

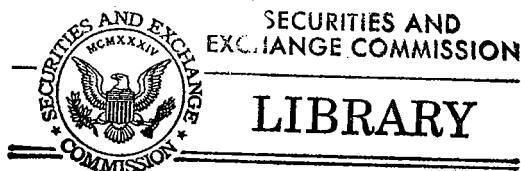
McKESSON &  
ROBBINS, INC.  
INVESTIGATION

REPORT ON  
INVESTIGATION  
AND  
TESTIMONY OF  
EXPERT  
WITNESSES

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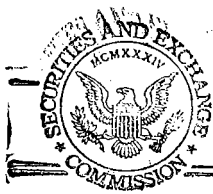
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UNITED STATES OF AMERICA  
before the  
SECURITIES AND EXCHANGE  
COMMISSION

in the matter of  
McKESSON & ROBBINS, INC.

\*

Testimony of expert witnesses  
September 1939

&

Report on investigation  
December 1940

EXCHANGE COMMISSION

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U.S. Securities and Exchange Commission  
UNITED STATES OF AMERICA

BEFORE THE

SECURITIES AND EXCHANGE  
COMMISSION

IN THE MATTER OF

McKESSON & ROBBINS, INC.

Pursuant to Section 21(a) of the  
Securities Exchange Act of 1934

\*

*Report on Investigation*



UNITED STATES  
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Resigned April 16, 1939

## FOREWORD

This is a report of the Securities and Exchange Commission based upon the Commission's order of December 29, 1938 which is reproduced herein as Appendix C. Public hearings held thereunder began on January 5, 1939 and ended on April 25, 1939, and were conducted for the Commission by Irving J. Galpeer of the New York Regional Office and William W. Werntz, Chief Accountant, before Adrian C. Humphreys, Trial Examiner.

The following counsel represented witnesses in these proceedings and were afforded an opportunity to examine all witnesses called by the Commission as well as to call their own witnesses:

Cravath, de Gersdorff, Swaine & Wood, by A. I. Henderson, Samuel B. Stewart, Jr., and Robert D. Blasier, for Price, Waterhouse & Co.;

Hodges, Reavis, Pantaleoni & Downey, by C. Frank Reavis, Francis Downey, and Martin D. Jacobs, for Joseph L. Bedsole, George V. Doerr, Henry D. Faxon, Charles F. Michaels, William J. Murray, Jr., and Julian F. Thompson;

Rand & French, by Robert C. Rand, for John H. McGloon; Sullivan & Cromwell, by Edward H. Green and R. L. Lingelbach, for Wilbur L. Cummings, Richard G. Pettingill, and Sidney J. Weinberg; and

Winthrop, Stimson, Putnam & Roberts, by Hamilton Hadley, for William J. Wardall, Trustee of the Estate of McKesson & Robbins, Incorporated, Debtor, in connection with the appearance of Nicholas J. Mertens and Arthur Seal of S. D. Leidesdorf & Co., accountants for the Trustee.

Copies of the draft of this report were submitted to Price, Waterhouse & Co. and their counsel, and their criticism and brief thereon were considered by the Commission before issuing this report. In this, as well as in the Commission's supervision of the preparation of this report, the present Commissioners had the assistance of Commissioner Mathews whose resignation did not take effect until practically all of the substantive work on the report had been completed.

The draft of this report was prepared for the Commission under the active direction of the Chief Accountant, William W. Werntz, by Andrew Barr, Research Accountant, and Irving J. Galpeer, Senior Attorney. Important assistance was rendered by Earle C. King,

Assistant Chief Accountant; Robert F. Graham, Research Accountant; Richard J. Cornell, Accountant-Investigator; and Henry G. Fischer, of the Legal Division.

The investigation pursuant to the Commission's order of December 6, 1938, which resulted in securing the criminal indictments against the Musica brothers referred to in the report and which led up to and furnished valuable information for the auditing investigation reported in this volume, was conducted under the active direction of James J. Caffrey, Regional Administrator in charge of our New York office, and Robert E. Kline, Jr., Assistant General Counsel, by H. J. Dowd, former Chief Accountant-Investigator, and Irving J. Galpeer, Senior Attorney. Important parts of this investigation were carried out and assistance in the auditing hearings was rendered by numerous members of the New York Regional Office, among whom, principally, were John H. Kelly, Assistant General Counsel; Richard J. Cornell, Frederic H. Curran, James E. Cochran, Charles C. Ferrall, and John Shaw of the Investigation Division; and Sydney I. Harris, E. Allen MacDuffie, William J. Cogan, John Knox, and Philip Wagner of the Legal Division.



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