

Public Relations Department
Globe Aircraft Corporation
Fort Worth 6, Texas

Fort Worth, Texas, February ____--Stockholders of the Globe Aircraft Corporation have approved a recapitalization plan making the Fort Worth concern the first manufacturer of private light airplanes to undertake a major postwar public financing program.

The plan adopted authorizes the company to offer 150,000 shares of \$10 par $5\frac{1}{2}$ per cent convertible preferred stock to common stockholders on a pro rata basis at \$9 per share.

John Kennedy, Globe president, announced that the estimated \$1,275,000 in proceeds from the preferred offering will be used to provide \$250,000 in additional plant facilities, to retire a \$960,000 Reconstruction Finance Corporation loan, for working capital and other expenses of the issue.

Globe Aircraft now has firm purchase orders in excess of \$18,000,000 for its all-metal SWIFT, two-place monoplane powered with either 85 or 125 horsepower engines, Kennedy said. The plane is in production at the Fort Worth plant and deliveries have been made to a number of distributors throughout the country. Production of the SWIFT will be supplemented within 60 days by the output of the Texas Engineering and Manufacturing Company at the Grand Prairie plant formerly operated by North American Aviation Corporation. The Grand Prairie plant has been given a subcontract to build 1,500 of the 125 horsepower SWIFTS.

Globe's recapitalization plan provides for the formation of a new corporation

of the same name under Delaware laws to take over all assets and liabilities of the Globe Aircraft Corporation of Texas through a share for share exchange of common stock. The preferred stock to be offered will be that of the Delaware corporation.

Underwriters are Kobbe, Gearhart Company, Inc., New York, and Newburger and Hano, Philadelphia, Pennsylvania. These brokers will make a public offering at \$10 per share of all preferred stock not taken by common stockholders. A registration statement covering the new issue will be filed with the Securities Exchange Commission in a few days, it was stated.

Norman Nicholson, assistant to the president, was elected vice president, and other officers were re-elected. Besides President Kennedy, they are, K. H. Knox, vice president in charge of engineering; C. R. Starnes of Gladewater, vice president; N. N. Oille, treasurer; Willard Nelson, secretary, and E. N. Ratliff, assistant secretary-treasurer. Directors re-elected are Kennedy, Nicholson, Knox, Starnes, Oille, Harry E. Brants and Jon Knox Rhodes.

Besides officers and directors, other stockholders who attended the meeting are Walter H. Kilbourne of Washington, D. C.; Fred Gearhart and George W. Hoffman of New York City; Frank J. Henry of Courts & Co., Atlanta, Georgia; William Raffel of Collom, Raffel & Company, Philadelphia, and Joseph A. Rayvis of Philadelphia.