

**NATIONAL
ASSOCIATION of SECURITIES
DEALERS, INC.**

REPORT TO MEMBERS—1953

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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 My Fellow Members:

This Annual Report to the membership deserves careful study by each individual member. Among our larger members, a copy might well be circulated among partners, officers and key employees. Additional copies are available to members at the Executive Office.

On the following pages will be found a review by the Executive Director of highlights and, if you will, accomplishments, of the years since the Association was formed in 1939. That review is followed by a statement of work done in 1953. On subsequent pages detailed financial statements and tabulations covering assessments and related subjects are presented.

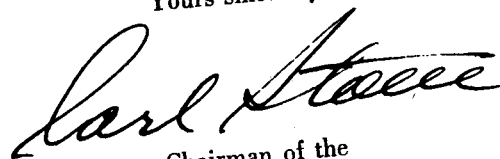
Of equal, if not greater importance than all else, however, is the section devoted to identifying the men who serve the Association from the business — on the fourteen Districts and on the Board of Governors. It is these men who run its affairs—supervise the administrative personnel, administer the Rules, decide policy questions, approve budgets and assessments and authorize the expenditures that are to be made. Each year, the Association relies upon the services of several hundred men from the business to carry out duties in the score or more fields in which the Association acts to promote the welfare of members. Whatever the Association realizes in the way of progress toward its goals from year to year is due to the efforts of these men.

Supporting them are the people on the staff. The Association has a competent group in its employ—a group that serves loyally the interests of our membership.

The Board of Governors at its meeting in January, 1954, accepted the report of a Special Committee of the Board and approved a retirement compensation plan for all employees of the Association. The plan proposed by the Committee is actuarially sound and is, in the opinion of the Board, a fair and equitable one for the employees and the Association.

I sincerely regret that my term on the Board has come to its end but this is offset by the satisfaction that my own knowledge of our business—its successes, its problems, its vitality—has been materially broadened while new friendships were being made.

Yours sincerely,



Chairman of the
Board of Governors

March 15, 1954

report of the executive director

THE National Association of Securities Dealers, Inc., will be 15 years old in 1954 and this milestone supplies an appropriate point at which to pause for an evaluation, since progress, or the lack of it, often can be more clearly seen by comparing the past with the present.

What were the Association's beginnings? What has it done? Where is it going?

The Association's formation in the summer of 1939 was not a sudden event. An informal voluntary organization had been operating for four years while some of the ablest men in the securities business worked with the Congress and the Securities and Exchange Commission—first on enabling legislation and then on By-Laws, Rules of Fair Practice and all the various operating arrangements that finally were embraced by this instrument for self-regulation of the over-the-counter securities market.

the over-the-counter market

The over-the-counter business is the largest segment of the securities business. It is the primary source for the formation of corporate capital—the means employed by American business enterprise to seek from investors the funds for the expansion of production. In it are the largest securities houses in the country; also it contains the smallest firms, the one-man shops, the sole proprietors who are the backbone of the business outside the metropolitan centers.

The over-the-counter market occupied its powerful position in 1939, when NASD was formed. Yet, though in many ways the most important area of corporate finance, it had at that time little machinery for orderly conduct of the business being done. There was nothing comparable, for example, to the rules and regulations of the stock exchanges which long since had learned they could not exist without such controls. Proof, if any were needed, of the fundamental and essential need for the over-the-counter market was the growth and progress of this market in spite of the lack of machinery to handle the traffic in securities.

Among other things, there was no standard form for contracts among and with dealers; there were no fixed and reliable industry-wide guides as to books

and records or for delivery times, dividend and interest payments; and no mechanism for settling disputes growing out of complex matters native to the conduct of a securities business.

Important as was the need for order and standards in the internal sphere, even more urgent, from a public interest and a public relations standpoint, was the need for authority and responsibility in providing prices on securities traded over-the-counter. Here again the business had grown and prospered in spite of disorder.

At the same time, the promotion of ethical conduct in dealings between firms and with the investing public was—and is—of course, of paramount importance, overriding all other considerations. Indicative of this fundamental concept is the fact that Rule No. 1 of the Association (technically, Section 1 of Article III of the Rules of Fair Practice) pledges its members to conduct their affairs on a high plane of commercial honor.

These three very broad fields—machinery to handle the traffic in securities, responsibility in public pricing of securities, and promotion of ethical conduct—in which the new Association took action, beginning with 1939, point to its vital functions. There were and are many others. There will be more, no doubt.

uniform practice code

On the business-office side, the Association set out to draft a code on which members could rely for the settlement of all contracts on sound, practical and economic lines. It assigned the best technicians in the business to the task. It was a two-year job. Since 1941, the over-the-counter business has been operating under the Association's Uniform Practice Code, which covers all important details of members' transactions. It is administered by responsible men from member firms, assisted by full-time staff experts. The code is operative at all times every business day for the benefit of the membership and its customers. It has proven flexible and adaptable as new problems and new techniques have developed. Unquestionably, it has saved the business a good deal of money over the years by promoting efficient operations.

market prices

The problem in securities pricing has been more difficult to resolve. The over-the-counter market is really a composite of many smaller markets and trading areas. Price variations on the same security in different markets may be proper or they may not; one man's idea of a fair price may not be the same as another's. Supply and demand enter the picture, naturally. There are securities in which there is but a local interest and those in which there is national interest. Multiply the problem of pricing an individual security in a single market by the thousands of issues traded over-the-counter and the complexity of the problem becomes apparent. Yet nothing is more important to a business than a ready and reliable means for the public to determine within what range the merchandise available in the market can be bought or sold.

It has taken years of effort, experiment, consultation, negotiation and persistence to develop the current NASD system of quoting market-price ranges on over-the-counter securities. Today, with a few local exceptions, all over-the-counter quotations appearing publicly are sponsored by the Association and appear in newspapers and periodicals below its identification. They represent, as accurately as can be determined, not actual prices of transactions taking place, but the retail ranges within which members stand ready to buy or sell securities from or to the public. This policy, laid down many years ago by the Association's

Board of Governors, continues as the underlying principle of the quotations system, maintained by the membership at a cost of many thousands of dollars each year.

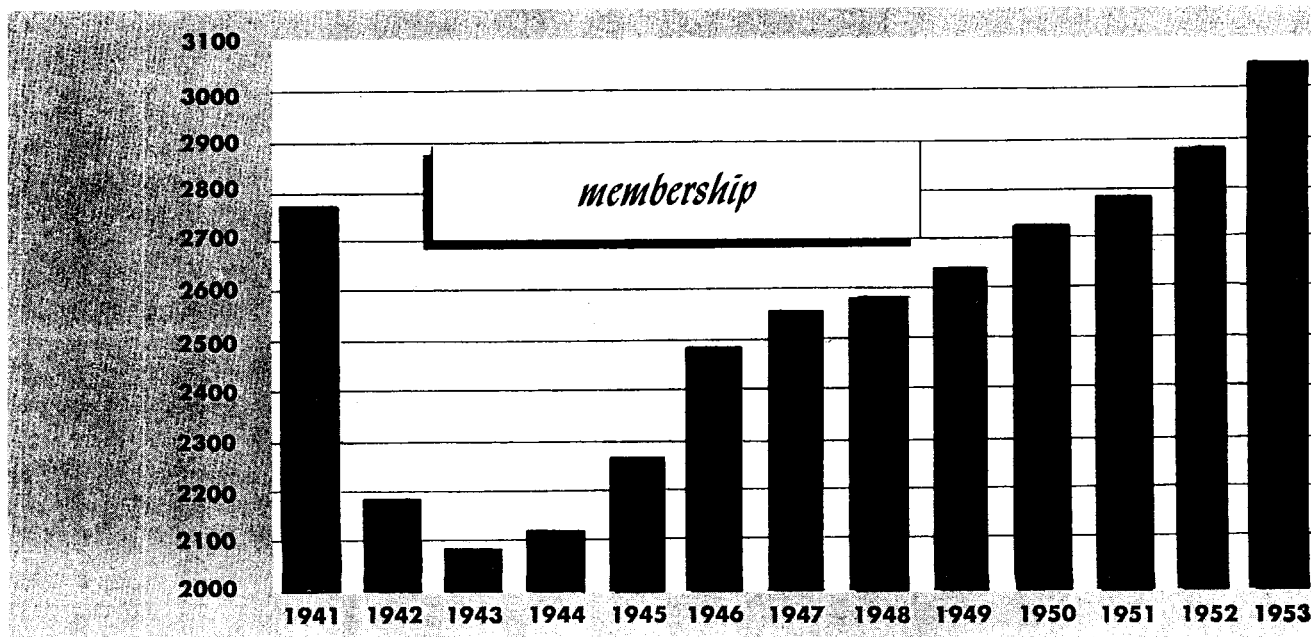
It is not a wholly perfect system and there are still many problems to be resolved, mostly of a local character. But progress from pre-Association days has been considerable and the public and member interest that has been fostered is today more in keeping with the prestige and importance of the market.

business conduct

Maintenance of proper business conduct is the backbone of Association work. The aggregate of disciplinary actions taken over the past fifteen years is testimony of the membership's determination to advance fair practices and industry-wide observance of recognized ethical standards. Yet, the number of actions taken is not significant in itself—it might be misleading without full explanation, due to turnover of membership and other factors—nor does it even suggest promiscuous abuse of the standards. Rather, considering the numbers that have been on the Association's rolls over the years, a very substantial devotion to the standards by all but a relatively small fraction of the membership is indicated.

other programs

Decisions of the Board of Governors to authorize regular examinations of members; promulgation by



the Board of pricing standards to guide the membership; adoption by vote of the members of registration requirements for salesmen, traders, etc.; required disclosures to the employing member of any "outside" trading activity by employees; requirements that employers certify their satisfaction with employee qualifications; administration of a broad set of standards to govern the literature used in the sale of investment company securities; requirements for supervision of all registered representatives in connection with purchases and sales of securities, their selling methods and correspondence with customers—these and many other policies have and are serving to deepen and broaden understanding throughout the membership of the aims of the Association and its capacity to enhance the strength and prestige of the over-the-counter market. And in all, of these undertakings, the self-interest of the individual member, as well as the public interest, has been advanced.

government regulation

In this pause for a backward glance we should not overlook the fact that since this Association was formed, government has imposed few new regulations on over-the-counter dealers. The Association has nearly always been consulted in such instances and has endeavored to exert in the right direction the influence of informed judgment. The Board has been alert to the proper exercise of an important purpose of the Association: "... to provide a medium through which its membership may be enabled to confer, consult, and cooperate with governmental and other agencies in the solution of problems affecting investors, the public, and the investment banking business..."

the future

And what of the future? We shall, among other things, continue consultations with the Securities and Exchange Commission and with the Congress designed to reach agreement on amendments to the Securities Acts long desired by the business. Spokesmen for the Board of Governors and the Executive staff have been working in this vein with their counterparts from other segments of the securities business. (On January 27, 1954, S-2846 and HR-7550 were introduced into the Senate and the House of Representatives by Senator Capehart of Indiana and Congressman Wolverton of New Jersey, embodying in legislative language the

principles discussed in the conferences on proposals to amend the Securities Acts. Subsequently, hearings were held before a subcommittee of the Senate Banking and Currency Committee which included an appearance by Edward C. George, Chairman of the Board of Governors, in support of the Bill. On February 26, 1954, the Committee on Banking and Currency reported the Bill to the Senate and recommended passage. On March 2, 1954 the Bill was passed by the Senate and sent to the House of Representatives).

In new and expanded fields, our endeavors will be directed to exploring the possibility of developing educational and experience standards for those seeking to enter the securities business; revising and simplifying—in cooperation with the SEC—rules and regulations for doing business, and eliminating red-tape; improving the quotations system; studying the Rules and By-Laws for possible revision in the interest of greater clarity and efficiency, and to meet changing conditions; further promoting public interest in the field of corporate finance; further encouraging the expansion of educational facilities for studying the investment banking business and particularly the over-the-counter market; reviewing examination and business conduct procedures with a view to their improvement; reviewing, revising and simplifying—again in cooperation with the SEC—the standards for investment company sales literature.

The accomplishments of the past were not attained easily; they could not have been attained at all, nor could we face the responsibilities of the future, without the contribution by hundreds of men of a vast amount of time away from their own firms or without the building of a competent and informed professional staff. The contribution of time by our members to the work of the Association is a voluntary sacrifice; this experience and ability could not be hired.

The ideal of living up to its high purposes and of serving the membership to the maximum of opportunity has not been realized by this organization—perhaps it never will be fully realized. But we will continue to try to realize it. We do believe we have made and will make progress. "Progress", according to Mr. Webster, is "... development of a group in a direction considered as beneficial and to a degree greater than that yet attained..." That is the sort of progress we are seeking.

Now as to the work in 1953:

membership

Since World War II we have been able to report each January an increase in the total membership. The past year has continued that trend. On December 31, 1953, membership stood at 3,047, a net increase for the year of 57 members; branch offices totaled 1,509, also a new high and an increase for the year of 92; and Registered Representatives totaled 33,629.

examination program

During the year past, 1,053 members have been visited by accountant-examiners of the Association. This is by far the largest number of examinations conducted in any one year. For the three years immediately preceding, the totals were: 809, 737, and 762. Examiners from the Executive Office have supplemented District examining staffs and, in addition, have visited members in those districts not having full-time examiners. In one such instance, District No. 3, the Denver area, 51 of the members were examined, and in District No. 4, the Twin Cities area, all of the members were examined during the past year. At the present time, examiners from the Executive Office, at the request of the District Committee, have been assigned to the St. Louis area to visit all the members in District No. 7. We should like to call particular attention to District No. 6, Texas, where the first full-time Secretary, serving his first full year, completed examinations of every member in that District.

One phase of examination work relates to the mark-up practices of members. To determine such practices, consecutive transactions for a period are recorded and

the mark-ups computed. During the year, almost 18,000 such transactions were recorded and the final computation discloses that 82% of these transactions were consummated at mark-ups of less than 5%, while 42% resulted in mark-ups of less than 3%. As to mark-ups over 5%, a large portion were within an area where the selling price was under \$5.

Another indication of increased activities has been the total of requests received by the District Committees for extension of time under the provisions of Regulation T. There were 8,590 such requests during 1953, as compared with 7,010 in the previous year.

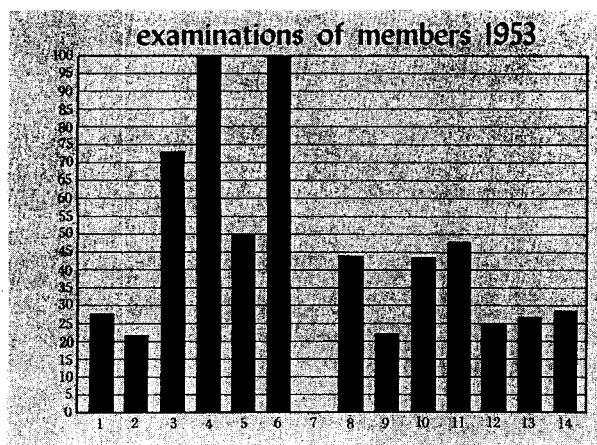
complaints

The highlights of some of the complaints processed through the Association included certain developments which will be of interest. We have in our files a letter from an attorney from Kansas City to the Association acknowledging assistance in connection with a complaint filed by a customer which resulted in a refund to the customer of \$8,100. A complaint proceedings in Washington, D. C., against a registered representative, resulted in the refund to a customer of \$500 improperly taken from the customer by a salesman. In Seattle, securities transactions effected by a member were reconstituted to the benefit of the customer by approximately \$2,300. In a case in Birmingham, through the offices of the Secretary of District No. 9, some \$3,000 was refunded, not only to individual customers, but to dealers, as well. In each instance, these refunds resulted from indirect action of the Association in complaint proceedings and it is fair to say that without the efforts of the Association in the various Districts these funds would not have been recovered.

(See Page 15 for report of National Business Conduct Committee).

member meetings

The Chairman of the Board of Governors and the Executive Director during 1953 had the privilege of visiting with many members of the Association in meetings which provided an opportunity for completely frank discussions of member problems and, at the same time, to inform the members of the many activities of the Association. Such meetings were held in New Orleans, Birmingham, Richmond, Washington, Dallas, Houston, Minneapolis-St. Paul, Spokane, Seattle, Portland, Salt Lake City, Philadelphia, San Francisco, Los Angeles and San Diego. These meetings



The above chart shows the percentage of members examined in each of the fourteen districts in 1953. As a whole, 35% of the membership had been examined by the year-end.

were all well attended. During 1954, similar meetings will be held in areas which have not been visited for some time.

There have also been periodic and informal conferences attended by top representatives of the various organizations of the industry for the purpose of an interchange of thinking regarding problems affecting all the groups.

These same representatives and others have met throughout the year as a joint committee on taxation. Specifically, this group consists of representatives from the Association, the IBA, the New York Stock Exchange, the American Stock Exchange, the regional stock exchanges and the Association of Stock Exchange Firms. In July, the Chairman of the Board appeared before the Ways and Means Committee of the House which was hearing testimony with respect to capital gains taxes and "double taxation" of dividends.

vote on amendments

On November 23, 1953, there were presented to the membership three proposed amendments to Article XV of the By-Laws and one proposed amendment to Section 27(a) of Article III of the Rules of Fair Practice. These proposals had previously been adopted by the Board for submission to the membership for vote. Briefly, the amendments to the By-Laws relate to preserving the Association's jurisdiction over registered representatives. The amendment to the Rules of Fair Practice was directed toward a greater degree of supervision by member firms of registered representatives and transactions handled by them. The vote by members was by secret ballot and through the facilities of Price Waterhouse and Company. On January 5, 1954, we received notice from Price Waterhouse and Company that sufficient ballots had been cast for an official vote and that all of the proposals had been approved by the membership.

March 15, 1954

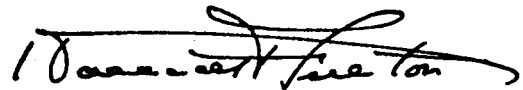
review of by-laws and rules

There have been, from time to time, amendments, changes, additions and deletions to the Association's By-Laws. In 1942, there was an overall revision of the By-Laws and Rules of Fair Practice. All other changes have been amendments submitted to cure specific problems.

A special committee of the Board has been appointed to consider a number of other possible revisions. Some of these include a redefinition of the term "branch office"; minor technical amendments to Section 26 of Article III of the Rules of Fair Practice, relating to investment companies, which would make that section easier to administer; amendment to Article V of the Rules of Fair Practice with respect to "costs". The present Article V does not state that the imposition of costs constitutes a penalty. This is a possible ambiguity and source of contention in the event a member fails to pay costs assessed promptly.

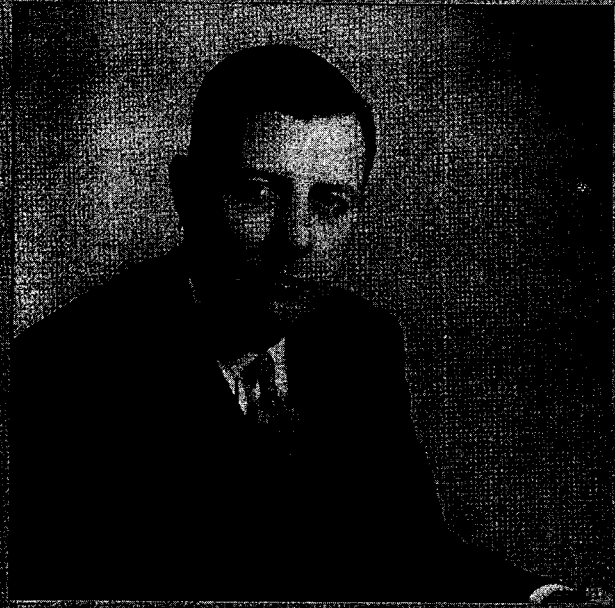
Another problem of increasing urgency, relating specifically to Canadian dealers, should be studied in connection with changes in the By-Laws. The SEC, in 1953, provided for registration in the United States of Canadian dealers who do not maintain offices here, but who do wish to do business across the border. The question has come up several times as to whether these dealers are eligible for Association membership for the purposes of their business transacted in the United States. Under the By-Laws and membership agreement, as currently effective, they are not, in our opinion, eligible for membership. If the Board, as a policy matter, wishes to permit membership for Canadian dealers who do not have offices in the United States, then a number of changes will be required in the By-Laws, relating not only to the membership agreement but to the question of the District in which they might be considered to be located.

Respectfully submitted,



Executive Director.

officers-1954



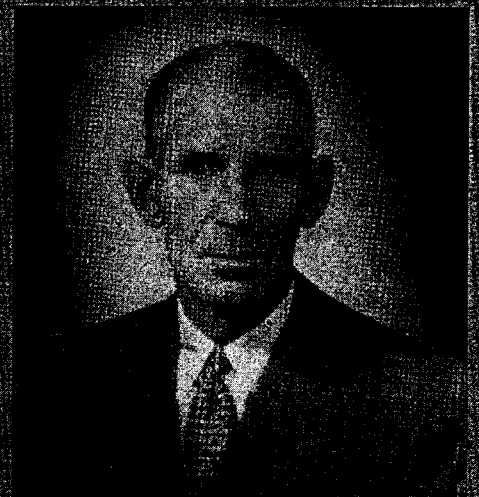
Edward C. George
Chicago
Chairman



Murray Ward
Los Angeles
Vice Chairman

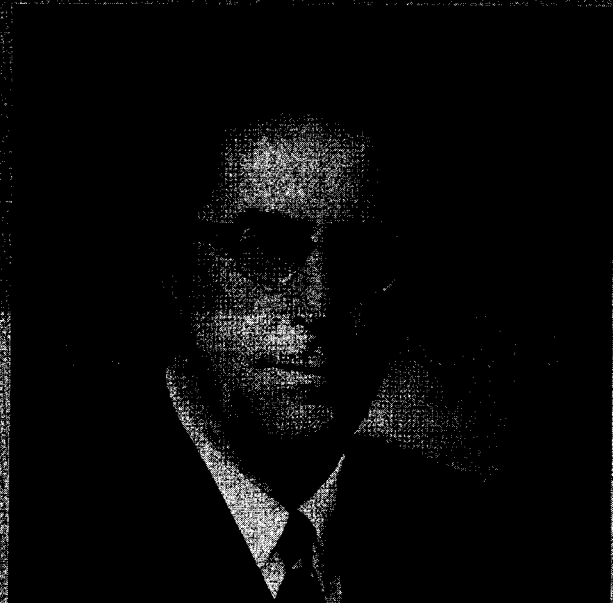


George Geyer
New York
Vice Chairman



Harold C. Patterson
Washington, D. C.
Treasurer

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



comparative statement of revenue, expenditures and composition of unexpended balance

	Year ended September 30,	
	1953	1952
Revenue:		
Assessments	\$618,490.01	\$534,086.86
Registered representatives' fees	73,400.00	66,170.00
Fees from branch office registrations	15,460.00	14,620.00
Admission fees	6,624.50	6,600.00
Fines and costs collected in prior years	14,260.51	6,745.30
Subscriptions to manuals	420.00	412.50
Transfer of U.S. Treasury securities	11,094.57	7,443.24
	<u>\$739,749.59</u>	<u>\$636,077.90</u>
Expenditures (note):		
Salaries:		
National Office and Committees	\$153,371.81	\$138,528.06
District Offices	169,366.28	158,677.34
Travel and meetings	73,323.74	69,150.45
Publications, printing, stationery, etc.	41,305.51	48,180.99
Complaints and investigations, travel transcripts, etc.	16,962.59	19,031.00
Legal—legal member relations, quotations	59,556.06	83,194.13
Rent	34,487.72	31,558.30
Office and miscellaneous	28,773.29	36,031.97
Insurance and taxes	11,715.79	9,649.34
Retired employees	10,200.00	7,400.00
	<u>\$599,062.79</u>	<u>\$601,401.58</u>
Excess of revenue over expenditures	\$140,686.80	\$ 34,676.32
Unexpended balance—beginning of year	433,638.22	398,961.90
Unexpended balance—end of year	<u>\$574,325.02</u>	<u>\$433,638.22</u>

COMPOSITION OF UNEXPENDED BALANCE

Cash	\$118,098.08	\$ 59,434.38
U.S. Treasury securities, at cost	497,290.00	398,114.00
Advances to U.S. Committee for German Corporate Dollar Bonds	5,000.00	5,000.00
Other advances and deposits	6,091.41	5,273.58
Accrued interest	1,742.52	1,210.01
Leasehold improvements, less amortization		814.29
Accounts payable	(26,528.45)	(15,687.25)
Accrued and withheld payroll taxes	(5,676.84)	(5,084.03)
Fines and costs collected, pending credit	(19,959.20)	(14,260.51)
Assessments collected in advance	(1,732.50)	(1,176.25)
	<u>\$574,325.02</u>	<u>\$433,638.22</u>

Expenditures for the year ended September 30, 1953, are classified as follows:

	1953	1952
Board of Governors	\$ 33,946.91	\$ 35,478.29
National Committees	74,074.02	67,551.89
National Office	206,669.09	224,007.40
District Offices	284,372.77	274,364.00
	<u>\$599,062.79*</u>	<u>\$601,401.58*</u>

* Includes \$37,230 in 1953 and \$37,058 in 1952 of salaries, fees and expenses for compilation and publication of over-the-counter quotations.

assessment breakdown

If it had not been for the \$6,000 ceiling in effect during the fiscal year ended September 30, 1953, a total of \$77,255.63 additional would have been paid by 18 members:

Member	Assessable Personnel	Assessment No. 20	ASSESSMENT WITHOUT CEILING:			
			Membership Fee	Personnel Fee	Underwritings Fee	Total
1	296	\$ 6,000.00	\$ 50.00	\$ 1,480.00	\$ 13,711.34	\$ 15,241.34
2	51	6,000.00	50.00	255.00	6,557.85	6,862.85
3	523	6,000.00	50.00	2,615.00	13,927.73	16,592.73
4	67	6,000.00	50.00	335.00	6,013.00	6,398.00
5	215½	6,000.00	50.00	1,077.50	6,475.84	7,603.34
6	433	6,000.00	50.00	2,165.00	21,894.54	24,109.54
7	208	6,000.00	50.00	1,040.00	5,488.69	6,578.69
8	352	6,000.00	50.00	1,760.00	4,453.72	6,263.72
9	374	6,000.00	50.00	1,870.00	9,387.36	11,307.36
10	115½	6,000.00	50.00	577.50	10,725.20	11,352.70
11	64	6,000.00	50.00	320.00	6,095.27	6,465.27
12	94	6,000.00	50.00	470.00	13,645.15	14,165.15
13	722½	6,000.00	50.00	3,612.50	7,678.00	11,340.50
14	56½	6,000.00	50.00	282.50	7,257.21	7,589.71
15	245	6,000.00	50.00	1,225.00	5,753.56	7,028.56
16	138	6,000.00	50.00	690.00	7,646.74	8,386.74
17	120½	6,000.00	50.00	602.50	7,775.04	8,427.54
18	248	6,000.00	50.00	1,240.00	8,251.89	9,541.89
		\$108,000.00	\$900.00	\$ 21,617.50	\$162,738.13	\$185,255.63

classification of member assessments

A breakdown of Assessment No. 20 covering the fiscal year ended September 30, 1953, and its billings are as follows: Membership fees \$161,190.50 or 26.7%, Personnel fees \$181,269.86 or 29.8% and Underwriting fees (including Investment Trust Gross Sales fees) \$265,821.77 or 43.5%. Detailed data follows:

Rate of Annual Assessment	Number of Members Billed	Amount
\$ 50.00 to \$ 74.99	1,804	\$104,754.82
75.00 to 99.99	524	43,472.64
100.00 to 199.99	423	55,777.92
200.00 to 299.99	117	28,684.05
300.00 to 399.99	50	17,070.23
400.00 to 499.99	41	18,480.59
500.00 to 599.99	15	8,479.27
600.00 to 699.99	17	11,083.99
700.00 to 799.99	18	13,556.75
800.00 to 899.99	13	10,855.62
900.00 to 999.99	11	10,319.26
1,000.00 to 1,499.99	32	39,644.58
1,500.00 to 1,999.99	17	29,567.84
2,000.00 to 2,999.99	16	36,551.39
3,000.00 to 3,999.99	8	26,038.11
4,000.00 to 4,999.99	4	18,914.35
5,000.00 to 5,999.99	5	27,036.72
\$6,000.00	18	108,000.00
	3,133	\$608,288.13

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

December 14, 1953

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

We have examined the statement of receipts and expenditures of the National Association of Securities Dealers, Inc. for the year ended September 30, 1953. 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 accounting of financial statement presents fairly the recorded revenue and expenditures of the National Association of Securities Dealers, Inc. for the year ended September 30, 1953 and the composition of unexpended balance at that date.

(signed)

PRICE WATERHOUSE Co.

district committees

ADMINISTRATION of the affairs of the Association on the local or regional level is in the hands of fourteen District Committees.


Members of these Committees are elected annually by the membership of the several Districts. Each District Committeeman serves a term of three years.

Hundreds of men from the business, in the years since the Association was formed in 1939, have served on District Committees.

District Chairmen, apart from their duties as heads of their Committees, also become members of the Association's Advisory Council to the Board of Governors. Members of the Advisory Council each year attend a meeting of the Board.

Several following pages are devoted to a listing of all members of all of the District Committees.

Members will find these men available for discussion of Association matters.



*district
no. 1*

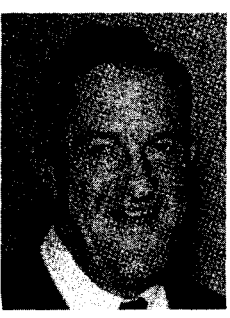
Idaho, Oregon,
Washington

WILLIAM B. BOONE
Chairman


- To Serve Until January 1955*
- William B. Boone.....Dean Witter & Co., Portland, Oregon
 Charles G. Mullen.....Herrin Company, Seattle, Washington
- To Serve Until January 1956*
- Harold M. Martin.....Murphey Favre, Inc., Spokane, Washington
 L. Brooks Ragen.....Foster & Marshall, Portland, Oregon
- To Serve Until January 1957*
- Al Hughbanks.....Hughbanks Incorporated, Seattle, Washington
 William A. Nielsen.....Merrill Lynch, Pierce, Fenner & Beane,
 Spokane, Washington

district no. 2

California, Nevada



STEVENS MANNING
Chairman



THOMAS E. MORRIS
Co-Chairman

- To Serve Until January 1955*
- Albert A. de Martini.....Shuman, Agnew & Co.,
 San Francisco, Calif.
 C. Wesley Hall.....Wesley Hall & Co., San Diego, Calif.
 Stevens Manning.....Paine, Webber, Jackson & Curtis,
 Los Angeles, Calif.
 Thomas E. Morris.....Blyth & Co., Inc., San Francisco, Calif.
- To Serve Until January 1956*
- Harold G. Mason.....Mason Brothers, San Francisco, Calif.
 Wendell W. Witter.....Dean Witter & Co., San Francisco, Calif.
- To Serve Until January 1957*
- Willard G. DeGroot.....Bateman, Eichler & Co.,
 Los Angeles, Calif.
 Frank Dyer, Jr.Wagenseller & Durst, Inc., Los Angeles, Calif.
 Albert E. Schwabacher, Jr.....Schwabacher & Co.,
 San Francisco, Calif.
 Lewis J. Whitney, Jr.....Dempsey-Tegeler & Co.,
 Los Angeles, Calif.

To Serve Until January 1955
 Richard F. Beck.....J. A. Hogle & Co., Salt Lake City, Utah
 Henry E. Dahlberg.....Henry Dahlberg & Co., Tucson, Arizona
 A. B. Harrisberger.....Harris, Upham & Co.,
 Colorado Springs, Colo.
 Malcolm F. Roberts.....Garrett-Bromfield & Co., Inc.,
 Denver, Colo.

To Serve Until January 1956
 George P. Clark.....Merrill Lynch, Pierce, Fenner & Beane,
 Denver, Colo.
 William J. May.....Stone, Moore & Company, Inc., Denver, Colo.
 Robert L. Mitton.....Robert L. Mitton Investments, Denver, Colo.

To Serve Until January 1957
 J. Fred Brown.....Boettcher & Company, Denver, Colo.
 Robert M. Kirchner.....Carroll, Kirchner & Jaquith, Inc.,
 Denver, Colo.

*district
no. 3*

Arizona, Colorado,
New Mexico, Utah,
Wyoming



MALCOLM F. ROBERTS
Chairman

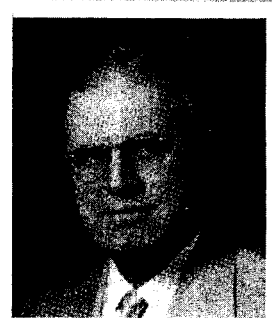
To Serve Until January 1955
 William S. Macfadden.....Piper, Jaffray & Hopwood,
 Minneapolis, Minn.
 William Mannheimer.....Mannheimer-Egan, Inc.,
 St. Paul, Minnesota
 Edward J. McKendrick.....Johnson-McKendrick Co., Inc.,
 Minneapolis, Minn.

To Serve Until January 1956
 Thomas H. Garrett.....Paine, Webber, Jackson & Curtis,
 St. Paul, Minn.
 John G. Kinnard.....John G. Kinnard and Company,
 Minneapolis, Minn.
 Wright G. Wells.....Wright Wells & Company, Austin, Minn.

To Serve Until January 1957
 Charles R. Bennett.....J. M. Dain & Company, Minneapolis, Minn.
 Morlan H. Bishop.....M. H. Bishop & Co., Minneapolis, Minn.
 Ray Weidenborner.....Henderson-Weidenborner Co.,
 St. Paul, Minn.

*district
no. 4*

Minnesota, Montana,
North Dakota,
South Dakota



EDWARD J. MCKENDRICK
Chairman

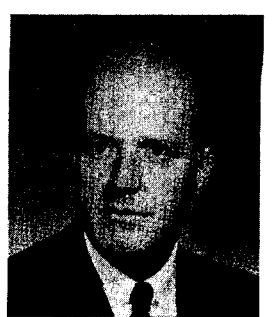
To Serve Until January 1955
 Glenn L. Milburn.....The Small-Milburn Company, Inc.,
 Wichita, Kans.
 Dwight Robinson.....Merrill Lynch, Pierce, Fenner & Beane,
 Tulsa, Okla.

To Serve Until January 1956
 Frederick H. MacDonald.....Burke & MacDonald,
 Kansas City, Mo.
 Frank W. North.....Barret, Fitch, North & Co., Kansas City, Mo.

To Serve Until January 1957
 Arthur R. Hanni.....Seltsam, Hanni & Co., Inc., Topeka, Kans.
 John Latshaw.....E. F. Hutton & Company, Kansas City, Mo.

*district
no. 5*

Kansas,
Missouri (west),
Oklahoma



GLENN L. MILBURN
Chairman



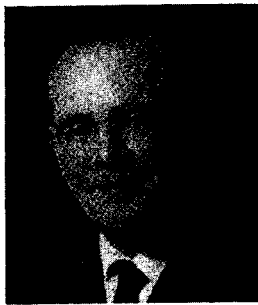
EDWARD H. AUSTIN
Chairman

district
no. 6
Texas

To Serve Until January 1955
Edward H. Austin... Austin, Hart & Parvin, San Antonio, Texas
Hugh D. Dunlap..... Binford-Dunlap, Inc., Dallas, Texas

To Serve Until January 1956
Philip R. Neuhaus..... Underwood, Neuhaus & Co.,
Houston, Texas
John W. Pancoast..... Dewar, Robertson & Pancoast,
San Antonio, Texas

To Serve Until January 1957
Barron McCulloch..... Fort Worth, Texas
Walter S. Sorensen... Rotan, Mosle and Cooper, Houston, Texas



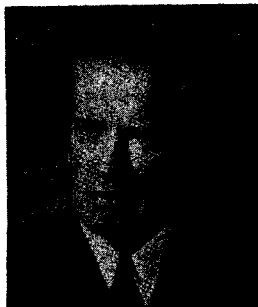
ARTHUR A. CHRISTOPHEL
Chairman

district
no. 7
Arkansas,
Kentucky (west),
Missouri (east)

To Serve Until January 1955
Arthur A. Christophel..... Reinholdt & Gardner, St. Louis, Mo.
Mel M. Taylor Semple, Jacobs & Co., Inc., St. Louis, Mo.
James E. Womeldorff..... Womeldorff & Lindsey, Little Rock, Ark.

To Serve Until January 1956
J. H. Fotheringham..... Kerwin, Fotheringham & Co., Inc.,
St. Louis, Mo.
Elvin K. Popper..... I. M. Simon & Co., St. Louis, Mo.

To Serve Until January 1957
Albert E. Gummersbach..... Dempsey-Tegeler & Co.,
St. Louis, Mo.
Edwin C. Sanders..... Edwin C. Sanders & Company,
St. Louis, Mo.



J. GORDON HILL
Chairman

district
no. 8
Illinois, Indiana,
Iowa, Michigan,
Nebraska, Wisconsin

To Serve Until January 1955
Russell H. Goodrich..... Smith, Hague, Noble & Co.,
Jackson, Mich.
David J. Harris..... Sills, Fairman & Harris, Incorporated,
Chicago, Ill.
J. Gordon Hill..... Watling, Lerchen & Co., Detroit, Mich.
G. Edward Slezak..... Loewi & Co., Milwaukee, Wisc.

To Serve Until January 1956
Arthur S. Grossman... Straus, Blosser & McDowell, Chicago, Ill.
Alfred R. Kramer... Kramer-Gardner Company, Burlington, Iowa
John D. McHugh..... James J. McNulty and Company,
Chicago, Ill.
W. Thurman Riley..... Riley & Company, Milwaukee, Wisc.

To Serve Until January 1957
Andrew M. Baird..... A. G. Becker & Co., Incorporated,
Chicago, Ill.
Carl A. Falk..... Buffett-Falk & Company, Omaha, Nebr.
Roy Falvey..... Thomas D. Sheerin & Co., Inc., Indianapolis, Ind.
Richard W. Simmons..... Blunt, Ellis & Simmons, Chicago, Ill.

To Serve Until January 1955
 Alonzo H. Lee.....Sterne, Agee & Leach, Birmingham, Ala.
 Julian A. Space, Jr.....Johnson, Lane, Space & Co., Inc.,
 Savannah, Ga.
 Howard S. WheelerLeedy, Wheeler & Alleman, Inc.,
 Orlando, Fla.

To Serve Until January 1956
 John P. Labouisse.....
 Howard, Weil, Labouisse, Friedrichs and Company,
 New Orleans, La.
 Ernest C. Villere...St. Denis J. Villere & Co., New Orleans, La.
 Alexander Yearley, IV.....
 The Robinson-Humphrey Company, Inc.,
 Atlanta, Ga.

To Serve Until January 1957
 James S. Millard.....Millard & Company, Chattanooga, Tenn.
 Einer Nielsen.....J. C. Bradford & Co., Nashville, Tenn.
 Edgar M. Norris.....Greenville, South Carolina

To Serve Until January 1955
 William E. Beadling...Beadling & Company, Youngstown, Ohio
 Melville J. M. Cox.....Curtiss, House & Co., Cleveland, Ohio
 Claude F. Turben.....Merrill, Turben & Co., Cleveland, Ohio

To Serve Until January 1956
 Frederick M. Asbeck.....Olderman, Asbeck & Co.,
 Cleveland Ohio
 Lee W. Hoefinghoff.....L. W. Hoefinghoff & Co., Inc.,
 Cincinnati, Ohio
 Dale F. Linch.....Berwyn T. Moore & Co., Inc.,
 Louisville, Kentucky

To Serve Until January 1957
 John B. Joyce.....John B. Joyce & Company, Columbus, Ohio
 Charles A. Richards.....Field, Richards & Co., Cincinnati, Ohio
 Walter Trinkle.....The Kentucky Company, Louisville Ky.

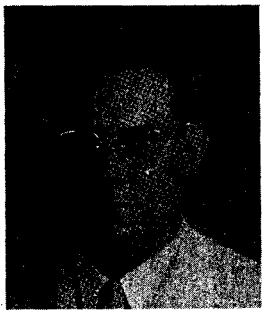
To Serve Until January 1955
 J. Read Branch.....Branch & Company, Richmond, Va.
 Harvey B. Gram, Jr.....Johnston, Lemon & Co.,
 Washington, D. C.

To Serve Until January 1956
 Glenn E. Anderson.....Carolina Securities Corporation,
 Raleigh, N. C.
 Edwin B. Horner...Scott, Horner & Mason, Inc., Lynchburg, Va.
 F. Grainger Marburg.....Alex. Brown & Sons, Baltimore Md.
 W. Olin Nisbet, Jr.....Interstate Securities Corporation,
 Charlotte, N. C.

To Serve Until January 1957
 Arthur L. Baney.....E. R. Jones & Company, Baltimore, Md.
 William W. Mackall.....Mackall & Coe, Washington, D. C.

*district
no. 9*


Alabama, Florida,
Georgia, Louisiana,
Mississippi, South
Carolina, Tennessee



JULIAN A. SPACE, JR.
Chairman

*district
no. 10*

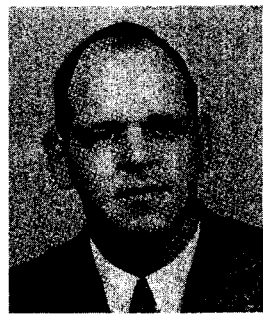
Kentucky (east)
Ohio



CLAUDE F. TURBEN
Chairman

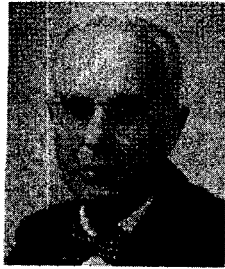
*district
no. 11*

District of Columbia,
Maryland, North
Carolina, Virginia,
West Virginia



GLENN E. ANDERSON
Chairman

district no. 12
Delaware and Pennsylvania



SIDNEY S. BLAKE
Chairman



ADDISON W. ARTHURS
Co-Chairman

To Serve Until January 1955

Sidney S. Blake.....H. M. Byllesby and Company,
Philadelphia, Pa.
Edison Cherrington.....Cherrington & Co., Pittsburgh, Pa.
George W. Elkins, Jr.....Elkins, Merris & Co., Philadelphia, Pa.
W. Bruce McConnel, Jr.....Singer, Deane & Scribner,
Pittsburgh, Pa.

To Serve Until January 1956

Addison W. Arthurs.....Arthurs, Lestrangle & Co., Pittsburgh, Pa.
R. Victor Mosley.....Stroud & Company, Incorporated,
Philadelphia, Pa.
John S. Patton, Jr.....McJunkin, Patton & Company,
Pittsburgh, Pa.
Joseph Lincoln Ray.....Sunbury, Pa.
George Winchester.....Laird, Bissell & Meeds, Wilmington, Del.

To Serve Until January 1957

Francis M. Brooke, Jr.....Brooke & Co., Philadelphia, Pa.
James E. Crehan.....Moore, Leonard & Lynch, Pittsburgh, Pa.
Richard L. Newburger.....Newburger & Co., Philadelphia, Pa.



EARL K. BASSETT
Chairman

*district
no. 13*

Connecticut,
New Jersey,
New York

To Serve Until January 1955

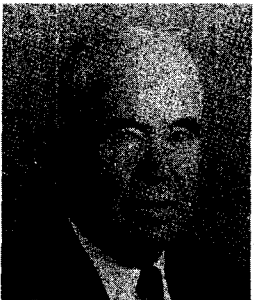
Earl K. Bassett.....W. E. Hutton & Co., New York, N. Y.
Paul A. Gammons.....Bradley, Gammons & Co., Inc.,
New York, N. Y.
Edward S. Hinckley.....Adams & Hinckley, Newark, N. J.
George H. Walker, Jr.....G. H. Walker & Co., New York, N. Y.

To Serve Until January 1956

Harold H. Cook.....Spencer Trask & Co., New York, N. Y.
Charles C. Glavin.....The First Boston Corporation,
New York, N. Y.
Henry Holbrook Hyde.....Putnam & Co., Hartford, Conn.
John J. O'Kane, Jr.....John J. O'Kane, Jr. & Co.,
New York, N. Y.

To Serve Until January 1957

Ernest W. Borkland, Jr.....Tucker, Anthony & Co.,
New York, N. Y.
Philip H. Gerner.....George D. B. Bonbright & Co.,
Rochester, N. Y.
Robert C. Johnson.....Kidder, Peabody & Co., New York, N. Y.
Allen J. Nix.....Riter & Co., New York, N. Y.



EDMOND E. HAMMOND
Chairman

*district
no. 14*

Maine, Massachusetts,
New Hampshire,
Rhode Island,
Vermont

To Serve Until January 1955

Edmond E. Hammond.....Paine, Webber, Jackson & Curtis,
Boston, Mass.
Richard W. Lisle.....Brown, Lisle & Marshall,
Providence, Rhode Island
Edmund H. Sears.....Estabrook & Co., Boston, Mass.

To Serve Until January 1956

Horace O. Bright.....Elmer H. Bright & Co., Boston, Mass.
Wilfred N. Day.....Chas. A. Day & Co., Incorporated,
Boston, Mass.

To Serve Until January 1957

Joseph D. Gay.....Maine Securities Company, Portland, Maine
Royal W. Leith.....Burgess & Leith, Boston, Mass.

business conduct

THIS report of the National Business Conduct Committee covers complaint activities of the Association and review proceedings by the Board of Governors in 1953. On January 1, 1953, there were 63 complaints pending, of which 45 were involved in the Owens-Corning "free-riding" matter. During the year, 22 new complaints were filed and 75 disposed of, leaving 10 complaints pending at the end of the year. Of these 10, two are pending before the Securities and Exchange Commission. One such appeal to the Commission was filed on December 2, 1953, and no action has been taken; a second was heard before a trial examiner in September, 1953, in Kansas City. Requested findings and briefs were filed

on December 2, 1953, and the matter is presently before the trial examiner awaiting recommended decision.

It should be noted that during the year, fines were assessed against 13 firms, three of these being pending on review proceedings at the year-end. During the year, four firms were expelled and three suspended for varying periods. Also, eight registered representatives were revoked as registrants with the Association and eight were suspended. Fifty-one members were censured and four registered representatives were censured in decisions during the year.

The accompanying tabulation sets forth the record of complaints handled in 1953.

complaint picture-1953

Dis- trict	COMPLAINTS			DECISIONS									
	Pending January 1	Filed January 1 to December 31	Closed	M—Member; RR—Registered Representative									
				Dismissed		Fines		Expul- sions		Susten- sions		Cen- sured	
			M	RR	M	RR	M	RR	M	RR	M	RR	
#1	5	—	5	1	1	1		1	1				3
#2	2	2	3	1	2								2
#3	—	—	—										
#4	—	—	—										
#5	1	1	—			1	4		2		1		
#6	—	—	—										
#7	8	1	8	1									7
#8	4	3	7			3	2		1		1		5 1
#9	9	2	11	1				1	1				9
#10	4	—	4			3					1		3
#11	2	4	4			3			1		1		1
#12	3	1	4			1							3
#13	20	7	24	5	6	3		2	2		2		14 1
#14	5	1	5			1	3				1	4	4 2
TOTAL	63	22	75	9	9	13	9	4	8		3	8	51 4

executive committee

Edward C. George
Chairman
Murray Ward
Vice Chairman
George Geyer
Vice Chairman
Harold C. Patterson
Treasurer
George F. Noyes
William H. Potter, Jr.
William C. Roney
Wallace H. Fulton

finance committee

William H. Potter, Jr.
Chairman
Harold C. Patterson
Treasurer
Edward C. George
Walter I. Cole
Claude T. Crockett
Allen C. DuBois
Wallace H. Fulton

national business

conduct committee

George F. Noyes
Chairman
Allen C. DuBois
Vice Chairman
William J. Collins
Arnold Grunigen, Jr.
Frank H. Hunter
George A. Newton
H. Warren Wilson
Harold E. Wood

legislation committee

Walter I. Cole
Chairman
G. Price Crane
Roy W. Doolittle
Frank H. Hunter
Earl M. Scanlan
H. Warren Wilson

national uniform

practice committee

Oliver J. Troster
Chairman
Henry H. Badenberger
Vice Chairman
Edward J. Armstrong
B. S. Kampert
Thomas B. MacDonald
Guenther M. Philipp
Ralph W. Welsh

research committee

W. Yost Fulton
Chairman
B. Earle Appleton
Robert W. Baird
Peter Ball
H. H. Dewar
John F. Fennelly
Ralph E. Phillips

*railroad advisory
committee*

Pierpont V. Davis
Chairman
Charles L. Bergmann
George W. Bovenizer
Rowland H. George
Orrin G. Wood

foreign securities

committee

Carl Marks
Chairman
John Fountain
Stephen M. Kellen
Henry Stavitz

investment companies

committee

Joseph E. Welch
Chairman
Ward L. Bishop
Hugh W. Long
Woodford Matlock
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

information committee

Harold E. Wood
Chairman
Howard E. Buhse
Arnold Grunigen, Jr.
George A. Newton
Jay N. Whipple
Wallace H. Fulton

national quotations

committee

Frank B. Reid
Chairman
Oliver J. Troster
Vice Chairman
Frederick M. Asbeck
William B. Boone
William A. Fuller
Fred S. Goth
Hayward H. Hunter
Alonzo H. Lee
R. Victor Mosley
Donald L. Patterson
William C. Porter
Albert C. Purkiss
Edgar B. Rouse
Mel M. Taylor
Francis V. Ward
Emmett K. Whitaker

board of governors

to serve until january, 1955

Walter I. Cole	Beecroft, Cole & Company	Topeka, Kans.
Claude T. Crockett	Crockett & Co.	Houston, Texas
Edward C. George	Harriman Ripley & Co., Incorporated	Chicago, Ill.
George Geyer	Geyer & Co., Incorporated	New York, N. Y.
Harold C. Patterson	Auchincloss, Parker & Redpath	Washington, D. C.
William C. Roney	Wm. C. Roney & Co.	Detroit, Mich.
Murray Ward	Hill Richards & Co.	Los Angeles, Calif.

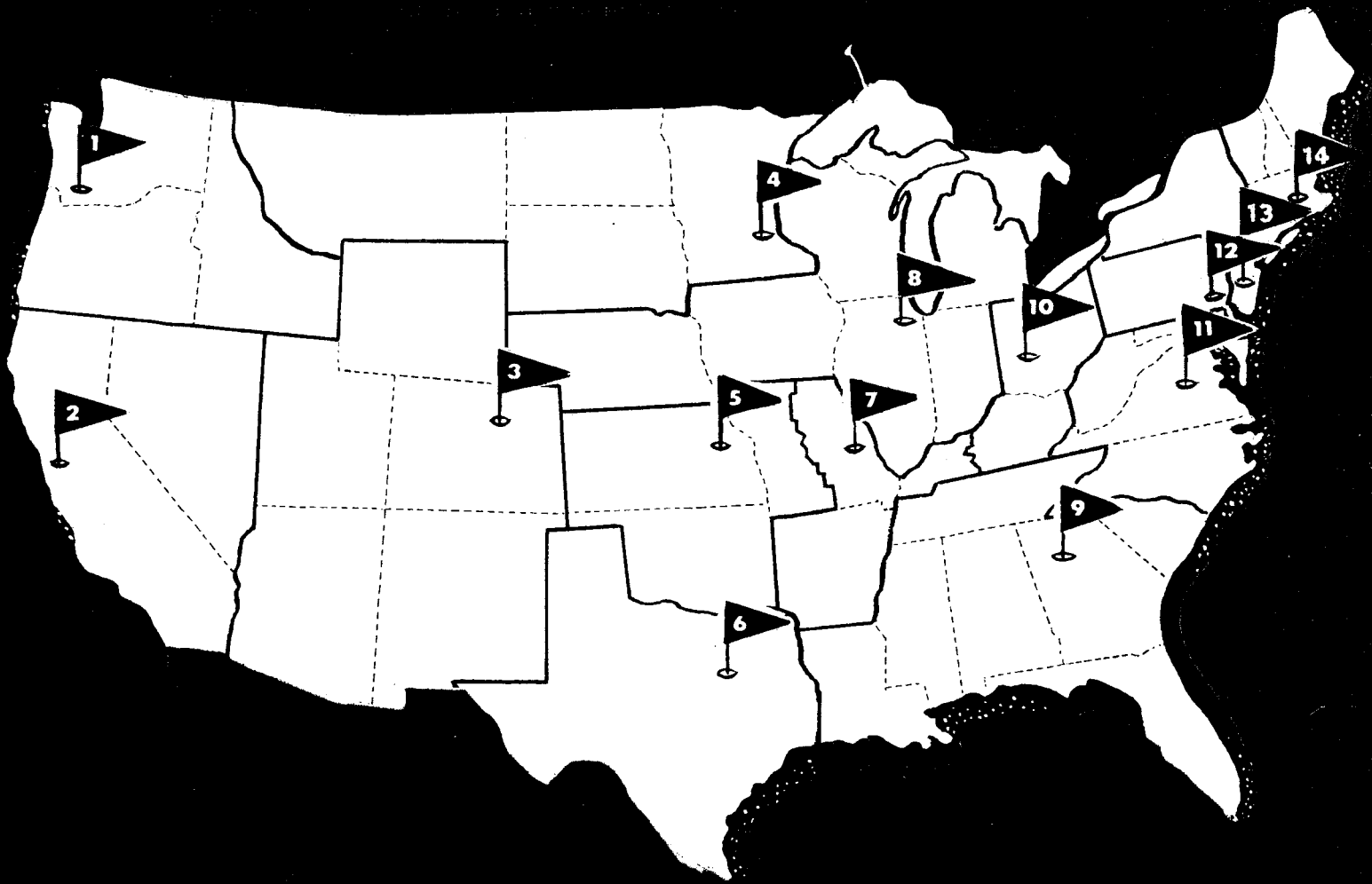
to serve until january, 1956

William J. Collins	William J. Collins & Co.	Portland, Ore.
Roy W. Doolittle	Doolittle & Co.	Buffalo, N. Y.
Allen C. DuBois	Wertheim & Co.	New York, N. Y.
George F. Noyes	The Illinois Company	Chicago, Ill.
William H. Potter, Jr.	The First Boston Corporation	Boston, Mass.
Frank B. Reid	Fulton, Reid & Co.	Cleveland, Ohio
Harold E. Wood	Harold E. Wood & Company	St. Paul, Minn.

to serve until january, 1957

G. Price Crane	Arnold & Crane	New Orleans, La.
Arnold Grunigen, Jr.	J. Barth & Co.	San Francisco, Calif.
Frank H. Hunter	McKelvy & Company	Pittsburgh, Pa.
George A. Newton	G. H. Walker & Co.	St. Louis, Mo.
Earl M. Scanlan	Earl M. Scanlan & Co.	Denver, Colorado
Oliver J. Troster	Troster, Singer & Co.	New York, N. Y.
H. Warren Wilson	Union Securities Corporation	New York, N. Y.

membership summary—december 31, 1953



district

1	Idaho	4
	Oregon	20
	Washington	56
	Total	<u>80</u>
2	California	202
	Nevada	1
	Total	<u>203</u>
3	Arizona	9
	Colorado	32
	New Mexico	6
	Utah	16
	Wyoming	2
	Total	<u>65</u>
4	Minnesota	50
	Montana	3
	North Dakota	0
	South Dakota	3
	Total	<u>56</u>
5	Kansas	26
	Missouri (West)	27
	Oklahoma	18
	Total	<u>71</u>

district

6	Texas	111	
	7	Arkansas	16
	Kentucky (West)	1	
8	Missouri (East)	53	
Total	<u>70</u>		
8	Illinois	150	
	Indiana	46	
	Iowa	25	
	Michigan	48	
	Nebraska	25	
	Wisconsin	47	
	Total	<u>341</u>	
9	Alabama	21	
	Florida	38	
	Georgia	29	
	Louisiana	45	
	Mississippi	13	
	South Carolina	26	
	Tennessee	37	
	Total	<u>209</u>	
10	Kentucky (East)	13	
	Ohio	123	
	Total	<u>136</u>	

district

11	Dist. of Columbia	38
	Maryland	31
	North Carolina	27
	Virginia	34
	West Virginia	12
Total	<u>142</u>	
12	Delaware	5
	Pennsylvania	170
Total	<u>175</u>	
13	Connecticut	39
	New Jersey	98
	New York City	865
	New York State (except N. Y. C.)	167
	Total	<u>1,169</u>
14	Maine	29
	Massachusetts	156
	New Hampshire	8
	Rhode Island	24
	Vermont	2
Total	<u>219</u>	
Total all districts	3,047	