

# Oshawa Wholesale bids for store chain

Oshawa Wholesale Ltd., a Toronto-based food wholesaler, yesterday announced a \$6.9-million offer for control of Allied Towers Merchants Ltd., which operates 13 department stores in Ontario and Quebec.

The offer is to exchange Oshawa Wholesale Class A shares for Allied Towers securities on a basis of three Oshawa A shares for 10 Allied Towers 6 per cent cumulative redeemable first preference shares; one Oshawa A for 13 Allied Towers common; and one Oshawa A for 17 Allied Towers common represented by voting trust certificates.

The offer, if accepted by all Allied Towers securities holders, would result in Oshawa Wholesale's issuing 203,059 Class A shares. This gives the offer a total value of about \$6.9-million, based on yesterday's price of \$34 of Oshawa A shares on the Toronto stock market.

Oshawa already held about 2 per cent of Allied Towers preference shares, 0.3 per cent of common shares, and about 18 per cent of common represented by voting trust certificates, the company said in an outline of the offer.

Oshawa does not now have control but is one of the larger shareholders, Allied Towers chairman W. L. Atkinson said.

Oshawa Wholesale operates a dozen Food City discount

grocery markets, five of which are beside Towers department stores. Acquisition of some Allied Towers securities was reported by Oshawa Wholesale in December, 1965. Mr. Atkinson said then that the bidders wanted a big enough interest to have a continuing influence in Allied Towers' management.

Following receivership of Towers Marts and Properties Ltd. in 1963, Allied Towers took over operation of Towers Marts' department stores.

The offer is contingent on Oshawa Wholesale's acquiring at least 85 per cent of Allied Towers shares, and expires April 28.

Allied Towers earlier reported a profit of \$1,135,702 on sales of \$36,855,560 for 1966, up from a profit of \$737,229 on sales of \$34,386,948 in 1965. Oshawa Wholesale reported earlier that profit in the year ended Jan. 28 rose to a record \$3,002,067 or \$1.21 per common and Class A share from \$2,158,651 or 89 cents a share in the previous year.

Mr. Atkinson said Allied Towers sent a letter to its shareholders, recommending acceptance of the offer.

Allied Towers securities showed no reaction on the unlisted market at Toronto after news of the offer. The 6 per cent preferred traded at \$9.25 bid and \$10 asked, unchanged from Friday, and the common shares at \$2.50 bid, \$2.75 asked, also unchanged from Friday.

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