

# BELL AIRCRAFT CORPORATION

Post Office Box One, Buffalo 5, New York

## NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

*To the Stockholders of*

BELL AIRCRAFT CORPORATION

Notice is hereby given that the annual meeting of the stockholders of Bell Aircraft Corporation will be held, in accordance with the By-Laws, at the executive offices of the Corporation, Town of Wheatfield, New York, on the 16th day of April, 1956 at 2 o'clock in the afternoon, for the following purposes:

1. To elect Directors of the Corporation;
2. To elect Auditors of the Corporation;
3. To transact such other business as may properly be brought before the meeting or any adjournment or adjournments thereof.

Stockholders are cordially invited to attend the annual meeting in person. Stockholders who wish to have their stock voted are requested to sign, fill in and mail the enclosed proxy in order that a quorum may be assured, even though they now plan to attend the meeting. Any proxy previously given may be revoked. The enclosed business reply envelope is for your convenience in returning the proxy.

Only stockholders of record on the books of the Corporation at the close of business on March 12, 1956 will be entitled to notice of and to vote at the meeting or any adjournment thereof. The stock transfer books will not be closed.

By Order of the Board of Directors:

WILLIAM G. GISEL,  
Secretary.

March 26, 1956.

## PROXY STATEMENT

### BELL AIRCRAFT CORPORATION

Annual Meeting of Stockholders April 16, 1956

Notice of annual meeting of stockholders to be held at the executive offices of the Corporation in the Town of Wheatfield, New York, on April 16, 1956, and a form of proxy for use at the meeting by any stockholder who will be unable to attend in person, accompany this proxy statement.

#### THE PROXY

The proxy is solicited by the management of the Corporation by authority of its Board of Directors. Any stockholder giving his proxy has the power to revoke it at any time prior to the exercise of the powers conferred thereby. Space is provided in the proxy for stockholders to indicate approval or disapproval of the proposal to be acted upon at the meeting; if no choice is specified, the proxy authorizes a vote in favor of the proposal and will be voted accordingly.

The cost of solicitation of proxies will be borne by the Corporation. In addition to solicitation by mail, arrangements may be made with brokerage houses and other custodians, nominees and fiduciaries to send proxies and proxy material to their principals, and the Corporation may reimburse them for their expenses in so doing.

The Corporation had outstanding on March 12, 1956, the record date for the meeting, 2,626,742 shares of Common Stock, \$1 Par Value, which is the only class of voting securities. Each share of Common Stock is entitled to one vote. Only stockholders of record at the close of business on March 12, 1956 are entitled to vote.

#### RESPECTING THE ELECTION OF DIRECTORS

At the meeting fifteen Directors are to be elected as provided in the By-Laws of the Corporation as amended, to hold office until the next annual meeting and until their respective successors are elected and have qualified. It is the intention of the persons named in the enclosed proxy to vote for the nominees named below, who have been nominated with the approval of The Equity Corporation.

Name	Principal Occupation and Positions Held with the Corporation	Director Continuously Since	Shares of Stock Owned Beneficially March 1, 1956
Lawrence D. Bell	President, Bell Aircraft Corporation	1935	32,000
John E. Bierwirth	President, National Distillers Products Corporation	1947	none
R. Sherrard Elliot, Jr.	Executive Vice President, The Equity Corporation, a registered investment company	1953	(a)
Leston P. Faneuf	Vice President and General Manager, Treasurer, Bell Aircraft Corporation	1955	300

Page Hufty	Chairman, Finance Committee, Northeastern Insurance Company of Hartford	1950	none
Ellery C. Huntington, Jr.	Chairman of the Board, The Equity Corporation	1950	(a)
Albert Fink Milton	Director and Chairman of Executive Committee, The Equity Corporation	(b)	(a)
David M. Milton	President, The Equity Corporation	1948	(a)
George Olmsted	Chairman of the Board, Hawkeye-Security Insurance Company; Vice Chairman of the Board, The Equity Corporation	1948(c)	(a)
Otto A. Pfaff	President, Wheelabrator Corporation, a wholly-owned subsidiary	1955	7176
Frederick F. Robinson	President, National Aviation Corporation, a registered investment company	1948	none
J. F. Schoellkopf, IV	President, Niagara Share Corporation, a registered investment company	1953	200
C. S. Stuckenholt	President, The W. J. Schoenberger Company, a wholly-owned subsidiary	1955	350
Ray P. Whitman	First Vice President, Bell Aircraft Corporation	1935	7475
Walter A. Yates	Vice President, Spaulding-Yates, Inc. distributors of fuels	1935	3950

(a) The Corporation has been informed as follows (all information being as of March 1, 1956):

Equity General Corporation, a wholly-owned subsidiary of The Equity Corporation (Equity), 103 Park Avenue, New York, N. Y. owned beneficially 1,320,266 shares of the Corporation's Common Stock, \$1 par value, representing 50.26% of the shares then outstanding. Of the shares then owned beneficially 352,148 shares, 13.41% of the shares outstanding, were held of record by C. A. England & Co., c/o Chemical Bank & Trust Co., 165 Broadway, New York, N. Y.; 470,176 shares, 17.90% of the shares outstanding, were held of record by Somes & Co., 103 Park Avenue, New York, N. Y.; 473,142 shares, 18.01% of the shares outstanding were held of record by Equity; 6,000 shares, .23% of the shares outstanding, were held of record by Bosworth & Co., c/o Empire Trust Co., 120 Broadway, New York, N. Y.; and 18,800 shares, .71% of the shares outstanding, were held of record by Dean & Co., c/o The First National Bank of Jersey City, 1 Exchange Place, Jersey City, N. J. Hawkeye-Security Insurance Company, an affiliate of Equity, owned beneficially 1,000 shares (.04%) of the Corporation's outstanding Common Stock.

(b) Mr. Albert Fink Milton served as a Director and Officer of C. & C. Super Corporation and a predecessor corporation from December 1950 until February 1955 and thereafter undertook special assignments in the financial field. In December 1955 Mr. Milton was elected a Director and Chairman of the Investment Committee and subsequently Chairman of the Executive Committee of Equity.

(c) Except for a period in 1952 and 1953.



## NATURE OF INTERESTS OF CERTAIN NOMINEES IN THE EQUITY CORPORATION

The Corporation has been informed as follows (all information being as of March 1, 1956):

Oceanic Trading Company, Inc. (Oceanic), which had outstanding 138,436.1 shares of Common Stock having sole voting power, owned beneficially 41,600 shares of Common Stock of Landair Associated Corporation, Inc. (Landair), which had outstanding 82,886 shares of Common Stock having sole voting power.

Landair owned beneficially 1,722,300 shares of Common Stock of Equity (Equity Common) (24.67% of class) and 1,500 shares of \$2 Convertible Preferred Stock of Equity (together representing 24.03% of the outstanding voting securities), all of which shares were owned of record. Landair owned beneficially 2,850 shares of Common Stock of Oceanic.

Marvil Corporation, Inc. (Marvil), which had outstanding 4,810 shares of Common Stock having sole voting power, owned beneficially 23,030.6 shares of Common Stock of Oceanic.

R. S. Elliot, Jr., a director and officer of Equity, owned beneficially 144 shares of Common Stock of Marvil and 1,357 shares of Equity Common. An associate of Mr. Elliott owned beneficially 2,628 shares of Equity Common.

Ellery C. Huntington, Jr. a director and officer of Equity, owned beneficially 15,000 shares of Common Stock of Oceanic, 890 shares of Common Stock of Marvil and 1,984 shares of Common Stock of Landair. Associates of Mr. Huntington owned beneficially 237 shares of Common Stock of Landair.

Albert Fink Milton, a director of Equity, owned beneficially 790 shares of Common Stock of Oceanic and 4,418 shares of Common Stock of Equity. An associate of Mr. Milton owned beneficially 810 shares of Equity Common.

David M. Milton, a director and officer of Equity, had, through a certain trust, an indirect beneficial interest in 75.47% of the outstanding voting shares of Montana Trading Company, Inc., which owned beneficially 18,000 shares of Common Stock of Oceanic.

George Olmsted, a director and officer of Equity, owned beneficially 890 shares of Common Stock of Marvil and 11,328 shares of Common Stock of Landair; he and an associate owned beneficially 10,710.05 shares of Common Stock of Hawkeye-Security Insurance Company, an affiliate of Equity, which owned beneficially 25,000 shares of Common Stock of Equity.

Lawrence D. Bell, a director of Equity, owned beneficially 150 shares of Equity Common. Otto A. Pfaff and Walter A. Yates owned beneficially 17,550 and 100 shares of Equity Common respectively. Page Hufty owned 1,650 shares of \$2 Convertible Preferred Stock of Equity.

**RESPECTING TRANSACTIONS WITH AFFILIATES  
OF THE EQUITY CORPORATION**

On February 23, 1955, the Corporation and The Equity Corporation entered into an agreement by which the Corporation agreed to sell to Equity 29,989 shares of the Common Stock of Erie Insurance Company (Iowa), being all the common stock outstanding other than directors' qualifying shares, for the sum of \$499,817, the amount of the original investment of the Corporation in Erie. The provisions of the agreement having been complied with, the transaction was completed on June 3, 1955. Prior to and at the time of the sale there was in effect a Quota Share Re-Insurance Agreement between Erie and Hawkeye-Security Insurance Company, an affiliate of The Equity Corporation, providing for re-insurance of 50% of Erie's business by Hawkeye-Security and for equal apportionment of expenses.

In 1955 the Planning and Service Corporation, an affiliate of The Equity Corporation, received the sums of \$89,583.33 from Bell Aircraft Corporation and \$16,500.00 from Wheelabrator Corporation, a wholly owned subsidiary, for consulting and advisory services under contracts for such services on an annual basis.

**REMUNERATION OF DIRECTORS AND OFFICERS**

**Remuneration in calendar year 1955 of directors, and three highest paid officers, receiving more than \$30,000; of all officers and directors as a group, and information respecting benefits on retirement.**

<u>Name of individual or identity of group, and capacities in which remuneration was received</u>	<u>Aggregate remuneration</u>	<u>Approximate remuneration remaining after federal and state income taxes (1)</u>	<u>Pension retirement and similar payments (2)</u>	<u>Estimated annual benefits on retirement (3)</u>
Lawrence D. Bell President and Director	\$ 98,670.08	\$45,766.49	\$16,176.28	\$ 33,705.04(4)
Leston P. Faneuf Vice President, General Manager, Treasurer and Director	70,607.51	37,251.49	14,327.54	24,999.96
Ray P. Whitman First Vice President and Director	61,953.36	34,193.12	11,424.85	16,728.24
All persons, as a group, who were officers or directors in 1955, including the three persons named above				
Officers and Directors	515,291.36		70,723.99(5)	150,193.24(4)

- (1) Federal and state income taxes estimated on the basis of 1955 rates assuming taxpayer is married and files a joint return with deductions equalling a standard deduction plus state income taxes, but without giving effect to additional exemptions, deductions or income other than direct remuneration received from the Corporation.
- (2) The Retirement Plan is of the insured type. The amounts shown are the net payments made by the Corporation for insurance contracts in 1955, in addition to which the employee makes a contribution.
- (3) These are the maximum benefits payable under insurance contracts purchased and to be purchased, based upon the assumption that the employee remains in the employ of the Corporation until normal retirement date, which is age sixty-five, or, for employees over age fifty-five at time of entry into the Plan, ten years in the plan. The original retirement plan for salaried employees adopted in 1942 providing for normal retirement at age 60 was amended in 1954 to change normal retirement age to 65. Messrs. Bell and Whitman, who had then reached age 60, continued in active service and thus are included in the plan to December 31, 1958. Accordingly annual pension benefits for Messrs. Bell and Whitman are determined on a combination of installment refund and ten year certain and continued bases. All other officers' pension benefits are on a straight ten year certain and continued plan. Termination of employment or death before normal retirement date would materially reduce the benefits. A part of the benefit is attributable to the contribution made by the employee.



- (4) This figure includes the estimated annual benefits of \$10,000 under annuity contracts acquired by Mr. Bell in 1947 which are unconnected with the Retirement Plan.
- (5) No directors participate in the Retirement Plan except those who are also salaried employees.

Pursuant to restricted stock options approved by the stockholders and granted September 7, 1951 to purchase shares of the Corporation's Common Stock at \$27.375 per share, equivalent to slightly more than 95% of the then market price, Mr. Bell purchased 30,000 shares on October 14, 1955. This purchase was made at \$6.84375 per share, the price having been adjusted to reflect the 2-for-1 stock splits of February, 1952 and November, 1954.

Under the Corporation's Employees' Stock Purchase Plan, officers of the Corporation purchased a total of 2100 shares of its Common Stock since January 1, 1955, of which 1700 shares were purchased at \$5.00 per share and 400 shares at \$3.00 per share. Of that amount, 400 shares were purchased on April 1, 1955, 800 shares were purchased on June 6, 1955, 400 shares on June 13, 1955, 100 shares on September 19, 1955, 300 shares on November 29, 1955, and 100 shares on February 14, 1956. On May 20, 1955 and June 1, 1955, respectively, outstanding contracts with Leston P. Faneuf, entered into prior to his being elected a Director, and with another officer, were modified to extend the time to purchase 400 shares at \$5.00 per share provided for by each such contract to June 12, 1956 and June 6, 1956, respectively. Each of them purchased 200 of such shares during 1955 and Mr. Faneuf has purchased an additional 100 shares in 1956, such purchases being included in the amounts stated above. The two latter contracts are the only contracts outstanding under the plan.

Shares of the Corporation's Common Stock were reported as sold on the New York Stock Exchange at the following prices on dates referred to above:

	<b>High</b>	<b>Low</b>
April 1, 1955	\$33.50	\$32.25
May 20, 1955	27.25	27.00
June 1, 1955	26.625	26.00
June 6, 1955	27.00	26.375
June 13, 1955	26.125	25.50
September 19, 1955	25.625	25.375
October 14, 1955	23.75	23.375
November 29, 1955	24.125	23.625
February 14, 1956	23.75	23.375

On March 1, 1956 shares of such stock were reported as sold on that Exchange at prices ranging from \$24.50 to \$25.00 per share.

#### **RESPECTING THE ELECTION OF AUDITORS**

The Board of Directors has nominated Arthur Andersen & Co., independent public accountants, to audit the books and accounts of the Corporation for the year ending December 31, 1956. The management has been informed that no member of that firm has any direct financial interest or any material indirect financial interest in the Corporation or any of its affiliates. No member of that firm had any connection during the past three years with the Corporation or any of its affiliates in the capacity of promoter, underwriter, voting trustee, director, officer or employee.

#### **DISCRETIONARY AUTHORITY ON OTHER MATTERS**

As of the date of this Proxy Statement the management does not intend to present and has not been informed that any other person intends to present any other matters for action at the meeting. However, if other matters do properly come before the meeting, it is the intention of the persons named as proxies to vote upon them in accordance with their best judgment.

By order of the Board of Directors:

WILLIAM G. GISEL,

*Secretary.*

March 26, 1956.