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## Brokers Now Open Books to Customers, New York Times article, July 8, 1909

New York Times

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# BROKERS NOW OPEN BOOKS TO CUSTOMERS

W. W. Erwin & Co. First Firm to  
Accept Recommendation of  
the Hughes Committee.

## HAD TRIAL BALANCE STRUCK

Accountants Draw Up Full Report of  
Assets and Liabilities and It  
Is Given Out.

The recommendation made by the Hughes Wall Street Investigating Committee that the books of brokers be viséd periodically for the protection of their clients has been followed unofficially by a Consolidated Stock Exchange house, which has had a firm of public accountants go over their books and make a statement of assets and liabilities as of June 21. The firm, Warren W. Erwin & Co., issued a circular to their customers yesterday containing the accountants' figures and promising to make the auditing a regular practice hereafter. The circular says:

We have long held the opinion that those who trade in brokers' offices are fairly entitled to something more than bare receipts for their deposits. We believe that a broker is virtually a Trustee or agent, and that he should not only refrain from all speculative transactions for his own account, but should keep his customers informed as to his financial standing.

We have decided to have our books audited regularly (probably quarterly) by certified public accountants, and to give the result of this audit to our customers. Should any three customers, whose deposits aggregate \$10,000, request a special accounting, we are ready at any time to meet their request at our expense.

Inclosed is a copy of the report made by Messrs. Haskins & Sells, certified public accountants, which shows the condition of our firm on June 21.

It is explained in the statement accompanying the figures of assets and liabilities that the securities held are valued at the bid price at the close of business on the day of the audit in the case of all active stocks and bonds and the price of last sale in other cases.

The assets and liabilities are figured in the following form:

### ASSETS.

Value of securities in box.....	\$137,200.84
Value of securities in bank loans.....	221,931.25
Value of securities loaned to brokers .....	10,391.25
Cash in banks and on hand.....	13,097.48
Accounts receivable (good).....	7,083.61
Contract price of securities bor- rowed from brokers.....	80,732.50
Furniture and fixtures.....	1,408.30
Total assets .....	\$471,831.23

### LIABILITIES.

Accounts payable to customers...	\$162,314.98
Loans payable to banks.....	170,000.00
Contract price of securities loaned to brokers .....	10,645.00
Value of securities borrowed from brokers .....	78,891.25

Total liabilities .....	\$421,851.23
Net surplus—assets over and above all liabilities.....	\$50,000.00

As far as the memories of old-timers in the Street runs this is the first time that a brokerage house has made public such a statement.

Niles & Niles,  
No. 111 Broadway,  
New York.

Newspaper Clipping

W. W. Everett Co.