

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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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.

ed 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.

