NEW YORK — Starbay Records has purchased the rights to certain monogram catalog recordings and has announced a new label, "Sound," for the production of new records. The label, which will be called "Sound," will be produced by the late Hal Neely's estate and heirs to the estate of the record company. The new label is a joint venture between Monument and its parent company, R&B fields. Pierce will concentrate on the new label, "Sound," but will continue to participate in the publishing area and it is known he is currently in negotiations for other labels as well.

Col. Jim Wilson, a former King field sales manager, is now the new sales manager at the new Sound label, known as the "Sound" label. Wilson has been vice president of Marketing for Starbay for three years and will now handle all of the new label's marketing and promotional activity for both companies. Wilson said he was in the process of expanding staff and would have some personnel announcements soon.

John Miller, plant manager (Continued on page 45)

Capitol Industries Up 1st Qtr Sales, Income

LOS ANGELES—Net income of Capitol Industries, Inc., increased to $903,000 or 26 cents per share for the first quarter of the current fiscal year, compared with $847,000 or 24 cents per share in the first quarter of last year.

Glen E. Wallisch, Capitol Industries, Inc., president, attributes the higher earnings to better sales and improved operating efficiency and concludes for another record period of the company's history.

Capitol sold $11.9 million of new record products and all-time sales of MGM, Capitol, and RCA Victor for the quarter, an increase of 26 cents per share over the average of $4,126,132 shares outstanding for the same period of the 1964 fiscal year, 4,041,231 last year.

Capitol Industries was formed last Feb. following the merger of the Capitol Records, and Audio Devices, New York, and the New York Publishers of recording and computer tape.

Merco Opens 9 New Leased Departments

MERCEDES—Merco—Mercury Enterprises, Inc., has opened nine new "leased" record departments. One of the largest, Merco's New York City branch, will be managed by the city's largest independent merchant, MCO's new leased department brings their current total to 19.

Merco is now operating as licensees of "Three Models," "Shipper's World" (Comack and East Meadow in Long Island and Lodi, New Jersey), Henry Model & Co. at 26 Broadway in Manhattan, Sabre's in Milford, Connecticut, and the new Elks' Plaza store in Islip, Long Island and the three Great Eastern stores (Elmwood, New Jersey, and Edison, New Jersey).

Merco's leased departments figure to add substantially to Merco's volume of business and provide a valuable source of profit to the independent merchants. Merco's new leased department brings their current total to 19.

Lady Waves Dies

LONDON—Lady Waves, wife of Sir Edward Lewis, chairman of the board of British Decca, died last week. She was 64. She leaves four children, one of whom is a member of the phonograph and a senior stockholder.

SEE CHESS SALE TO GRT

NEW YORK — Strong rumors have been circulating that the legendary Chess Sale, which retailed Chess Records, and all its affiliated labels, to General Reclamations, Inc., could be in jeopardy. Although CB was unable to contact Chess Records for comment, it is believed that negotiations have already been completed and that an official announcement is imminent.