

Motown Singles Spree

NEW YORK—Motown Records racked up the heaviest singles sales week in its history during the Nov. 11-15 period, as four chart records continued to bullet upwards. According to Motown exec Al Klein, the four decks, "Love Child," the current No. 1 tune by Diana Ross & the Supremes, "For Once In My Life" by Stevie Wonder (#8), "Cloud Nine" by the Temptations (#24) and "I Heard It Through The Grapevine" by Marvin Gaye (#28) all showed their strongest sales to date during that period. In addition, "I'm Gonna Make You Love Me," by Diana Ross & the Supremes and Temptations, pulled from the groups' first team-up LP, has already picked up substantial pre-release orders.

Ed Wolpin Turns Theatre Producer

NEW YORK—Ed Wolpin, former head of Famous Music, has turned to theatre producing. He's the co-producer of an upcoming Off-Broadway play, "Possibilities," a new play by Arthur Pittman. Wolpin's firm, Edward A. Wolpin Enterprises, is a co-sponsor of the legit production along with Stanley Gordon, Burry Fredrik and Selma Tamber. The production is conducting previews at the Players Theatre until its official opening Dec. 4. Wolpin says he finds the venture "very interesting" and hopes to continue producing in the future.

Deane Exits WB/7

NEW YORK—Carl Deane has left his post as eastern artists relations and promo head of Warner Bros.-Seven Arts Records. Deane, who held the post for the past three years, said he would announce his future plans soon.

FRONT COVER:



New channels are no longer news to the Cowsills. The team has broadened its base with each succeeding month expanding from recording performers to writers, producers, stage performers and in their latest move the family act has become a television team. Last Saturday night, the Cowsills debuted in their own color special which was carried nationwide over the NBC-TV network. The new phase of operation is expected to presage a series of shows with the artists.

One of the program highlights was the premiere of the new Cowsills single, "The Candy Kid (from the Mission on the Bowery)" which MGM has hurried into release. The recent "Indian Lake" hitsters are also represented with a recent LP "Captain Sad & His Ship of Fools."

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Companies Gear Finances For Music Firm Purchases

NEW YORK—Companies in an acquisition-minded mood with regard to music business interests are gearing their financial structure to cope with buy-outs.

Two such firms, already a factor in music firm acquisitions, are the Handleman Company, the giant Detroit-based rack firm, and Transcontinental Investing through its Transcontinental Music Corp.

Handleman Buys Distrib., OK's More Stock

Handleman has just started on the now well-paved road of music field deals by reaching an agreement in principle to acquire, for an undisclosed amount of Common Stock, Record Distributing Co. of Houston, covering Texas and other states in the South and Southwest. Handleman has made it clear that it is interested in further acquisitions. Stockholders at a special meeting in Detroit on Nov. 18 voted approval to amend Article IV of the company's Articles of Incorporation in order to increase the company's authorized Capital Common Stock from 3.3 million shares of the par value \$1 per share, to 4.5 million shares. David Handleman, president, said that the authorized Capital Common Stock "will be advantageous to the company because

more shares will be available for such corporate purposes as acquisitions."

As to its distrib deal, Handleman said the acquisition is dependent on certain conditions and performance of Record Distributing between May 1, 1968 and Oct. 31, 1968. If concluded, Handleman added that the company's management will be continued under Larry Rosmarin, president. There is no stockholder approval needed for the deal.

For the year ending April 30, 1968, Record Distributing reported net earnings of \$99,259 and net sales of \$2,803,154. Handleman itself reported for the year ending April 30, 1968, net income of \$3,437,000 and sales of \$56,071,597.

TMC Loan

Transcontinental's route for acquisitions in the future will be eased by a 15 year loan of \$4.6 million with the Prudential Life Insurance Co., according to Howard Weingrow, president of Transcontinental Music Co.

Weingrow said the proceeds of the loan, made solely on the credit of TMC, will be used to provide additional funds for the continued expansion of the company. As a result of continued acquisitions in the wholesaling area, TMC operates the largest

disk and tape distributing network in the U.S. Annual sales in this area are more than \$80 million.

Poseidon to TIC

In another Transcontinental acquisition, TIC has agreed to acquire Poseidon Productions, a music production and publishing company, headed by James William Guercio. Bob Lifton, president of Transcontinental said Guercio will continue to run the company for Transcontinental. The transaction will be made through an exchange of stock.

This is the second acquisition of a music production and publishing company by Transcontinental. Earlier this year it acquired Sidewalk Productions.

Among the popular groups for which Poseidon produces records are Blood, Sweat and Tears, The Illinois Speed Press, The Mint Tattoo, and a new group recently formed called The Chicago Transit Authority.

Nat'l General Spells Out WB/7 Acquisition

NEW YORK—Further details came to light last week in the attempted acquisition of Warner Bros.-7 Arts by National General Corporation, the motion picture theatre chain.

The new agreements between the two firms provide for Warner Bros. stock to be turned over for \$1 a share, plus a half share of National General common stock for each share of WB exchanged. In addition, WB stockholders are to receive, for each share, a \$25 face value, five per cent, 20-year convertible subordinate bond. The bonds are to be convertible into NG common at \$2.50 over its average daily market price in the week before the closing of the deal. Minimum price will be \$42.50 per share, and maximum will be \$55 per share. National General currently is listed on the N.Y. exchange at just under \$50 per share.

This was the first time in the months of negotiations between the two companies that cash payments were called for. In August, agreements called for the exchange of bonds with a face value of \$1.

Subject to the approval of stockholders in both companies, the agreement was announced last Thursday (21) in Calgary, Canada, after being signed (continued on page 62)

Sir Joseph: Capitol Slump Hurts EMI Profits

LONDON—EMI chairman Sir Joseph Lockwood reports a 30% increase in world sales for the group during the year ended June 30th 1968. In his review published November 13, group profits before taxation were the highest ever, but represent an increase in profits of only 8% "due entirely to disappointing results from our North American companies."

Sir Joseph detailed the expansion of the group's interests in both the leisure and electronics sectors. The entire issued capital of the Blackpool Tower Co. Ltd. had been acquired during the year, and very satisfactory profits were expected from this acquisition in next year's accounts. The Grade Organization had made an important contribution to profits in its first full year with the group.

CI Profits Down

Capitol Industries Inc., despite highest ever sales, had a disappoint-

ing year, and showed a sharp reduction in profits. In February, Capitol Records, EMI's American record company which also owned Capitol Record Club, merged with Audio Devices Inc., a major manufacturer of magnetic tape in the U.S. Most of the factors responsible for this year's decline in Capitol's profits were of a non-recurring nature, and included the cost of record stocks which became surplus at the time of the industry-wide switch from monaural to stereo records and the cost of transferring the Record Club headquarters from Scranton, Penna., to California.

"Our North American companies are determined to overcome the difficulties which have arisen," said Sir Joseph, "and action is being taken which over a period will ensure their return to greater profitability."

EMI's other overseas companies experienced another successful trading (continued on page 58)

Mersey Starts Label, Publishing Units

HOLLYWOOD—Cyclone Records has been launched as the releasing arm of Robert Mersey Productions, helmed by former CBS Records A&R head Bob Mersey. Accompanying publishing firms, BMI and ASCAP, are now in the process of organization.

Mersey, who formed his indie production outfit upon leaving CBS in April, will fulfill his current commitments, which include a deal with CBS, and then concentrate his future efforts on his own label. Initial product is expected to be released by the end of the year. Plans call for about 10 albums and 18 singles for the first year's releases.

Signing announcements for artists will be made in the next 30 days, and it is expected that most of the signings will be new talent. Mersey plans to cover all fields of contemporary music, pop standard, rock, R&B and country. Each album release will automatically be accompanied by releases

Barber, Chabrier Join ASCAP Board

NEW YORK—Samuel Barber, the composer, and Jacques Rene Chabrier, president and chief executive officer of Chappell & Co., are new members of the board of directors of ASCAP. Barber replaces Paul Creston, who has resigned from the board. Chabrier succeeds the late Louis Dreyfus.

in all tape configurations.

Main office will be at 6290 Sunset here, with a New York office at 1501 Broadway.

Cyclone's policy will be to promote new artists extensively, and stay with them.

Initial appointments, to be made shortly, will be East Coast and West Coast promotion men. Overseas licensing deals will be announced shortly.

Mersey recently returned from Germany, where he recorded Johnny Mathis with Bert Kampfert.

(continued on page 58)

Viewlex Completes Kama Sutra Purchase

NEW YORK—Viewlex has completed its acquisition of the Kama Sutra music operation. Deal, notes Ben Peirez, president and chairman of the board of the company, has been consummated for the exchange of an undisclosed amount of Viewlex common stock based on a stock for stock transaction. He added that terms were drawn up to insure autonomy of operation for Kama Sutra and its Buddha affiliate, which retain present management and staff. Kama Sutra presidents Artie Ripp and Phil Steinberg are under contract to continue in their positions, as are Buddha vp and general manager Neil Bogart and exec vp Art Kass.

Peter Nero To Columbia

NEW YORK—Peter Nero will join the Columbia Records talent roster, Cash Box has learned. Nero, a strong album seller on RCA since the start of his disk career, will be produced by Wally Gold.

AF Goes Public Via OTC Offering

NEW YORK—An offering of 200,000 shares of Audio Fidelity Records for sale Over-The-Counter has been completed. The investment banking firm of Myron A. Lomasney & Co. said that the initial offering price was \$5 a share.

Audio Fidelity's current catalog contains over 500 mono and stereo recordings, including a sound effects series, and such artists as Louis Armstrong, Lionel Hampton, Billy Daniels, Tony Martin, Fran Warren, and the Vienna State Opera Orchestra.

Herman D. Gimbel is president of Audio Fidelity; other officers include Harold Drayson, Carl Shaw, Carl Greenberg, and Mort Hillman, all of whom are vice presidents.

Ralfini Heads MGM Eng. See Int'l News Report