

WM. P. HARPER & SON & COMPANY

HARPER BUILDING · 1504 THIRD AVENUE
~~1000 PINE STREET~~

SEATTLE

September 8, 1938

Mr. Wallace H. Fulton
Director of the Investment Bankers Conference
1010 Vermont Avenue
Washington, D.C.

Dear Wally:

Am enclosing herewith copy of letter which is being sent out which is self explanatory. You will note that my name is on the attached. I considered seriously whether it was proper for me to resign from the Committee but decided it would be better to ride along rather than make any definite split in feeling.

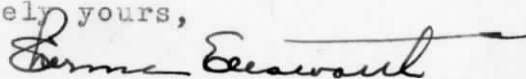
We had quite a fiery session this morning but I feel that the organization meeting will not take place for a month or two yet and can be tided along until it can dove-tail in with National plans

Robert Hurlbut is the son of Mr. Hurlbut, Spelger & Hurlbut formerly hardware merchants here. Robert graduated from the University of Washington. He is about 44 years of age; was formerly employed in the Note Department of the Metropolitan National Bank and in 1923 left to become a salesman for Drumheller Ehrlichman & White. In the late 1920's he became Secretary of D.E.W. and while his effort was largely sales he was also interested in some of the general pamphlets which were issued at that time in connection with the retail selling. In 1932 he was dropped from D.E.W. because of economies and some time after that secured a job as Receiver for a small Trust Company in Wenatchee. He had this job for two or three years and then worked for a short while as Cashier for one of the small banks in Wenatchee. He resigned this position and was without employment for some time when he again became a salesman for D.E.W. and later with Ferris & Hardgrove when the two merged their selling organizations. Last fall he was dropped as salesman by Ferris & Hardgrove and has since been seeking employment.

I think they have promised to pay him \$200.00 per month until "things materialize". He is honest, hard working and a man of reasonable good personality. I don't think he has a deep understanding of the business. He has satisfactory acquaintanceship with many of the dealers here but seems to lack that something which makes a man outstanding.

Trusting this is the information you want and is, of course, given in confidence.

Sincerely yours,



ASE:ME (Enclosures)

ORGANIZATION COMMITTEE
FOR THE PROPOSED
PACIFIC NORTHWEST SECURITY DEALERS ASSOCIATION
301 EXCHANGE BUILDING • MAIN 7788
SEATTLE

THIS LETTER IS ADDRESSED TO ALL INDIVIDUALS, FIRMS, OR CORPORATIONS IN THE SECURITY BUSINESS IN THE STATES OF OREGON, WASHINGTON, AND THE NORTHERN PART OF THE STATE OF IDAHO

Gentlemen:

You may recall that the Securities Exchange Act of 1934 was amended by Congress on, or about, June 16th, 1938, by passing an act generally known as the "Maloney Act."

The Amendment provides for the formation of associations of security dealers in various geographical areas throughout the country in order to provide vehicles for carrying out the purposes of the "Act."

Security dealers throughout the country, therefore, are faced with the advisability of forming dealer associations covering suitable geographical areas. The only question remaining is, *when* to form such an association. The question of *whether* to form one has been settled by Congress in passing the so called "Maloney Act."

Referring to the question of *when* to form an association, you will find, on the last page hereof, a reproduction of a letter from the Seattle Office of the Securities and Exchange Commission, dealing with that subject.

Furthermore, when Chairman Douglas of the Commission, was in Seattle late in June, he met with a large group of security dealers to discuss various angles of the Maloney Act and developed the following two points:

1. He stated that the "S. E. C." had not yet developed fully any definite policies, or procedure relative to the Maloney Act, but that in general, he hoped, groups of dealers throughout the country would lend their hearty cooperation by offering suggestions in some tangible form.
2. Mr. Douglas encouraged those present not to wait for New York or some other locality to lead the way—saying in effect—that he felt the dealers in the Pacific Northwest had the initiative and intelligence to make constructive efforts on their own behalf.

In view of the foregoing, you will be interested in knowing what steps have been taken toward the formation of a "Pacific Northwest Security Dealers Association."

A decision was reached to select an organization committee consisting of individuals from the cities of Portland, Seattle, Spokane and Tacoma so that such a committee could formulate a plan of procedure.

The personnel of the committee is shown on the third page hereof.

The members of the organization committee have concluded to proceed with the formation of a Pacific Northwest Security Dealers Association on the flexible basis prescribed by the Honorable George C. Mathews, a Securities and Exchange Commissioner, as outlined in the attached letter.

The committee feels that northwest dealers will be in an advantageous position if they have a plan of their own to compare with one being developed by the pending conference in

Washington, and that considerable time will be saved in making a decision; that the formation of an association is an excellent way to acquaint dealers with the purposes of the Maloney Act; and, finally, that since an association will have to be formed eventually, the Pacific Northwest dealers may as well show their cooperation by placing themselves in a position to respond when the proper time arrives.

Accordingly, the committee has decided on the following three steps:

1. To prepare a "Constitution and By-Laws" for submission to all of the security dealers in the area covered by the States of Oregon, Washington and the northern part of Idaho. An "association" covering a smaller area would not provide a vehicle suitable for the purpose.
2. To invite all of said dealers to join the proposed association.
3. To call an "Organization Meeting" shortly after the first 50 members have signified their willingness to join, and to put to a vote at that meeting of members the following questions:
 - (a) *When* to apply to the S. E. C. for registration.
 - (b) Whether to apply as a "national" association or as an "affiliated" association, or whether to adopt some other course.
 - (c) Whether to adopt the By-Laws and Rules as submitted or whether to alter by amendments.

You will find enclosed herewith a copy of the Constitution, By-Laws and Rules which have been prepared after careful study and discussion by members of the sub-committee of the Organization Committee.

For your convenience there is a digest arranged according to pages, and a cross index arranged according to subject matter. May we take this opportunity of calling to your attention points of special interest in connection with the By-Laws.

1. When you signify your willingness to become a member you assume no liability other than the payment of \$5.00 admission fee. None of the Rules of Fair Trade Practice become effective until after the S. E. C. has registered our association in its proper classification.
2. Self-governing group organization is provided for dealers in the central cities of Portland, Seattle, and Spokane and adjacent territory.
3. Dues will not start until after the Organization Meeting, and will be based on the number of employees, so that a member with only one to three employees will pay proportionately less than one with fifty employees. This method is now used by the I. B. C. NOTE: When the various Maloney Act associations become effective, there will no doubt be eliminated various organizations to which you are now paying dues.
4. After you have paid your \$5.00 admission fee, and the formation of the association proceeds to completion, if you then find that you are not in accord with its objectives, you have the privilege of withdrawal.

You are invited to become a member. Kindly fill in and sign the enclosed membership blank, enclosing your \$5.00 admission fee, which will help defray the expenses of organization, and mail it at an early date so that you may be assured of a voice in the organization meeting.

We trust you will recognize the benefits accruing to membership in the proposed organization.

Yours truly,

THE ORGANIZATION COMMITTEE,

Harry S. Grande, *Chairman*

ORGANIZATION COMMITTEE

301 Exchange Building
SEATTLE, WASHINGTON

ED M. ADAMS
E. M. Adams & Co., Portland

FRED J. BLANCHETT
Conrad, Bruce & Co., Seattle

FRED M. BLANKENSHIP
Blankenship, Gould & Keeler, Inc., Portland

ARTHUR S. BLUM
Richards & Blum, Inc., Spokane

BURLE D. BRAMHALL
Bramhall & Stein, Seattle

FRANK BOSCH
Warrens, Bosch & Floan, Portland

ED K. EASTER
F. K. Easter & Co., Seattle

SHERMAN ELLSWORTH
Wm. P. Harper & Son & Co., Seattle

WM. W. FORDYCE
Baker, Fordyce & Tucker, Portland

EDW. J. GOWANLACK
Edwin J. Gowanlack, Spokane

WM. H. HEMPHILL
Hemphill, Fenton & Campbell, Inc., Portland

DON C. JAXTHEIMER
Jaxtheimer & Co., Portland

HARPER JOY
Ferris & Hardgrove, Spokane

HARRY S. GRANDE, *Chairman*
Grande & Co., Inc., Seattle

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John A. Kutz & Co., Seattle

JOHN R. LEWIS
John R. Lewis & Co., Seattle

COLIN LIVINGSTONE
Blyth & Co., Inc., Portland

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Ferris & Hardgrove, Portland

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Blyth & Co., Inc., Seattle

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Ferris & Hardgrove, Seattle

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Dean Witter & Co., Portland

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Murphy, Favre & Co., Spokane

HENRY J. ZILKA
Conrad, Bruce & Co., Portland

ROBT. M. HURLBUT, Seattle
Assistant to Chairman