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Editorial

Times Herald Stock Plan Attacked

Reprinted from: EDITOR & PUBLISHER, April 6, 1968

A. C. Greene, former book editor and editorial page editor of the Dallas Times Herald, has filed suits alleging violations of securities laws against the newspaper's officers and directors.

Greene's suits center on a provision in the will of Mrs. Lela Gooch, widow of an early Times Herald publisher, giving Greene the option to buy one-eleventh of her stock in the Times Herald Printing Co. She owned 22 percent of the total stock.

Originally, the company had only one type of stock, common. A reorganization in July 1965 created Class A, B and C stock. Class A stock carries no voting privilege but does receive a guaranteed yearly dividend of \$2.75 per share. After Mrs. Gooch's death in November, 1965, Greene purchased 10,064 shares of her A stock for a total

of \$478,040, as did 10 other persons named in the will.

Greene also tried to buy all of her Class B stock, claiming that the 10 other persons failed to exercise their options to buy it, but the offer was refused by the company and Republic National Bank of Dallas, executor of the estate. The company said the company charter requires that Class B stock be redeemed to the company upon the death of its owner.

Greene is asking federal and state courts to order the company to sell him the Class B stock previously owned by Mrs. Gooch, or alternatively to set aside the plan creating the three types of stock and the provision that B stock revert to the company upon its owner's death.

Class B stock carries voting rights and usually receives no dividend. When it is redeemed, the company pays \$1 per share plus 25 cents per share for each year it was outstanding, up to a \$5 limit.

Class C stock also carries voting rights. Only 1,000 shares were created, and they were sold to Republic National Bank for \$1 each.

Sole Voting Rights

Greene's suit contends that eventually the C stock will represent the sole voting rights of the corporation and half its profits and was worth approximately \$15 million, rather than \$1,000. The suit demands recovery of \$14,999,000 to the corporation from the defendants, or alternatively that the defendants repay to the corporation all the money which it has paid out in redeeming Class B stock to date.

Defendants are James F. Chambers Jr., president of the company; Republic National Bank, and James W. Aston, its president, and the following officers and/or directors of the Times Herald: O. E. Holmes Jr., Albert N. Jackson, Robert L. Jensen, George S. Johnson, Felix R. McKnight, Allen Merriam, Orrin Miller, Robert G. Payne and Clyde W. Rembert.

Editor's Note: Was control of The Times Herald worth only a thousand dollars?

The word from reliable sources out of Memphis, Tennessee is that the killer of Dr. Martin Luther King was flown out of the United States after the assassination that night in a U. S. Navy plane.

We suggest that the man whose life is in the most danger in the United States is Vice President Hubert H. Humphrey. We fear that he will be killed before the election in November.

Whitey can play Nazi if he wants to, but the Negroes are not going to play Jew.

—Anonymous