

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



A brief summary of financial proposals filed with and actions by the S.E.C.

Washington 25, D.C.

(In ordering full text of Releases from Publications Unit, cite number)

FOR RELEASE March 30, 1959

Statistical Release No. 1593

The SEC Index of Stock Prices, based on the closing prices of 265 common stocks for the week ended March 26, 1959, for the composite and by major industry groups compared with the preceding week and with the highs and lows for 1958 and 1959, is as follows:

	<u>1939 = 100</u>		Percent <u>Change</u>	<u>1958 - 1959</u>	
	<u>3/26/59</u>	<u>3/20/59</u>		<u>High</u>	<u>Low</u>
Composite	410.3	414.6	- 1.0	417.2	299.0
Manufacturing	503.6	509.3	- 1.1	512.3	373.3
Durable Goods	469.3	475.9	- 1.4	481.0	332.2
Non-Durable Goods	525.5	530.1	- 0.9	534.8	402.2
Transportation	348.3	353.1	- 1.4	357.9	219.7
Utility	220.3	222.1	- 0.8	222.6	155.5
Trade, Finance & Service	399.3	402.1	- 0.7	409.5	263.2
Mining	343.6	346.5	- 0.8	360.4	261.3

SEC TO CONFER ON "VARIABLE ANNUITY" REGULATORY PROBLEMS

On March 23, The Supreme Court of the United States sustained the contention of the Securities and Exchange Commission that variable annuity contracts are securities. These contracts have been offered and sold by Variable Annuity Life Insurance Company of America and Equity Annuity Life Insurance Company, who were defendants in an action by the Commission to enjoin their offer and sale until they had been registered under the Securities Act of 1933 and the Investment Company Act of 1940. Since this decision, members of the Commission staff have had numerous questions put to them concerning the possible impact of dual regulation by this Commission and state regulatory bodies over insurance companies, both those presently offering such contract and those who were considering offering the same or a variation thereof. The Commission and its staff have already consulted with representatives of some of these companies in accordance with its policies in effect since its organization almost 25 years ago, under which it will assist any member of the public who is desirous of complying with the safeguards contained in the Securities Acts.

Over the years the Commission in administering its functions under the federal securities laws, sometimes on its own motion and sometimes by request, has repeatedly reconsidered or revised its rules, regulations and forms in an effort to avoid unnecessary duplication of systems of account reports, and filings where those subject to its jurisdiction may be also subject to the jurisdiction of another federal or state regulatory authority. In pursuance of this policy and in order that the Commission may be in a better position fairly and effectively to administer the federal Securities Acts in connection with variable annuities, the Commission has today invited officials of the National Association of Insurance Commissioners and the North American Securities Administrators to meet with it in Washington to consider the mutual problems of regulation involved in the issuance and sale of these securities.

For further details, call ST. 3-7600, ext. 5526

CANADIAN RESTRICTED LIST
Twenty-first Supplement

The Securities and Exchange Commission has removed the stock of TITAN PETROLEUM CORP., LTD., from its Canadian Restricted List, reducing the number on the list to 210.

The List is comprised of the names of Canadian companies whose securities recently have been or are being distributed in the United States in violation of the registration requirement of the Securities Act of 1933. The Titan Petroleum stock was added to the list in December 1957. The company and its principal stockholders have filed undertakings to comply with the Securities Act registration requirements in the event of any future distribution of the company's shares in the United States, and have otherwise satisfied the conditions for removal from the List specified in the Securities Act Release No. 3632 of April 24, 1956. Accordingly, the Commission concluded that the stock might appropriately be removed from the List.

ANKEN CHEMICAL FILES FOR OFFERING AND SECONDARY

Anken Chemical & Film Corporation, 1 Hicks Ave., Newton, New Jersey, filed a registration statement (File 2-14894) with the SEC on March 27, 1959, seeking registration of 225,000 shares of Common Stock. Of this stock, 112,500 shares are to be offered for sale by the issuing company; and the remaining 112,500 shares, representing outstanding stock, are to be offered for sale by the holders thereof. R. W. Pressprich & Co. and Riter & Co. are listed as the principal underwriters. The public offering price and underwriting terms are to be supplied by amendment. Concurrently with the sale of the stock, the company will sell to the two managing underwriters options to purchase 12,500 common shares through April 1964. The options terms are to be supplied by amendment.

The company is engaged primarily in the business of silver-sensitizing photographic papers. Net proceeds of its stock sale will be available for general corporate purposes, including the proposed expansion of its manufacturing facilities and increase in working capital. It is anticipated that some \$400,000 of the proceeds will be applied to constructing and equipping a new building for coating operations and additional building space for finishing and shipping operations, and the balance will be added to working capital.

The company has outstanding 602,465 common shares, of which 467,880 shares are held by the eight selling stockholders. Among the latter are Louis P. Ratti, president, who proposes to sell 15,064 of 71,615 shares held; Frederick J. Schumann, vice president, 17,989 of 86,495; Kurt Wolfson, vice president, 13,972 of 64,715; Willis H. Sherred, secretary, 13,354 of 57,075; John B. and Marion N. Blakely, trustees for three members of the Blakely family, 15,019 of 46,730; and Dorothy C. Boyer, trustee for three Boyers, 20,722 of 75,000. John Blakely is board chairman, M. Richard Boyer, is vice president and assistant secretary-treasurer. Revised options are to be granted Messrs. Blakely, Boyer, Ratti, Schumann and Wolfson for the purchase of an additional 25,000 shares; and further options for the purchase of 12,500 shares are to be issued to Messrs. Sherred and Arthur J. Bretnall, all at \$1.19572 per share.

AIRTEK DYNAMICS FILES STOCK OFFERING PROPOSAL

Airtek Dynamics, Inc., 2222 South Figueroa St., Los Angeles, filed a registration statement (File 2-14895) with the SEC on March 27, 1959, seeking registration of 150,000 shares of common stock, to be offered for public sale through an underwriting group headed by S. D. Fuller & Co. The public offering price and underwriting terms are to be supplied by amendment. In addition to the underwriting commission, Airtek will pay \$10,000 of the expenses of the managing underwriter; and it will issue to the managing underwriter, for \$300, warrants to purchase 30,000 common shares at \$8.50 per share at any time prior to May 1962. A finder's fee of \$6,000 is payable to Wm. M. Rosenbaum & Co., who also has the right to purchase an additional 3,333 of warrants at a price of \$33.33.

Airtek was organized in June 1957 for the purpose of acquiring and operating established businesses in the aircraft and missile fields. In July 1957 it acquired all outstanding common stock of Pachmayr Corporation and in January 1958 Pachmayr was liquidated and merged into Airtek. The machining of complex three-dimensional structural parts for aircraft was the major business of Pachmayr and has to date constituted the principal activity of Airtek. In March 1959 Airtek ac-

Red all outstanding common stock of Research Welding & Engineering Co., Inc., primarily engaged in the engineering, forming and precision welding of tanks and fuselage sections for missiles. Integrated, the companies are said to complement each other in both the missile and aircraft fields. Airtek now has outstanding 193,950 common shares, all of which are held by management officials, including Gustave G. Michel, Los Angeles, president, 47,319 shares; Bryant R. Burton, of Arcadia, secretary, 52,545; and Alex G. Fisher, of Toronto, a director, 58,760.

Approximately \$800,000 of the net proceeds of the stock sale will be applied to provide working capital for Airtek to carry into effect its growth program and to provide working capital for Research Welding Co. The balance of the proceeds will be applied to payment of \$150,000 of bank loans, \$50,000 of loans from stockholders, and \$55,000 of loans of Research Welding Co.

UNION CARBIDE FILES EMPLOYEE SAVINGS PLAN

Union Carbide Corporation, 30 East 42nd St., New York, filed a registration statement (File 2-14896) with the SEC on March 27, 1959, seeking registration of \$30,000,000 of Participations in the Savings Plan for Employees of Union Carbide and its U. S. subsidiaries, together with 50,000 shares of Union Carbide capital stock which may be acquired pursuant thereto.

DIAMOND STATE TELEPHONE FILES FOR DEBENTURE OFFERING

The Diamond State Telephone Company, 1835 Arch St., Philadelphia, filed a registration statement (File 2-14897) with the SEC on March 27, 1959, seeking registration of \$5,000,000 of Thirty-five year Debentures, due April 1, 1994, to be offered for public sale at competitive bidding.

The company's operations are located primarily in Delaware. Net proceeds of the sale of the debentures will be used largely to repay advances from its parent, American Telephone and Telegraph Company, in the approximate amount of \$3,950,000. The balance will be used for general corporate purposes. The parent company advances were made for general corporate purposes, including property additions and improvement.

WOMETCO (WOLFSON-MEYER THEATER) ENTERPRISES FILES FOR SECONDARY (formerly Wolfson-Meyer Theater Enterprises, Inc.)

Wometco Enterprises, Inc., 306 North Miami Ave., Miami, Florida, filed a registration statement (File 2-14898) with the SEC on March 27, 1959 seeking registration of 325,000 outstanding shares of its Class A Common Stock, of which 290,000 shares are to be offered for public sale by the holders thereof through an underwriting group headed by Lee Higginson Corporation and the balance of 35,000 shares by such holders initially to officers and employees of the company. The public offering price and underwriting terms are to be supplied by amendment.

The company's new name is to be adopted in April 1959. It was founded by Mitchell Wolfson and Sidney Meyer; and members of the Wolfson and Meyer families own more than 99% of its stock. The company owns and operates television station WTVJ in Miami and television station WLOS-TV and FM and AM radio station WLOS in Asheville, N. C. It also operates a chain of 22 motion picture theatres, 20 in the Greater Miami area and two in Palm Beach and Tampa, as well as the sale of confectionery merchandise through its own theatres and otherwise.

After giving effect to various transactions, including the redemption of certain capital stock, to reclassification of its capital stock, to certain indebtedness incurred in connection with transactions between the company and its stockholders, and to the dissolution and liquidation of a former subsidiary, WTVJ, Inc., all to occur in April 1959, the company will have outstanding 363,730 shares of Class A and 540,000 shares of Class B common stock. Mitchell Wolfson and Sidney Meyer, together with their respective wives and descendants, will own 360,000 of the Class A shares and all of the Class B shares. The prospectus lists 21 sellers of the 325,000 Class A shares. These are Sidney Meyer, Zenia Meyer and Barbara Schechter, who propose to sell all of their Class A holdings of 114,780, 25,220, and 140,680 shares, respectively. Mitchell Wolfson proposes to sell 5,480 of his holdings of 10,961 shares of Class A stock. Sidney Meyer owns 24,033 Class B shares; Zenia Meyer 24,033; Barbara Schechter, 20,967; Patricia Goldstein, 20,967; Mitchell Wolfson 70,468; Frances Wolfson 29,935; and seven Wolfson trusts or interests, Class B shares ranging from 19,393 to 65,040.

HEARING SCHEDULED ON MIDDLE SOUTH STOCK OPTION PLAN

Middle South Utilities, Inc., New York, New York, holding company, has filed proposals with the SEC to amend its charter, to seek stockholder approval of the amendment, and to adopt a plan for granting stock options to certain employees; and the Commission has scheduled the proposals for hearing on April 28, 1959. (Release 35-13964).

Middle South proposes to adopt a stock option plan for the granting of "restricted stock options" to "key employees" of Middle South and its subsidiaries for the purchase of Middle South common stock at not less than 95% of the market price of outstanding shares on the date the option is granted. It also proposes to amend its charter so as to exclude from the provision for preemptive rights the aggregate number of shares offered pursuant to the stock option plan. Solicitation of stockholder approval of such amendment, as well as the stock option plan, also is proposed. At the hearing, inquiry will be conducted into the question whether these proposals are consistent with provisions of the Holding Company Act.

SEC ORDERS DECLARE TWO FUNDS NO LONGER INVESTMENT COMPANIES

The SEC has issued orders declaring that Manhattan Bond Fund, Inc., of Elizabeth, New Jersey, (Release No. 40-2849) and Woman's Income Fund, Inc., Baltimore, Maryland, (Release No. 40-2851) have ceased to be investment companies. Substantially all the assets of Manhattan Bond Fund were transferred to Diversified Investment Fund, Inc., in exchange for 1,849,120 of Diversified shares; and Woman's Income Fund received 6,279 shares of Mutual Shares Corporation for substantially all of its assets.

SEC ORDER GRANTS LIMITED EXEMPTION TO EUROFUND

The SEC has issued an order under the Investment Company Act of 1940 (Release 40-2850) granting an exemption, until the February 16, 1960, stockholders meeting of the company, from provisions of that Act with respect to stockholder approval of investment advisory contracts, stockholder election of directors, and stockholder approval of the selection of independent public stockholders. The company was organized under Maryland laws on February 25, 1959, and has filed a Securities Act registration statement for the public offering of 2,500,000 shares of its capital stock.

VENTURE SECURITIES FUND PROPOSES STOCK PURCHASE

Venture Securities Fund, Inc., 1617 Pennsylvania Boulevard, Philadelphia, Pa., investment company, has applied to the SEC for an exemption order under the Investment Company Act of 1940 permitting its purchase of Alco Oil & Chemical Corporation stock; and the Commission has issued an order (Release No. 40-2852) giving interested persons until 1:30 P. M., April 10, 1959, to request a hearing thereon.

Alco Oil has filed a Securities Act registration statement with respect to the public offering of 500,000 shares of its common stock (18.3% of the total common stock outstanding) by controlling stockholders. Andrew N. Winslow, Jr., a director of the Fund, is a director of one of the proposed underwriters of the stock offering. By reason of this affiliation, the Fund's purchase of the stock is prohibited by Section 10(f) of the Act in the absence of the issuance of an order of exemption by the Commission. Such purchase would not meet the exemption requirements of Rule 10f-3 for the reason that the underwriting commissions are expected to exceed the limitations stated in that rule. Accordingly, the Fund has applied for the exemption order permitting its purchase of Alco Oil shares in an amount otherwise permitted by said rule.

TENNESSEE GAS FILES THRIFT PLAN

Tennessee Gas Transmission Company, Tennessee Bldg., Houston, Texas, filed a registration statement (File 2-14900) with the SEC on March 27, 1959, seeking registration of \$2,000,000 of interests in its Thrift Plan, together with 54,054 shares of Tennessee Gas common stock which may be acquired pursuant to the plan.



ADDITIONAL INCORPORATED INVESTORS SHARES IN REGISTRATION

Incorporated Investors, Boston investment company, filed an amendment on March 27, 1959, to its registration statement (File 2-10783) seeking registration of an additional 3,000,000 common shares.

REITER-FOSTER OIL FILES FOR DEBENTURE OFFERING

Reiter-Foster Oil Corporation, 421 Meadows Bldg., Dallas, Texas, today filed a registration statement (File 2-14899) with the SEC seeking registration of \$1,500,000 of 6% Convertible Debentures due 1969. The company proposes to offer the debentures for subscription by holders of its common stock at the rate of \$100 principal amount of debentures for each 300 common shares held. The record date and subscription price are to be supplied by amendment. The underwriter, Emanuel Deetjen & Co., as agent of the company, will use its best efforts to solicit acceptances of the offer and to form and manage a group of dealers to solicit acceptances. There is no firm commitment to purchase. The underwriter will receive a commission of 10%.

The company's principal business is the acquisition and development of oil and gas properties. Of the net proceeds of this financing, \$350,000 will be used to pay current debtors of the company. The balance will be added to the general funds of the company and will be available for the development of its present properties and the continuance of its program of acquisition and development of additional oil and gas properties.

SECTION 16(b) RULE ADOPTED

The SEC today announced the adoption of a new Rule 16b-8 under the Securities Exchange Act of 1934 (Release 34-5921) providing an exemption for transactions of the type specified therein from the "recovery" provisions of Section 16(b) of the Act. Section 16(b) provides in general that short term trading profits obtained by certain holders of stock of a "listed" company may be recovered by or on behalf of the issuing company.

The new rule exempts from Section 16(b), under certain prescribed conditions, the receipt from an issuer of shares of stock having general voting powers and registered on a national securities exchange upon the surrender of an equal number of shares of stock of the same issuer which do not have such voting power and are not so registered, where the transaction is effected pursuant to the provisions of the issuer's certificate of incorporation for the purpose of making an immediate sale of the shares so received.

The conditions of the rule, briefly summarized, are that the transaction is not effected by an officer or director of the issuer or a person who was a beneficial owner immediately prior to the transaction of more than ten percent of a registered equity security of the issuer; that the shares surrendered and the shares received are freely transferable and entitle the holders thereof to participate equally per share in all distributions of earnings and assets; that the shares received must be registered upon issuance in the name of a person or persons other than the holder of the shares surrendered and may be issued as of right only in connection with the public offering; sale and distribution or gift of such shares; and that no shares of the class surrendered or any other shares of the class received are acquired, by the person effecting the transaction, within six months before or after the date of the transaction.

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