

An adjourned meeting of the Board of Directors of P. Lorillard Company was held today at the office of the Company, 119 West 40th Street, New York City, at 2 P. M.

There were present Messrs.: H. A. Kent  
R. M. Ganger  
W. J. Halley  
F. Hopewell  
I. H. Peak  
D. A. Henderson  
F. G. Searle  
L. Gruber  
J. J. Blacknall  
A. James  
M. E. Dawley  
H. B. Parmele  
Todd Wool

Mr. Kent, President, presided and the Secretary acted as Secretary of the meeting.

On motion duly made and seconded, the reading of the minutes of the previous meeting was dispensed with.

Mr. Ganger stated to the meeting that because of the increasing acceptance of filter tip cigarettes by the public, the Company had for more than a year been making investigations and conducting experiments with reference to the manufacture of such a cigarette; that as a result of these investigations and experiments, a filter tip had been developed of great efficiency which it is believed will be more desirable than any other filter tip on the market, and that it had been decided to manufacture and place on the market a filter tip cigarette; that he and other officers and Directors had suggested that the filter tip cigarette be marketed under the brand name KENT; that Mr. Kent had graciously consented to the use of his name for the new filter tip cigarette; that in order to acquire the material for the filter tip it had been necessary for the Company to enter into agreements with Hollingsworth & Vose Company, a Massachusetts corporation, and its wholly-owned subsidiary, H. & V. Specialties Co., Inc., a Massachusetts corporation, for the manufacture and sale of such filter tip material and/or filter tips to the Company; that Mr. Kent, the President, and Todd Wool as Secretary had executed the aforesaid contracts, each dated February 14, 1952, and that said contracts had also been duly executed by Hollingsworth & Vose Company and H. & V. Specialties Co., Inc., respectively; also, that in connection therewith, certain United States patent applications had been filed and that Harold W. Knudson, of Hollingsworth & Vose Company, by written assignment dated February 13, 1952, had assigned unto the H. & V. Specialties Co., Inc., and P. Lorillard Company, jointly, his rights in and to a certain United States patent application, Serial No. 261,087, for an improvement in tobacco smoke filter, and Dr. Harris B. Parmele, Director of Research of this Company, by written assignment dated February 14, 1952, had likewise assigned to H. & V. Specialties Co., Inc., and P. Lorillard Company, jointly, his rights in and to an application for United States patent for a certain improvement in a method of making filter means.

Mr. Ganger then presented to the meeting each of said executed contracts and assignments and after a full discussion of the terms of each contract and assignment, and the obligations and liabilities of the Company thereunder, it was

On motion of Mr. Henderson, seconded by Mr. Hopewell, unanimously

RESOLVED: That the decision of the officers of the Company to manufacture and place on the market a filter tip cigarette under the brand name KENT, and the expenditure of any and all sums of money in connection with the investigations and experiments made and acquisition of machinery, equipment and other property, be and the same are hereby approved, ratified and confirmed in all respects, and

FURTHER RESOLVED: That the execution by Mr. Kent as President and Mr. Wool as Secretary of agreement dated February 14, 1952, with H. & V. Specialties Co., Inc., a Massachusetts corporation, agreement dated February 14, 1952, with Hollingsworth & Vose Company, a Massachusetts corporation, and the execution by Dr. Harris B. Parmele, Director of Research of this Company, of a written assignment dated February 14, 1952, assigning to H. & V. Specialties Co., Inc., and P. Lorillard Company, jointly, his rights in and to an application for United States patent for certain improvement in the method of making filter means, be and the same hereby are each approved, ratified and confirmed in all respects, and

FURTHER RESOLVED: That the written assignment dated February 13, 1952, by Harold W. Knudson of Hollingsworth & Vose Company to this Company and H. & V. Specialties Co., Inc., jointly, of his rights in and to a certain United States patent application, Serial No. 261,087, for an improvement in tobacco smoke filter, be and the same is hereby approved, and accepted on behalf of this Company insofar as it confers rights upon this Company, and

FURTHER RESOLVED: That the proper officers of this Company are authorized and directed to do any and all things and make any and all expenditures that may be deemed necessary or advisable in their discretion in connection with the performance of the said contracts and the manufacture and marketing of a filter tip cigarette under the brand name KENT.

On motion of Mr. Henderson, seconded by Mr. Hopewell, it was unanimously

RESOLVED: That the members of the Board of Directors unanimously thank Mr. Herbert A. Kent, President of this Company, for the permission to use his name, KENT, as the brand name of the new filter tip cigarette.

Mr. Ganger stated to the meeting that the increased volume of the Company's business was requiring the executives and other employees of the Company to spend more of their time in traveling about the country in the discharge of their duties and that for some time the officers of the Company had been considering the advisability of purchasing a plane to be used by such executives and employees. He pointed out that a plane has been purchased and is to be decorated with an OLD GOLD insignia, which will be good advertising of the Company's principal product; that he felt that having a plane will give prestige to the Company, will be very valuable to the Company in conserving executives' and employees' time and will also be useful for trade purposes. He stated that in view of this, the Company had purchased from General Foods Corporation, for the price of \$180,000., a Grumman-Mallard plane, No. J-49, License No. NC 2979, which is being completely overhauled both as to body and engines at the expense of the Seller before delivery to the Company. Thereupon, after full discussion,

On motion of Mr. Hopewell, seconded by Mr. Searle, it was unanimously

RESOLVED: That the action of the Officers of this Company in purchasing from the General Foods Corporation, for the price of \$180,000., a Grumman-Mallard airplane, No. J-49, License No. NC 2979, be and the same is hereby in all respects approved, ratified and confirmed, and the proper officers of the Company are hereby authorized to do any and all things, and to expend such sums of money as may be deemed necessary or advisable in connection with the maintenance and operation of said plane.

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Mr. Ganger presented to the meeting an advertising and publicity budget, and a sales promotion budget, for the year 1952 for the new filter tip cigarette KENT, calling for a total expenditure of \$950,000., to be allocated as follows:

Advertising and publicity budget for 1952	\$650,000
Sales promotion budget for 1952	300,000.

Thereupon, after full discussion,

On motion of Mr. Peak, seconded by Mr. Henderson, it was unanimously

RESOLVED: That the advertising and publicity budget, and the sales promotion budget, for the new filter tip cigarette KENT, for the year 1952, as presented, be adopted subject to review by the Board periodically during the year.

On motion duly made and seconded, the meeting adjourned.

*Todd Wool*

Secretary

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