WHERE ARE THEY NOW?

Blair & Co., Inc.

By Susie J. Pak

John Insley Blair, a New Jersey native of Scotch-Irish background, was said by numerous contemporary sources to be a relation of Rev. John Blair, an Irish immigrant who became president of the College of New Jersey in 1766. Other sources state definitively, however, that John Insley's paternal grandfather, John Blair Sr., was born in Scotland, immigrated to New Jersey and fought in the American Revolution. What is known is that John Insley's father, James Blair, was a farmer born in New Jersey.

When he was 10 years old, John Insley Blair reportedly told his mother, "Mother, I have seven brothers and three sisters. That's enough in the family to be educated. I am going to get rich." He soon began working at the general store of his cousin, Judge Blair. He later opened a general country store with a cousin, also named John Blair, before going into business for himself in 1821. With the assistance of his brothers and brothers-in-law, Blair's business interests grew to five general stores and four flour mills by the time he was 28. Blair also expanded into the manufacture of cotton, mining and railroads. In 1825, he was appointed the postmaster of Gravel Hill, New Jersey, which was renamed Blairstown in 1839 to acknowledge his standing and achievements. When he died in 1899, his estate was reportedly worth $70 million.

John Insley Blair's wife, Ann Locke, was the daughter of a Revolutionary War soldier killed in the War of 1812. Their oldest daughter, Emma Elizabeth Blair, married Charles Scribner, the founder of the Scribner publishing house, in 1848. Their oldest son, Marcus L. Blair, predeceased his parents and did not marry. Aurelia Ann Blair, the youngest daughter, was married to Clarence Green Mitchell, a lawyer. Their

John Insley Blair (center) outside the Blair home with his nephew John Davis Vail and his family. Photograph circa 1892–1894.

Blairstown Museum

Portrait of John Insley Blair

Blairstown Museum

Portrait of Clinton Ledyard Blair

Bettmann

Portrait of A.P. Giannini

second son, Dewitt Clinton Blair, graduated from Princeton in 1856.

In 1864, DeWitt Clinton Blair married the former Mary Anna Kimball. They had three children: John Insley Blair, who died in infancy; Clinton Ledyard Blair, known as "Ledyard," who graduated from Princeton in 1890; and John Insley Blair (also called Insley), who graduated from Princeton in 1898. The year Ledyard graduated from Princeton, he joined his father and grandfather in organizing Blair & Co., which managed John I. Blair's many investments. Thus, Blair & Co. started its origins as a family partnership uniting three generations of the Blair family even though John I. Blair did not actively participate in the firm. According to Jeanette Iurato, curator of the Blairstown Museum, "John I. Blair had already suffered a stroke after losing his wife in 1888, and merely gave his name to the project to help establish his grandchildren's financial futures." After DeWitt Clinton died in 1915, Ledyard became the head of the firm. His brother, Insley Blair, also joined the firm, but retired in 1905 and became well-known as an art collector.

Ledyard Blair's family had ties to prominent financial families on the East Coast. Blair and his first wife, the former Florence Osborne Jennings, married in 1891. They had four daughters, and in 1919, their youngest daughter, Marie Louise, married Pierpont Morgan Hamilton, the grandson of the late J. Pierpont Morgan. Hamilton was the son of Pierpont Morgan's daughter, Juliet, and William Pierson Hamilton, a J.P. Morgan & Co. partner. On his father's side, Hamilton was also a descendant of Alexander Hamilton, the first Secretary of the Treasury.

After Florence Blair died in 1931, Ledyard married Harriet Stewart Brown Tailer in 1936. Harriet's father, Alexander Brown, was the head of Alex. Brown & Sons between 1890 and 1924 and a descendant of Alexander Brown, an Irish immigrant who was the founder of the family firm, a prominent Baltimore investment bank. According to his descendants and published media reports, Ledyard apparently spent much of his father's fortune within his own lifetime.

During Ledyard's tenure, Blair & Co. also went through a significant change. In 1920, Blair & Co. merged with the firm of William Salomon & Co. The firm incorporated and became Blair & Co., Inc. The union of Blair & Co. and William Salomon & Co. brought together two firms founded by families with Revolutionary-era roots. William Salomon was a native of Mobile, Alabama, and came from a prominent Jewish American family. His paternal great-grandfather was a banker who had served in the Revolutionary Army. William Salomon was educated in Philadelphia and New York before he joined the firm of Speyer & Co., which had been founded in 1845 as Philip Speyer & Co. by Philip Speyer, the descendant of a prestigious Frankfurt banking family. Salomon trained briefly in Germany and London at the Speyer branches in Europe. He became a Speyer partner before retiring and serving as the chairman of the board of the Baltimore & Ohio Railroad. After he left the B&O, he opened his own banking house in 1902.

By the time Salomon died in 1919 and his firm was merged with Blair & Co., William Salomon & Co. was known to be "a successful house of issue and distribution" that could complement Blair's reputation "as one of the most conservative banking firms in the street." Ledyard Blair was named chairman of the board of directors and Elisha Walker of William Salomon & Co., who had been one of the executors of William Salomon's estate, became president of the new company. The following year, Ledyard Blair retired from the firm, and the Blair firm ceased to be a family-led business. Ledyard died in 1949.

The new head of Blair & Co., Elisha Walker, was a New York native and a graduate of Yale University (1900) and the Massachusetts Institute of Technology (1902). His father, Isaac, was an English immigrant and merchant. Walker joined William Salomon & Co. in 1904 and became a partner in 1910. During his tenure, Blair & Co. merged with Bancamerica Corporation, the securities affiliate of the Bank of America. In 1929, the firm was renamed Bancamerica-Blair Corporation and became the investment banking affiliate of the Bank of America. The merger

Blairstown Museum

was believed to represent the first between a private bank and a national bank. It also tied Blair & Co. to a long history of banking in California and Transamerica Corporation, which had been established in 1928 as a banking holding company by Amadeo Pietro/Peter Giannini and led by his son, Virgil David Giannini.

Born in San Jose, California, A.P. Giannini was the son of Italian immigrants from Genoa, Italy. Capitalizing on the outstanding economic growth of the state of California in the early 20th century, Giannini founded the Bank of Italy in 1904, which grew into the third-largest American bank by 1927. In 1928, Giannini bought the controlling interest in the Bank of America, a descendant of the Second Bank of the United States (founded in 1812). In 1930, the Bank of Italy was formally merged into the Bank of America. That year, Walker became the chairman of the board of Transamerica and Hunter S. Marston, a Brown University graduate, succeeded Walker as president. Hunter's father, Edgar Lewis Marston, was one of the original partners in Blair & Co. A native of Iowa and a graduate of La Grange College and Washington University Law School, Edgar L. Marston joined Blair & Co. in 1893 and died in 1935. Hunter was born in St. Louis and joined the firm in 1908 after graduating from Brown University.

During the early years of the Great Depression, the value of Transamerica declined precipitously, and the firm entered a period of turmoil when Walker and Giannini engaged in a proxy war over the direction of the holding company. Walker lost to Giannini in 1932, and he resigned from the firm as did Hunter Marston. After losing his fight with Giannini, Walker joined the firm Kuhn, Loeb & Co. (founded in 1867). The Associated Press said it was known that Walker would land on his feet, but the announcement of a Kuhn, Loeb partnership "caused mild surprise." Kuhn, Loeb, which was founded in 1867, had not admitted a non-family member until 1912. It remained largely a family firm, but it was at a time of transition in its history and had lost several key partners in the early 1930s. Walker was seen as bringing "new blood into the old firm," and he created his own family legacy at Kuhn, Loeb. His son, Robert Elisha Walker, became a Kuhn, Loeb partner in 1949.

Blair & Co. building, erected in 1903 on the corner of Broad Street and Exchange Place, New York City.

Transamerica Corporation did not long stay the owner of the Blair firm. In 1938, it sold its remaining interest in Bancamerica-Blair Corporation to Ashby Oliver Stewart, the former chairman of the board of the Federal Reserve Bank of San Francisco. The son of a grocer, Stewart was a native of a Missouri and the former president of Golden Gate Ferries, Inc. and the Pacific Coast Mortgage Co. A former bank clerk, Stewart made his name in San Francisco real estate before branching out into mines and land banks. He was an associate of A.P. Giannini and sometimes rumored to be a "Giannini frontman." *Time* magazine referred to him as a "West Coast Napoleon." He became the chairman of the board of Bancamerica-Blair in 1938.

Though under the new ownership, Bancamerica-Blair continued to be led by long-term members of the firm and its Salomon predecessor. In 1939, Bancamerica-Blair stockholders also voted to restore the name of Blair & Co. That year, Hearn W. Streat was named vice chairman and John Rhea Montgomery was made president. Montgomery was a New Jersey native and the son of a lawyer. A graduate of Princeton University, Montgomery worked as a bond salesman at William Salomon & Co. before it merged with Blair & Co. Streat was a New York native. His father was a buildings material manufacturer. Streat joined Blair & Co. in 1899. He started as a runner and worked his way up through the organization. Streat retired in 1941 and died in 1946.

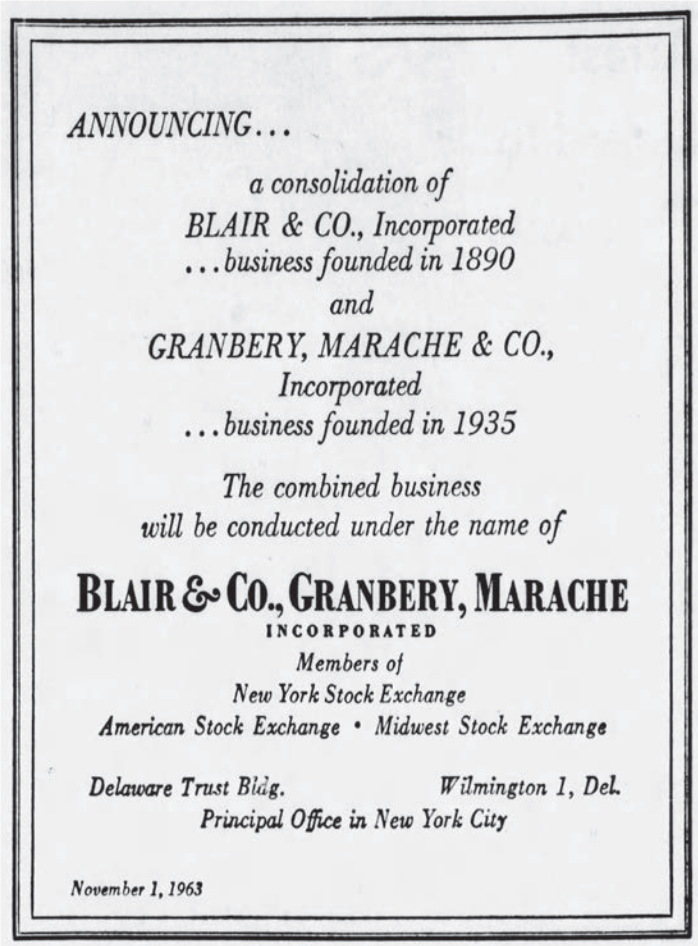
In 1950, Blair & Co., Inc. changed its name again when it merged with E.H. Rollins & Sons, a banking house founded by Edward Henry Rollins, who had been a US Senator from New Hampshire. The new firm became Blair & Co.-E.H. Rollins, Inc. Blair Holdings Corporation, the holding company that owned Blair & Co.-E.H. Rollins Inc., also bought The First California Co., which had been formed in 1945 out of the Bankamerica Co., "a wholly owned subsidiary of the Pacific Coast Mortgage Co.," where A.O. Stewart had been chairman of the board. Virgil D. Dardi, the president of First California, became the chairman of the board and Warren H. Snow, the president of Rollins, became president of the newly-merged company.

In 1954, Dardi left the firm and Blair & Co.-E.H. Rollins, Inc. again reverted to its original name, but by this time, the firm had begun to shift away from being led by long-time members of the original Blair and Salomon predecessors. In 1963, Blair & Co., Inc. merged with Granbery, Marache (founded in 1948), and the leadership and name of the firm changed again. Oliver DeGray Vanderbilt III was named chairman of the board of the new firm called Blair & Co., Granbery, Marache Inc. A New York native, Vanderbilt III was a St. Paul's School and Princeton University graduate. His father worked for a manufacturer of railway parts and supplies. Vanderbilt III also worked in the railway supply business before becoming a trustee of the Penn Mutual Life Insurance Co. in 1956. He had been with Blair & Co., Inc. since 1957.

In addition to Vanderbilt III, the new leadership of Blair & Co., Granbery, Marache Inc. included Herbert W. Marache, who was named president and CEO. A native of Brooklyn, New York, and a graduate of Yale University, Marache was the son of a banker. His father had been a member of Blake Brothers & Co. (founded in 1858). Marache's former partner, E. Carleton Granbery, was a graduate of the Berkeley School (NYC) and Yale University. Granbery, who was the son of a broker, founded Granbery, Safford & Co. in 1935. He merged the firm with Craigmyle, Marache & Co. (founded in 1934) to form Granbery, Marache & Lord in 1937. The firm was renamed Granbery, Marache & Co. in 1948.

Before Granbery Marache's merger with Blair & Co., Granbery had retired in 1959 and become a special partner. He died in 1961. Both Granbery's and Marache's sons, who were Yale graduates like their fathers, had joined the family firm. Granbery's son, John Granbery, studied at the Hotchkiss School and graduated from Yale University in 1934. Marache's son, Herbert W. Marache, Jr., studied at St. Paul's (NH) and graduated from Yale University in 1950. Despite the engagement of the founders' families into the second generation, the leadership of the firm eventually passed to William M. Lendman, a New Jersey native, who had been in charge of Granbery's sales department.

The elevation of Lendman to the leadership of the firm appears to be tied to the combined involvement of investors Robert K. Lifton and Jay Pritzker, who along with other associates were approached by Martin Whitman, an investment adviser



ANNOUNCING...

a consolidation of

BLAIR & CO., Incorporated

...business founded in 1890

and

GRANBERY, MARACHE & CO., Incorporated

...business founded in 1935

The combined business will be conducted under the name of

BLAIR & CO., GRANBERY, MARACHE

INCORPORATED

Members of New York Stock Exchange

American Stock Exchange • Midwest Stock Exchange

Delaware Trust Bldg. Wilmington 1, Del.

Principal Office in New York City

November 1, 1963

Merger announcement introducing Blair & Co., Granbery, Marache, which was published in *The Morning News* (Wilmington, DE) on November 4, 1963.

and former broker at Gerstley, Sunstein & Co., to buy Granbery, Marache around this time. A New York native, Lifton graduated from the Baruch School of the City College of New York and Yale Law School. He made his name in real estate syndication and as an entrepreneur. Jay Pritzker, who was the son of a prominent Chicago lawyer, was also a successful entrepreneur and the founder of the Hyatt Hotel chain.

Although the new owners do not appear to have had ties to the original Blair firm, in many ways, their investment signified a return to the entrepreneurial model of the first Blair partnership and the acquisition of the firm by A.O. Stewart during the Great Depression. According to Lifton, he, Pritzker and others bought the firm, after which they installed Lendman as the head. When Blair & Co., Granbery, Marache, Inc. celebrated its 75th anniversary in 1965, Marache Sr. became president *emeritus* and was succeeded by William M. Lendman.

In 1966, during Lendman's tenure, the firm changed its name back to Blair & Co., Inc., the third time in its history that it reverted back to its original name. By 1967, the firm had grown to 25 offices. The following year, during the height of the paperwork crisis on Wall Street, Blair began to acquire the offices of troubled firms. In December 1968, Blair & Co. took over the 15 offices of Schwabacher & Co., a San Francisco brokerage house that was reorganized as Blair's West Coast division. At that time, Blair restructured and created an "office of the president." In addition to Lendman, the other president was James Basil Ramsey Jr., a Tennessee native whose father was a bank president.

Then, within a very short period of time, Blair & Co. ran into trouble. During the bear market that followed the paperwork crisis on Wall Street, Blair & Co. found itself short of capital, reportedly experiencing operating difficulties created by the Schwabacher & Co. merger as well. According to Robert K. Lifton, Lendman was still at the firm when the officers "concluded that the company should discontinue operations because success required that the New York Stock Exchange reach a trading volume that they thought was not attainable." Newspaper reports indicate that Lendman resigned from the firm in 1969, and Ramsey Jr. was elected president and CEO. Vanderbilt remained chairman of the board, but he left in 1970.

By August 1970, Blair & Co. sold 14 of its offices to Thomson & McKinnon Auchincloss, Inc. in a distress sale, including the western branches acquired in the Schwabacher & Co. merger. *The New York Times* reported that Blair's problems were "believed to be among the worst on Wall Street." Ramsey Jr. joined Thomson McKinnon Securities as senior vice president.

In a relatively short period of time, the financial position of the Blair firm became irreparably compromised, and the firm shut down. In what the Associated Press called a "traumatic year for [the] stock market," Blair & Co. became one of "a number of brokerage firms [that] had dissolved, liquidated or were in the process of liquidating." According to the *Courier-Post*, "Blair had 29,000 customer accounts on its books when the New York Stock Exchange stepped in to liquidate it [in September 1970]." With the liquidation, the history of Blair & Co. came to an end. $

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