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SAFE

PROFITABLE

**NVESTMENTS** 

19 SOUTH ST. BALTIMORE

65 BROADWAY, NEW YORK

# \$25,000,000

# Southwestern Bell Telephone Company

## Five Year 7% Convertible Gold Notes

To be dated April 1, 1920

To mature April 1, 1925

Interest payable April 1 and October 1 in New York City Coupon Notes, registerable as to principal only, in denominations of \$1,000, \$500 and \$100, interchangeable Redeemable at the option of the Company, upon 60 days' notice, in whole or in part, on any interest date, at 103 % and interest on or before April 1, 1922; at 102 % and interest thereafter and on or before April 1, 1924; and at 101% and interest thereafter

\$50,000,000 Authorized Presently to be Issued \$25,000,000 Convertible at the option of the holder, at any time on or before maturity, into the 7% Cumulative Preferred Stock of the Company, par for par, with adjustment of accrued interest and dividends. If called for redemption, Notes may be converted up to and including the redemption date

Guaranty Trust Company of New York, Trustee

A letter from Mr. E. D. Nims, President of the Company, a copy of which will be sent on request, is briefly summarized as follows:

Southwestern Bell Telephone Company was incorporated in Missouri in 1882. Upon completion of the merger now being effected, it will directly own and operate the properties of the Bell Telephone System throughout the States of Missouri, Kansas, Arkansas, Oklahoma and Texas, which for many years it has owned or controlled through subsidiary companies. The Company also owns the entire capital stock of the Southwestern Bell Telephone Company (of Illinois), which owns and operates the Bell Telephone System property in East St. Louis, Illinois, and over 90% of the capital stock of the Dallas Telephone Company.

The franchises of the Company and its subsidiaries are in every respect satisfactory. The Company serves one of the most rapidly developing sections of the United States.

The American Telephone and Telegraph Company owns all of the Company's common stock, excepting directors' qualifying shares.

PROVISIONS OF ISSUE

The Notes are to be the direct obligations of the Company (which has only \$1,251,400 outstanding underlying bonds which may not be increased), and will be issued under a Trust Indenture, which will provide, among other covenants, that so long as any of these Notes are outstanding:

The Company will not mortgage or pledge any of its property, or permit any of its subsidiary companies to mortgage or pledge any of their properties, but this shall not prevent the acquisition of property by means of purchasemoney mortgages.

The maximum indebtedness of the Company shall at no time exceed \$50,000,000, except that additional borrowings may be made, provided that such borrowings are specifically subordinated to these Notes. Current liabilities to the extent that they are offset by current assets are not to be included in this restriction.

Gross Telephone Revenues have increased from \$19,013,921 in 1915 to \$29,019,993 in 1919 and Net Income available for interest (after depreciation) has increased from \$4,694,765 to \$6,061,385 in the same period. After giving effect to the present financing, interest charges on the Notes, underlying bonds, and remaining floating indebtedness to the American Telephone and Telegraph Company, will approximate \$2,500,000 per annum.

Upon completion of this financing, the Company will have tangible assets (after deducting reserves for depreciation) in excess of \$102,750,000 in contrast with total liabilities, including these Notes, of about \$41,750,000.

The Company's plant is carried on its books at \$89,200,000 against which it has set up reserves for depreciation of \$17,675,000; the present reproduction cost is conservatively estimated at over \$120,000,000.

For the five years ended December 31, 1919, dividends paid out of earnings amounted to \$12,973,000. During the same period investments in the property out of earnings-after spending over \$15,000,000 for current maintenance—amounted to over \$25,500,000.

APPROVED BY PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

### Price 97½ and interest, to yield over 7.60%

When, as and if issued and received by us. It is expected Temporary Notes or receipts will be ready for delivery about April 20

All legal delails pertaining to this issue will be subject to the approval of Messrs. Stelson, Jennings & Russell, of New York

Guaranty Trust Company of New York Morton & Co., Inc. Kidder, Peabody & Co. Illinois Trust & Savings Bank Halsey, Stuart & Co., Inc.

NEW ISSUE

Legal Investment for Rhode Island Savings Banks

\$1,000,000

# The Ohio State Telephone Company

Serial 7% Convertible Gold Notes

Dated March 1, 1920.

\$100,000 Semi-annual maturities September 1, 1920 to March 1, 1925.

Principal and interest payable at the office of J. P. Morgan & Co., New York City.

The Company will pay the Normal Federal Income Tax not in excess of two per cent. Pennsylvania State Tax of 4 mills will be refunded.

Property-

The Ohio State Telephone Company consists of 78 local telephone exchanges in Ohio including systems in Cleveland, Columbus, Toledo, Dayton, Akron, Youngstown, Canton, etc., embracing 148,000 stations. Also a comprehensive system of long distance toll lines of more than 34,000 miles of line wire. The Company has connections with long distance systems in eight other states.

Value and Franchises-

Providence

The total funded debt including these notes is less than 53% of the value of the property. The franchises are unusually satisfactory, being for the most part unlimited as to time.

Conversion Rights—

These notes are convertible into Consolidated and Refunding Mortgage 5% Bonds, due July 1, 1944, at 90. These bonds have sold at or above the conversion price every year since the issue has been outstanding.

Earnings—

Gross earnings are in excess of \$5,000,000 per year.

Net earnings over double total interest charges. For the calendar year 1919, after deducting all interest charges including interest on these notes, there remained a balance equivalent to over five times the annual maturities (\$200,-000) of these notes.

These notes are exceptionally well secured and provide a conservative high yield investment,

Price:

												····											
\$100,000	due	Sept.	1,	1920.	at	99.76	and	int.	to	yield	71/2%	\$100,000	due	Mar.	1,	1923.	at	97.38	and	int.	to	yield	8%
100,000	**	Mar.	1.	1921.	**	99.53	44	**	**	**	71/2 %	100,000							44	**	**	**	8%
100,000	**	Sept.	1.	1921.	**	98.61	**	**	44	44	8%	100,000	44	Mar.	1.	1924.	**	96.63	**	**	68	**	8%
100,000	**	Mar.	ĩ.	1922.	**	98.79	**	**	**	**	8%	100,000		Sept.						**	44	**	8%
100,000		Sept.						**	**	**	8%	100,000	**	Mar.						**	44	**	8%

### BODELL & CO.

120 Broadway, New York

The statistics contained in this advertisement are not guaranteed, but have been obtained from sources which we believe to be reliable

## **NEW YORK BOND SALES**

Summary of Individual Transactions on New York Exchange

	SALES IN \$100		U S Realty 5s 1 94 % Westn Pac 1st 1 83 % 9 94 1 81 %
Alk G M ev B	City Tokyo 5s	1 88%	1 83% 1 94   5 81%
Am 8 & R 5	City Tokyo 58 1 574 Col Gas & E	NYULSAN	U S Rub'r 7s 1 80 W Shore rg 4s
1 80	first 1 88 1 88 Col & So'n 48	NY NHAH 6.	U S Steel 5s 1 80 W & L E Ry 4
1	Col & So'n 48	N Y Tel's 44	2 94% Va Railw's 5s 2 52%
5 79 ¼	7 81%	N Y Tel'e 6s	2 94% Wabash R 2nd 2 91% 1 94% 2 77% 8 91
m T & T 6	Col Indust be	2 98%	1 94% Westn M'd 4s 1 91 1 94% 10 52 4 91
1 93 %	1 100%	NYWCAB	4 94 4 8 62 5 91 5 94 4
6 93%	273 Con'd Gas 7s 1100% 1100% 2100% Copenh'n 5%s	R 4148	
ng-French 5	Copenh'n 548	8 40 N'k & W'n 4s	German Bank Statement
2 98 9	5 77%	N'k & W'n 4s 175% Norfolk & W	Berlin, Via London, April 13.—The statement of the Imperial Bank of
2 9516	5 8114	1 994	Germany, issued March 31, shows the
3 98 % 3 98 9	D & Rio G 4s	8 73	following changes: Total coin and
8 98 9 1 98 9	The Tr Tries 4 14 a	0 7114	bullion, increased 6,151,000 marks; gold increased 104,000 marks; treasury notes,
87 98% 25 98%	2 624 Dem of C '26 2 914 Dem of C '29	O Short L 40	increased \$60,116,000 marks; notes of
29 98 % 15 98 f	Dom of C '29	Org-Wash 48	other banks, decreased 1,444,000 marks; bills discounted, increased 4,114,826,000
7. 98%	2 94 % Dom of C '31 2 91	2 78%	marks; advances, decreased 12,472,000 marks; investments, increased 129,465.
74 98%	Erie Genl Lien	Pac Tel & T 5s	000 marks; other securities, increased 926,377,000 marks; notes in circulation.
5 SO 14	1 41 2 41¼ Erie prior 4s	2 85 Pa R R 4s '48	increased 1,822,668,000 marks; deposits, increased 3,969,564,000 marks; other liabilities, decreased 273,975,000 marks.
cv 4s 4 64%	1 52	1 82¼ Pa R sm 4½#	liabilities, decreased 273,975,000 marks. Total gold holdings, 1,091,453,000 marks.
tch T & S Fe	Erie RR cv A	1 7414	
1 68	Erie R.R ev D	1 74%	
10 65	Gen'l Elec de	1 74% 1 74% Penna RR 58	
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increased 104,000 marks; treasury notes, increased 360,116,000 marks; notes of other banks, decreased 1,444,000 marks; bills discounted, increased 4,114,826,000 marks; advances, decreased 12,472,000 marks; investments, increased 12,465,000 marks; increased 12,465,000 marks; increased 12,465,000 marks; increased 12,465,000 marks; other securities, increased 1,822,658,000 marks; other securities, increased 1,822,658,000 marks; other increased 1,822,658,000 marks; other increased 1,822,658,000 marks; other liabilities, decreased 2,73,975,000 marks.

### Financial Briefs

Not only have predictions of a general movement toward lower commodity prices, encouraged by a slight recession in wholesale quotations as of March 1, thus far failed of fulfillment, but Dun's Index Number as of April 1 attained a new high level at \$257.901. This figure is 1.9 per cent above the \$253.016 of a month earlier, and reveals an increase of 1.6 per cent over the \$253.748 of February 1, which it had been thought might stand as the record total. Comparing with the \$219.973 of April 1. 1919, when an advance of 1.4 per cent was established, following several months of yielding, the present index number discloses a rise of 18.8 per cent while from the \$120.740 of August 1, 1914, an upturn of 113.6 per cent appears.

German Bank Statement

Berlin, Via London, April 13.—The statement of the Imperial Bank of Germany, issued March 31, shows the following changes: Total coin and buillon, increased 6,151,000 marks; gold increased 104,000 marks; treasury points.

The average price of twenty active industrial stocks declined 1.23 per cent yesterday to 103.94, while twenty railroads declined 0.88 per cent to 74.76. The New York Substreasury gained \$3,041,000 from the banks yesterday making a cash net gain since Friday of \$6,167,000.

NEW YORK COFFEE MARKET New York, April 12.—The marks coffee futures opened irregular, 2 higher to 4 points lower.

There was a continuation of the buy-ing of May contracts by a leading job-bing interest. Liquidation by outside and Wall street interests supplied the demand. Importing houses were seller of the more distant positions.

Liverpool Cotton

Liverpool Cotton

Liverpool, April 13.—Spot cotton was
dull today with prices easier on the
basis of a decline of 23 points for middling at 27.64d. The sales were 2000
bales. The receipts were 17.000 bales,
including 11,400 bales American. Futures were quiet in the early dealings.
Spot prices were: American, middling
fair, 22.89d; good middling, 29.64d;
fully middling, 28.64d; middling, 25.64d;
low middling, 24.34d; good ordinary,
21.14d; ordinary, 20.14d.

WHY no investor has ever lost a dollar of principal or interest on any security bought of S. W. Straus & Co.

## First and Last

'N these days of labor unrest, extension of Government regulation, and economic upheaval, shrewd investors are turning more and more to investments based on the one solid fundamental security—the land and its improvements.

Every bond safeguarded under the Straus Plan is a direct first mortgage on a carefully selected, high grade, profitable building and land. This security, improved real estate, the ground under foot and a roof overhead, is-

THE FIRST necessity of human life, and

THE LAST to be affected by wars, panics, adverse legislation or changing conditions.

The first mortgage serial real estate bonds safeguarded under the Straus Plan have withstood the changing conditions of thirtyeight years, including two wars and four financial crises, without a dollar's loss or a day's delay in payment to any investor.

Our booklet, "Safety and 6%," should be in the library of every investor. It tells how to test the safety of any investment and describes in fullest detail the principles which conservative and prudent investors follow. Call or write for it today and ask for

BOOKLET NO. Q-314

# S.W.STRAUS & CO.

STOCK EXCHANGE BUILDING, PHILADELPHIA

Joseph H. Rubin, Resident Manager. CLEVELAND BOSTON WASHINGTON BUFFALO MINNEAPOLIS PITTSBURGH

Thirty-eight years without loss to any investor

# H. H. Franklin Manufacturing Company

(Franklin Automobile Company)

Syracuse, N. Y.

## 7% Cumulative Preferred Stock

Additional \$1,000,000 Issue \$5,000,000 Authorized \$3,500,000 to be Outstanding

Price \$100 Per Share

Non-assessable. Retirable on 60 days' notice, at \$110 and accrued dividends.

Dividends accruing from date of issue are payable February 1, May 1, August 1, November 1.

Average yearly Earnings earnings for past five years, after depreciation and taxes, were four times the dividend requirements on entire preferred stock authorized. 1919 net earnings were at the rate of seven times these requirements.

As shown by certified Assets balance sheet at Dec. 31, 1919, each share of Preferred

Stock outstanding on that date is protected by \$404 net assets and \$231 net quick assets.

Sinking Fund | A sinking fund consisting of 15% of net yearly earnings after payment of preferred stock dividends and taxes becomes effective January 1, 1922.

The proceeds of the sale of the present issue will be used principally in the enlargement of manufacturing facilities.

Dividends Exempt from Federal Normal Income Tax.

For Circular and Subscription Blanks, address

H. H. Franklin Manufacturing Company Syracuse, N. Y.