (except N. Y. C.)	155	1124	
DISTRICT No. 14:			
Maine	30		
Massachusetts	154		
New Hampshire	11		
Rhode Island	24		
Vermont	2	221	
TOTAL			2990
Inactive memberships			3