

1974

Office profile -- Dallas, with the accent on progress

Walter M. Bone

Roy Stevens

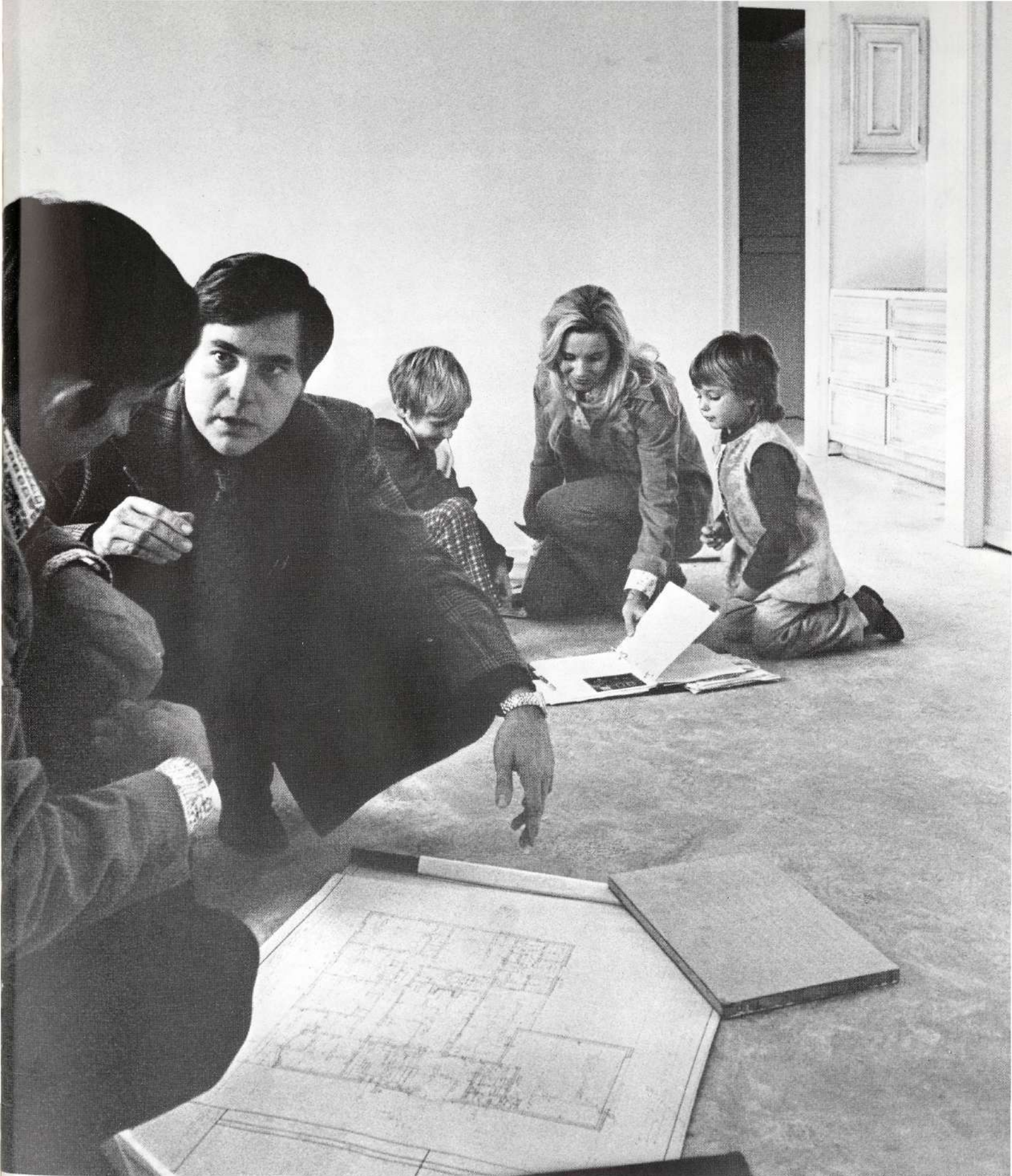
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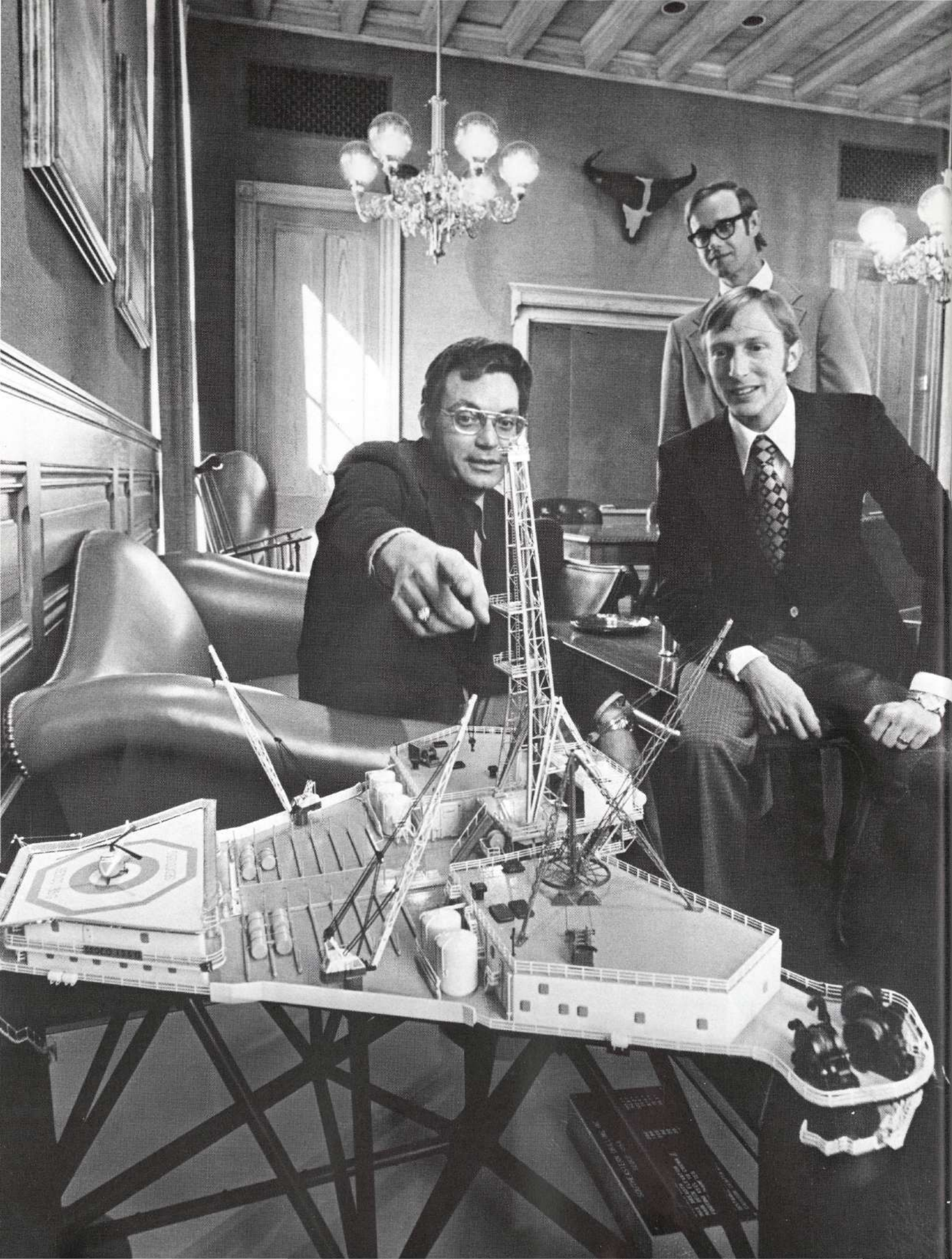
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Recommended Citation

H&S Reports, Vol. 11, (1974 spring), p. 01-11

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OFFICE PROFILE

Dallas is a booming city. Its relatively compact downtown area is a cluster of glistening new buildings jutting above the flat, north central Texas landscape. Radiating out in all directions into the four-county metropolitan area are seven spokes of the Interstate Highway system and nine railroads, feeding materials and labor to the vast array of industrial plants surrounding the city.

Dallas has a highly diversified economy, providing economic stability that has brought the city one of the best sustained growth records of any major metropolitan center. According to Dun & Bradstreet's Million Dollar Directory, 719 Dallas-based companies have assets of a million

Dallas ...with the accent on progress

Downtown Dallas is growing up.



Offshore rig. Former H&S manager Bill Havill, now SEDCO, Inc. controller, points out details of one of many models of SEDCO rigs in the company's headquarters, a magnificently restored, hundred-year-old school building in downtown Dallas. H&S seniors Dave Cavner (rear) and Freddie Meisenheimer listen with interest.

Partners meeting. Partner in charge Mahlon H. Grant (standing), confers with partners Jerry W. Pinkerton, Carroll L. Webb, Jr. and Presley S. Ford, Jr. (seated left to right).

dollars or more, a number exceeded only by New York and Chicago. Dallas is one of the world's biggest international cotton markets and one of three principal fashion centers in the country. It is a banking center with total deposits in excess of \$7.2 billion. Dallas trade marts attract more than 180,000 buyers a year, doing an annual gross business of \$4 billion. It is also a convention center, attracting nearly a million convention delegates a year; a medical center, with 51 hospitals and clinics; and an educational center, a sports center and a cultural center. Without a doubt, Dallas is a booming city, moving up and moving out, and the accent is on progress.

The Dallas area was a center of trade long before the city was born. French traders from Louisiana penetrated into the area in the early 1700s to barter with the Anadarko Indians living along the banks of the Trinity River. In 1841, John Neely Bryan, a Tennessee lawyer and trader, laid out a townsite half a mile square near a good ford on the east bank of the Trinity and began trading with the Indians and westward-bound wagon trains. The first actual settlement began the following year, when Bryan persuaded three families to move to his site from Bird's Fort. Bryan's village was called Dallas as early as 1842. Historians disagree on the origin of the town's name, some claiming it had been named for George Mifflin Dallas, a Pennsylvanian who became Vice President of the United States under James Polk. Other historians claim Bryan had been quoted as saying that he had named the village after "my friend Dallas," referring to Joseph Dallas, who came to the region from Arkansas and settled in nearby Cedar Springs. Historians agree, however, that the county of Dallas, established in 1846, was named by the Texas legislature in honor of Vice President George Dallas, whose election was partly due to his stand on the issue of Texas annexation.

A unique infusion of professional and cultural talent into the community came about as the result of a short-lived French Utopian communal colony called La Reunion, established on the limestone hills across the river from Dallas. As musicians, authors, scientists, artists, the men struggled for three years but were hardly equipped for the rigors of the frontier. When the colony broke up, many of the families moved to Dallas, adding a wealth of special talent to the community.

Like many western cities, Dallas owes its first growth surge to railroads, with the entry of the Houston & Texas Central in 1872 and the Texas and Pacific in 1874. For several years, Dallas was the railhead for both lines, and the city converted this temporary advantage into permanent leadership as the dominant distribution center in the Southwest. Today 316 of *Fortune* magazine's top 500 corporations have offices, distribution centers or factories in Dallas.

The H&S scene in Dallas centers around our offices on the 30th floor of One Main Place, a dramatic new building with a spacious sunken plaza and fountain, a host of fine restaurants and shops and even an art gallery. Staffing the H&S office are four partners, twelve managers, and forty-eight staff accountants plus secretaries and clerical personnel. Eleven of the people on the professional staff have advanced degrees and there are three attorneys among them.

Partner in charge of the H&S Dallas office is Mahlon H. Grant. Mahlon is a native of Deport, Texas. He graduated from the University of Texas in 1934 and, on the advice of one of his instructors who had worked for H&S in Tulsa on a temporary basis, he applied for employment in the Dallas office. The country was still battling its way out of the Depression, however, and there were no openings at that time. As Mahlon recalls, he hitchhiked all over the state looking for employment.

Mahlon Grant joined H&S in Dallas in 1935 and, except for a tour in the U.S. Navy during World War II as a lieutenant in the Bureau of Aeronautics, worked up through the ranks there. He became a partner in H&S in 1951 and succeeded Curtis H. Cadenhead as partner in charge of the office in 1968. From the time he had joined the Firm until he became partner in charge he had seen Dallas grow from a sweltering southwest city of several hundred thousand people, to a bustling metropolis of over 1,600,000.

Throughout his years in the Dallas area, Mahlon and his wife, Mary, have been active in church work. He has served as chairman of the administrative board, board of trustees and the finance committee of the Preston Hollow United Methodist Church and has been a prime mover in the financing and building of a new church. In addition, Mary Grant

devotes much of her time to helping out in a home for the aged.

Commenting on the practice of the office, Mahlon says, "We are definitely in a growth period. The practice is very heavy in utilities, insurance and real estate. From there on, the practice is highly diversified. Because there are also H&S offices over in Fort Worth and down in Houston, and a sub office in San Antonio, we don't have much work that



Dragline. Seniors Bill Peck (*l.*) and Julian McNeely (*r.*) examine chunks of lignite, a form of soft coal, with Harold Williamson, manager of accounting and purchasing for the Big Brown Steam Electric Station. The massive dragline, which dwarfs the bulldozer working below in the pit, removes overburden in 70-cubic-yard bites. After the lignite is removed, the earth is redistributed, topsoil is restored and trees, grasses and native vegetation are planted.

is too far away. With the exception of El Paso, the most distant, I guess, would be Waco or Tyler, which are about a hundred miles.

“About 80 per cent of the practice is originating work,” Mahlon continues, “and 20 per cent is participating work for other offices. Our tax work is about a sixth of the total practice.”

When it comes to staff, Mahlon speaks about his people in the most glowing terms. “There is no doubt whatever that we have outstanding people at all levels. There are three other partners in the office. Pres Ford, who is in charge of our staff training, is one of the most competent and respected people in the profession. Pres and I are the elder statesmen of the partners here.”

Presley S. Ford, Jr. is a native of Tulsa, Oklahoma, and a graduate of the University of Tulsa. Like Mahlon Grant, he served in the U.S. Navy as a lieutenant during World War II, and he also became a partner in H&S in 1951. Pres served as chairman of the Oklahoma State Board of Public Accountancy and president of the Oklahoma Society of CPAs while he was partner in charge of

the H&S Tulsa office. He has been in the Dallas office since 1969.

Carroll L. Webb, Jr. is the tax partner in Dallas. A native of Louisiana, Carroll moved to Dallas at an early age. He is a graduate of Baylor University and was a Navy lieutenant in communications during World War II. He is a past-president of the Dallas Chapter of the Texas Society of CPAs, the Dallas Estate Council, and the Baylor University Hankamer School of Business Alumni Association. Carroll has worked with the Dallas County United Fund, the American Cancer Society, Cub Scouts, YMCA Indian Guides and parent-teachers groups. He is a member of the Salesmanship Club of Dallas, a service organization which operates a camp for rehabilitation of young boys in trouble, and which has as its chief source of funds the Byron Nelson Golf Classic and the annual Salesmanship football game between the Dallas Cowboys and another NFL team. He is presently serving as chairman of the business administration and audit committee of the Baptist General Convention of Texas and as a member of the Advisory Council of the Baylor University Hankamer School of Business.

The fourth, and newest, partner in the Dallas office is Jerry W. Pinkerton, a native Texan and graduate of North Texas State University who joined H&S in 1962 and became a partner in 1973. Jerry is a specialist in the auditing of life insurance companies and is a member of the Insurance Accounting and Statistical Association, and therein lies a story of an unusual way to spend a Thanksgiving weekend.

Jerry and manager Gano Harris were working on a life insurance tax problem just before Thanksgiving, and the question came up as to whether a time sharing program had ever been developed in the field. Jerry checked with a number of insurance companies and other H&S offices and found that no one knew of such a program. Contact with the Executive Office Computer Applications Group referred Jerry to a book on basic language programming. Jerry took the book home with him over Thanksgiving weekend, read it, and began writing a program. A number of modifications and adjustments were necessary, and the program still contained a few bugs, but when Jerry returned to the office on Monday he had the basic working program for computation of life insurance company federal income taxes.

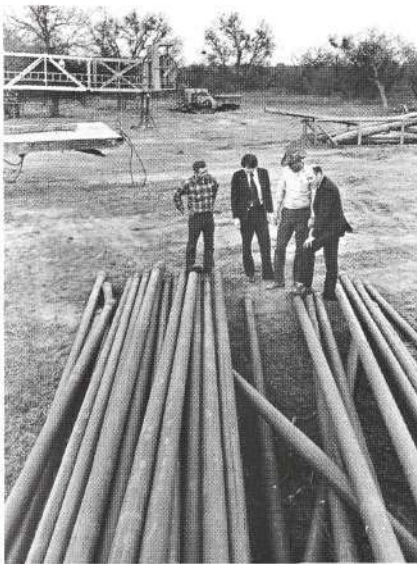
When the program was sent to the Executive Office asking tax specialist Leon McElvany, formerly of the Dallas office, for his comment or suggestions, the program was tentatively and jokingly entitled “Pinkerton’s Thanksgiving Weekend Program.” The program, presently in field-test status, is now known as LIFETAX.

Manager Al Reznicek, who transferred to Dallas from the Executive Office about a year ago, is in charge of recruiting. Most of the new people come into the office from the University of Texas, Southern Methodist University, North Texas State University and Baylor. One of the brightest results of recent recruiting efforts has been the addition of five young women to the staff.

In 1973, the office formalized its small business practice under manager James “Ike” Guest and, at the same time, MAS manager Frank St. Clair moved from Houston to the Dallas office to provide resident MAS capability there.



Capital Investment. Pipeline contractor J. W. “Bill” Christie (*r.*) assures Louis B. Hulcy, Lone Star Gas Company senior vice president — utility operations, and H&S manager Gano Harris (*l.*) that this new gas distribution line in northwest Collin County will be completed by year-end.



Giant jackstraws. Pusher George Jones (*hat*) and Guy Couger (*plaid shirt*), of Sonics International, Inc., show managers Jim Richards (*c.*) and Bill Thomas (*r.*) a load of pipe that will soon be used in drilling for oil beneath this Palo Pinto County drill site.

The diversity of the practice of the Dallas office ranges across a broad spectrum from fashion to finance to offshore drilling and beyond, providing the staff with a wide range of professional experience. Among the most prominent clients of the office are:

Nardis of Dallas, Inc. — manufacturer of a nationally famous line of ladies dresses and sportswear for over 35 years.

SEDCO, Inc. — a world-wide petroleum service company, providing specialized equipment, offshore drilling rigs and production platforms, engineering services and people to develop new oil reserves.

Southland Financial Corporation — a publicly held diversified financial holding company with two major operating subsidiaries: Southland Life Insurance Company, with more than \$4.25 billion of insurance in force; and Las Colinas Corporation, which is developing a planned community of balanced commercial, residential and environmental land use on 3,500 acres between downtown Dallas and the new Dallas/Fort Worth Airport. A projected \$750 million will be invested in the development of Las Colinas (the hills) over the next 15 to 20 years. Another real estate subsidiary owns three ranches and other properties of some 29,000 acres, all within a 90-mile radius of Dallas.

Lone Star Gas Company — an integrated natural gas transmission and distribution company. Operating units include: Lone Star Producing Company, engaged in exploration and production of oil and gas; Lone Star Energy Company, which provides contract secondary energy services (chilled water and steam) under a central plant concept; Nipak, Inc., manufacturing fertilizer and polyethylene pipe; and Pool Company, providing workover services for customers' wells to stimulate production.

Gulf Life Holding Company — a publicly held insurance and financial services holding company with over \$800 million of total assets. Life insurance is written through two subsidiaries: Gulf Life Insurance Company of Jacksonville, Florida, and American-Amicable Life Insurance Company of Waco, Texas. Combined insurance in force of the two life subsidiaries is over \$6 billion. Property and liability insurance is

written through Stonewall Insurance Company of Birmingham, Alabama. Stonewall was established in 1866 and is the oldest Alabama insurance company. Gulf Life Holding Company's other subsidiaries provide a wide range of financial services.

Braniff International Corporation — a holding company established in 1973. Its principal subsidiary is Braniff Airways, Inc., a Dallas-based airline with a 46-year history which reported record earnings in 1973 and laid claim to the title of "fastest growing U.S. trunk airline" in 1973. Braniff is the 8th largest in the country operating some 500 departures a day, serving 46 mainland U.S. cities, Hawaii, Mexico and 12 cities in South America. Other subsidiaries operate or manage hotel facilities, provide vocational education training, provide terminal security service for airlines, and are developing resort properties.

Giffen Industries, Inc. — a group of manufacturing and distributing companies including: L. D. Brinkman & Co., the largest independent wholesale distributor of carpet and floor products in the United States; Giffen Roofing Company, engaged in the application of commercial roofing in Florida and Georgia; Laminated Plastics, Inc., manufacturer and distributor of counter tops and vanities; and Duralite Company, Inc., a New Jersey based manufacturer and distributor of aluminum lawn furniture.

Sabine Royalty Corporation — in the business of investing in royalty and other oil and gas interests and in the exploration and development of oil and gas properties.

Texas Utilities Company — with a net electricity generating capability of nearly 11 million kilowatts and with 11 additional generating units in design or construction that are scheduled for completion from the peak season of 1974 through 1982. Extensive deposits of lignite, a form of soft coal, in Freestone County are currently fueling two 575,000 kilowatt generating units of the Big Brown Steam Electric Station at Fairfield Lake, southeast of Dallas. A unique feature of Big Brown is an Environmental Research Center, staffed by graduate students from leading universities in the southwest. A variety of research studies are conducted at the center to

Budding community. Concrete contractor Olen Wright (*hat*) points out progress of work in the University Hills section of Las Colinas Corporation's 3500-acre planned development. With him (*l. to r.*) are executive vice president Ed Gwynn (*dark suit*), and staff accountants Fletcher Freeman and Harvey Grove. Strolling in front are Bob Bradshaw (*r.*), director of sales, and his assistant, Cullen Ramsey.

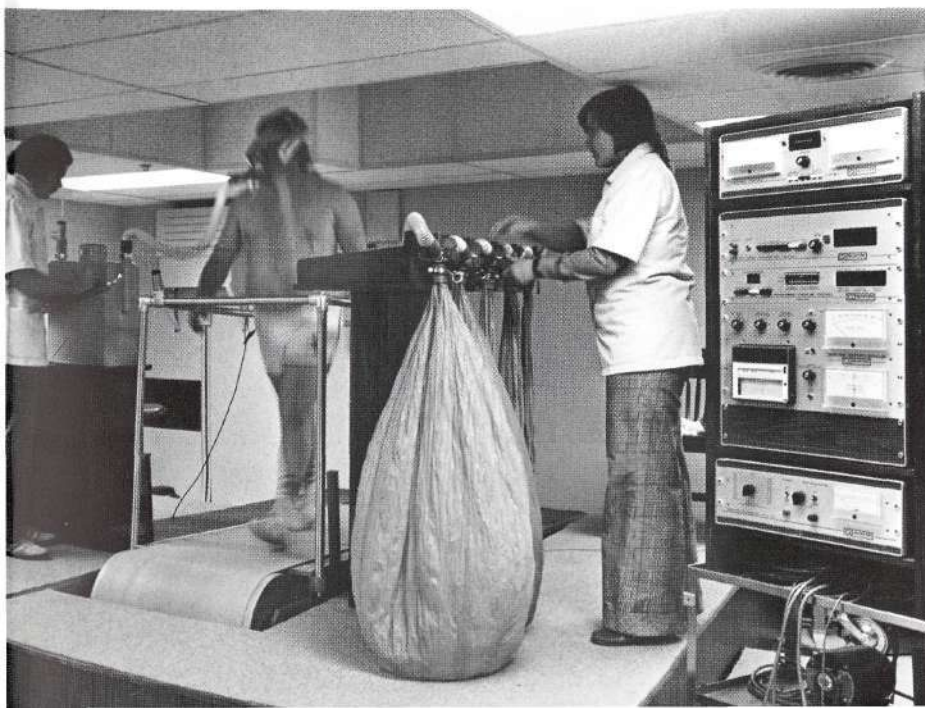




Braniff International's board chairman and chief executive officer Harding L. Lawrence (c), and president and chief operating officer C. Edward Acker (r.), pause during a pre-opening inspection of Braniff's Airport Operations Control Center at the new Dallas/Fort Worth Airport. With them are H&S manager Albert Reznicek (l.) and partner Carroll Webb, Jr. Flight information for the entire terminal is controlled from this center, and ramp operations for all of Braniff's eighteen gates are monitored on the screens in the background.



Treadmill. Senior accountant Mike Miller steps out for science during a maximum oxygen consumption test at the Institute for Aerobics Research. The Institute's executive director, Bill Walker (l.), explains the purpose of this test to senior Chuck Robison, while lab technicians John Ayres and Ann Ward monitor results.



determine the best trees and vegetation to reclaim mined land, evaluate the effect of cooling water on food organisms and fish, and generally learn more about retaining a desirable environment while producing an adequate supply of electric energy.

Two smaller, unique clients of the office are the Institute for Aerobics Research and Cheerleader Supply Company.

The Institute for Aerobics Research is a non-profit corporation founded in 1970 by Dr. Kenneth A. Cooper, a physician who has devoted the past 12 years to physical fitness. He is the internationally known author of *Aerobics*, *The New Aerobics* and co-author, with his wife, of *Aerobics for Women*. Aerobics, for those who haven't read Dr. Cooper's works, is a system of physical conditioning designed to strengthen the heart, lungs and circulatory system. The goal of the Institute is to determine the relationship between fitness and the prevention of cardiovascular disease. The primary research at present is to establish an automated data repository to show scientifically the relationship between exercise and disease prevention and rehabilitation.

Cheerleader Supply Company was founded by Lawrence "Herkie" Herkimer, acknowledged "Mr. Cheerleader" in the country. Herkie was head cheerleader for the legendary Doak Walker football team at Southern Methodist University. He organized his first clinic for cheerleaders when he was a senior. Cheerleader Supply Company began with pom-poms that he and his wife used to make at home. Now, cheerleader items, either manufactured by or sold through Mr. Herkimer's two supply companies, include a dazzling display of pom-poms, cheerleader costumes, megaphones, decals and dozens of books he has written on tumbling, stunts, jumps and cheers. In addition, the National Cheerleader Association, which Herkie founded twenty-five years ago, will train more than 100,000 young men and women this year at clinics in 44 states and several foreign countries.

Among the participating work done by the Dallas office is that for Fischbach & Moore, Incorporated, the world's largest electrical contracting company, and other well known clients such as General Motors Corporation, Great Atlantic and Pacific Tea Company,

International Harvester Company, Monsanto Company, Norton Simon, Inc., The Procter & Gamble Company, St. Regis Paper Company, Blue Bell, Inc., Collins Radio Company, a subsidiary of Rockwell International, St. Louis Southwestern Railroad, a subsidiary of Southern Pacific, Ford, Bacon & Davis Incorporated, and many others.

The diversity of the practice in the Dallas office is pretty well matched by the wide range of leisure activities the city affords H&S people and their families. One of the most popular leisure activities in the Southwest is golf. Although partner Mahlon Grant is a member of the Northwood Country Club, he finds little time to polish his golf game and says, "I'm the duffer from this office. I guess one of the things the people here do best is fish," he continues. "We excel in fishing. Of course, some do better than others. There is a large bass mounted on the wall in Ike Guest's den. When people see it they assume that Ike caught it, but actually his wife Sandra caught it while fishing with her father-in-law. Ike was in New York City attending a report review seminar at the time.

"Then, of course, we are all fans of the Dallas Cowboys. Many of us have season tickets to the Cowboys' home games in our beautiful Texas Stadium and we are all avid fans. There are also a number of hunters in the office. Manager Bill Thomas is our champion quail hunter. He gets out in the brush with his dog whenever he can find the time."

On the cultural side of community life, Dallasites can enjoy two seasons of opera provided by the Civic Opera Company and a twelve-week season of summer musicals, in addition to performances of the Civic Ballet, the Civic Chorus and the Dallas Chamber Music Society. The Dallas Theatre Center, designed by Frank Lloyd Wright, and the Owen Arts Center are nationally renowned in the fields of drama and art.

For family fun, few cities offer such diverse fare as the huge amusement area, Six Flags Over Texas, or the interest of Lion Country Safari, a drive-in African wildlife preserve, or the nautical environment of Seven Seas, the world's largest inland sea-life park.

Perhaps the most prominent symbol of the progressive attitude in the Dallas area is the newly opened Dallas/Fort Worth Regional Airport, the world's largest, covering 18,000 acres in the heart of one of the most populated areas in the Southwest. When fully completed, with its 13 separate terminals, the airport will be able to handle more than 50 million passengers a year.

Clearly, Dallas and H&S Dallasites are looking to the future and, traditionally, the accent is on progress. □

WALTER M. BONE

Needles and pins. Staff accountant Dave Berend and H&S alumnus John Sherman, now treasurer and a director of Nardis of Dallas, watch with interest as designer Jody Van Amburgh checks the fit of a new sportswear ensemble worn by model Claudette Flynn.





Let's hear it for the....Eagles?
Lawrence R. "Herkie" Herkimer (*l.*),
board chairman and president of
Cheerleader Supply Company, Inc., leads
the cheering as Debbie Cason practices
a pom-pon shaker routine. Senior
accountant Malcolm Walker (*standing*),
a former center with the Dallas Cowboys,
joins manager Ike Guest (*c.*) in
clapping approval.



Accountants all. A bevy of bright-eyed staff accountants enroute to One Main Place, home of H&S in Dallas. (From the top) Betty Jackson, Beverly Brooks, Susan Sawyer, Susan Krueger and Elizabeth Cook.

Luncheon meeting. Mrs. Mahlon Grant (left foreground) and wives of some of the Dallas office partners, managers and staff accountants gather at the Chateaubriand restaurant for one of their chatty quarterly luncheons.



Farewell party. Secretary Pam Potter (top) gasps in surprise at the array of presents awaiting her from the partners, staff and office colleagues. Pam is moving out of the state with her husband, and her friends have arranged an appreciative farewell.

