

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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

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Washington 25, D.C.

FOR RELEASE April 21, 1959

## HUPP CORP. FILES STOCK PLAN

Hupp Corporation, 1135 Ivanhoe Rd., Cleveland, filed a registration statement (File 2-15009) with the SEC on April 20, 1959, seeking registration of 468,000 shares of common stock, to be offered to employees of the company and its subsidiaries who hold options to purchase Hupp stock granted under the company's Incentive Stock Option Plan.

## SECURITIES FUND FILES FOR OFFERING

Securities Fund, Inc., 163 Engle Street, Englewood, N. J., filed a registration statement (File 2-15010) with the SEC on April 20, 1959, seeking registration of a maximum of \$2,400,000 of Plans for the accumulation of shares of capital stock of the Fund.

## NORWICH PHARMACAL FILES STOCK PLAN

The Norwich Pharmacal Co., Norwich, N. Y., filed a registration statement (File 2-15011) with the SEC on April 20, 1959, seeking registration of 70,000 shares of common stock, being the number of shares as to which options recently have been granted or may be granted under the Key Employees' Stock Option Plan of the company.

## ADRS FOR WEST DRIEFONTEIN GOLD FILED

Guaranty Trust Company of New York filed a registration statement (File 2-15012) with the SEC on April 20, 1959, seeking registration of American Depositary Receipts for 50,000 Ordinary Registered Shares of West Driefontein Gold Mining Company Limited, of the Union of South Africa.

## AMERICAN HOSPITAL SUPPLY FILES EXCHANGE OFFER

American Hospital Supply Corporation, 2020 Ridge Ave., Evanston, Ill., filed a registration statement (File 2-15013) with the SEC on April 20, 1959, seeking registration of 6,870 shares of its \$4 par common stock. American proposes to offer this stock in exchange for common stock of Massillon Rubber Company on the basis of 3 shares of American common for one share of Massillon common.

American's prospectus states that its directors have recommended a split of its common stock of three for one with a change in its par value from \$4 to \$2 a share and to increase the shares authorized from 2,000,000 to 6,000,000. The shareholders of American were to have voted on this plan at the April 18th annual meeting. In the event such split is effective prior to the foregoing exchange, the number of shares of American to be exchanged for one share of Massillon will be nine of the new \$2 par stock. At January 31, 1959, there were 736,228 outstanding shares of American's \$4 par stock.

Massillon manufactures surgical gloves sold to surgical and hospital supply dealers. Its offices and manufacturing facilities are located in Massillon, Ohio. American plans for Massillon to continue operations as an independent company essentially as it has in the past.

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

## GENERAL TIRE FILES EMPLOYEES' STOCK PLAN

The General Tire & Rubber Company, 1708 Englewood Ave., Akron, Ohio, filed a registration statement (File 2-15016) with the SEC on April 21, 1959, seeking registration of 189,143 shares of its common stock, representing shares which could be purchased at April 15, 1959, upon the exercise of all options previously granted to the extent not previously exercised, and upon the exercise of any options that may hereafter be granted for shares now available for option, under the company's Employees' Stock Option Plan.

## TWO VARIABLE ANNUITY COMPANIES FILE FOR REGISTRATION

The Equity Annuity Life Insurance Company, 2480 Sixteenth St., N. W. and the Variable Annuity Life Insurance Company of America, 1832 M Street, N. W., both of Washington, D. C., today filed registration statements with the SEC (File Nos. 2-15014 and 2-15015) seeking registration of their Variable Annuity Policies in the respective amounts of \$1,000,000 and \$4,000,000.

Variable annuity contracts generally undertake to provide the annuitant with an income for the period of his life which is not fixed in dollar amount but which varies with the investment results achieved by the company. A recent U. S. Supreme Court decision held that they were properly to be construed as securities within the meaning of the Federal Securities Laws. The two companies have applied for a temporary exemption from certain provisions of the Investment Company Act of 1940.

The Equity Annuity Life prospectus states, in part: "The Company is offering variable annuity contracts (policies) to the public at various prices and under various plans.

"The offering price of variable annuity contracts offered hereby can be no less than \$120.00 a year for annual premium contracts and no less than \$1,500.00 for single premium contracts. The sales cost depends upon the length of the period between initial premium and final premium in the case of annual premium contracts. The total sales charge for annual premium contracts is 40% of the first year's premiums and 5% of premiums for the next nine years. The sales charge for single premium contracts is 5%.

"A charge of 10% of the first year's premium on annual premium contracts and 5% of single premium contracts is made to cover the Company's initial issuance and administrative costs. On annual premium contracts the administrative charge is reduced to 7% for the next nine years and to 6% thereafter."

In its prospectus, Variable Annuity Life states in part: "The Company is offering pursuant to this prospectus the three general types of variable annuity policies described above.

"In the case of an annual premium deferred variable annuity policy (without insurance) upon which all premiums contemplated in the policy are paid, sales commissions and expense allowances will range from 8.5% to 3.17% of total premiums paid, depending on the number of years from date of issue to retirement date. (8.5% in case of a 10-year period; 3.17% in case of a 30-year period.) Such policy for like periods also allows for Company administrative expenses and contingencies in an amount constituting 5% to 5.43% of total premiums paid plus state premium taxes of 2%.

"If the pay-in period is longer than 30 years, sales commissions and allowances will constitute a smaller percentage of total premiums paid. Since a proportionately larger part of sales commissions and expense allowances is deducted from premium payments made during the early years of the pay-in period, policyholders who surrender their policies before completion of all premium payments will, in effect, pay a higher rate of commissions, and early surrender of a policy will result in a loss.

"In case of a deferred variable annuity policy with a 10-year maturity date without insurance carried to completion, total charges amount to 15.5% of premiums paid; if such policy is surrendered at the end of one year, such charges amount to 52% of premiums paid; at the end of two years, 32% and at the end of three years, 25.33%.

"Single premium deferred and single premium immediate variable annuity policies provide for sales commissions and expense allowances of 5%, plus 5% (3% in the case of single premium immediate policies) to cover administrative expenses and contingencies of the Company and 2% for state

premium taxes. Reference is made to page 23 herein for further details concerning commissions and other charges, including the cost of life insurance applicable to an annual premium deferred annuity policy."

#### ALBERT WILKES ENJOINED

The SEC New York Regional Office announced April 17, 1959, that Albert L. Wilkes had been permanently enjoined (USDC, SDNY), on his consent, from further violation of the Commission's short selling rules.

#### TRADING IN JACOBS STOCK SUSPENDED

The SEC has issued an order suspending trading in the common stock of F. L. Jacobs Co. on the New York and Detroit Stock Exchanges and in the over-the-counter markets, for a further ten-day period April 21 to May 1, 1959, inclusive (Release 34- 5938).

#### PHILLIPS - VAN HEUSEN FILES EXCHANGE OFFER

Phillips-Van Heusen Corporation, 417 Fifth Ave., New York, today filed a registration statement (File 2-15017) with the SEC seeking registration of 69,210 shares of its common stock, to be offered in exchange for common stock of Kennedy's, Inc., in the ratio of one and one-half shares of Phillips-Van Heusen stock for one share of Kennedy's stock.

As of April 2, 1959, Phillips-Van Heusen owned 72,285 of the 118,425 outstanding shares of Kennedy's common stock, or approximately 61.04%. It also owned 10,872 of the 50,000 outstanding shares of Kennedy's preferred. Both issues having voting rights, thus giving Phillips-Van Heusen 49.37% of the outstanding voting stock. The latter desires to obtain additional shares of Kennedy's common so that it will have full effective control of the business operation and policies of Kennedy's. It has no present plans for the dissolution and liquidation or merger of Kennedy's with and into Phillips-Van Heusen. Kennedy's is located in Boston. It is engaged in the sale at retail of men's wearing apparel, operates 15 stores in the New England area.

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