

\$25,000,000

Southwestern Bell Telephone Company

Five Year 7% Convertible Gold Notes

To be dated April 1, 1920. Interest payable April 1 and October 1 in New York City. To mature April 1, 1925. Coupon Notes, registrable as to principal only, in denominations of \$1,000, \$500 and \$100, interchangeable...

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:

BUSINESS 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 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 purchase-money 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.

EARNINGS 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 \$6,061,595 in the same period.

FINANCIAL Upon completion of this financing, the Company will have tangible assets (after deducting reserves for depreciation) in excess of \$102,760,000 in contrast with total liabilities, including these Notes, of about \$41,760,000.

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 97 1/2 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 details pertaining to this issue will be subject to the approval of Messrs. Stetson, 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.

We do not guarantee the statements and figures presented herein, but they are taken from sources which we believe to be accurate

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

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:

Table with columns for note amount and date, and corresponding prices and yields. Example: \$100,000 due Sept. 1, 1920, at 99.76 and int. to yield 7 1/2%.

BODELL & CO.

120 Broadway, New York

Providence

Boston

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

Large table of bond sales transactions with columns for bond name, quantity, price, and other details. Includes sub-sections like 'From Opening', 'U S Realty', 'German Bank Statement', etc.

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 high level at 225.901. This figure is 1.9 per cent above the 223.016 of a month earlier, and reveals an increase of 1.6 per cent over the 223.748 of February 1, which it had been thought might stand as the record total. Comparing with the 219.978 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 1.8 per cent while from the 210.740 of August 1, 1914, an upturn of 113.6 per cent appears.

NEW YORK COFFEE MARKET

New York, April 13.—The market for coffee futures opened irregular, 3 points higher to 4 points lower. There was a continuation of the buying interest. Liquidation by outside and Wall street interests supplied the demand. Importing houses were sellers of the more distant positions.

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 3000 bales. The receipts were 13,000 bales, including 11,400 bales American. Futures were quiet in the early dealings. Spot prices were: American, middling fair, 22.84d; good middling, 22.64d; fully middling, 22.64d; middling, 27.64d; low middling, 24.24d; good ordinary, 21.14d; ordinary, 20.14d.

DIVIDENDS DECLARED

Public Service of Northern Illinois, quarterly of 1 1/2 per cent on common and 1 1/2 per cent on preferred, payable May 1 to stock of record April 15.

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

VI. First and Last

IN 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 thirty-eight 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.

ESTABLISHED 1882 INCORPORATED STOCK EXCHANGE BUILDING, PHILADELPHIA

Joseph H. Rubin, Resident Manager.

NEW YORK CLEVELAND BUFFALO SAN FRANCISCO BOSTON MINNEAPOLIS MILWAUKEE DETROIT WASHINGTON PITTSBURGH INDIANAPOLIS

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.

Earnings Average yearly 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.

Assets As shown by certified 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.



SAFE PROFITABLE INVESTMENTS

FRAZIER & CO

BROAD AND BANSON STS. PHILADELPHIA 15 SOUTH ST., BALTIMORE 65 BROADWAY, NEW YORK