

Confidentiality

3083

ing, litigation, and

earned high praise
Kirkpatrick, now
man, Lewis & Bockius:
ensive review . . .
before the Commis-
ttle or no previous

Practice and Proce-
er now, your special
ou save 20%. To
lose payment with
0.40— and we'll pay
ou even more.

800-221-8195 (in
Ask for Pat Rainsford.
Seminars-Press, 111
NY 10011.

ed with **The Na-**
k Law Journal, the
yers in the nation.

ed within 30 days.
sales tax.

Journal

6 hour
De Simone

NYLJ-12-9

Union's Demands

At the outset of the strike, the union sought per-page increases of 40 percent and an increase of 70 percent in the daily-delivery premium. The union also sought compensation for time spent on jobs when no testimony is taken, as well as for time editing transcripts. The union also had asked for additional compensation for its members when multiple copies of transcripts were ordered.

The accord contained no provision for compensation for "down time" on jobs or for additional payment when copies are ordered. It does, however, stipulate that reporters are to be paid an additional 55 cents a page when reporters are called upon to review transcripts that have been produced from the reporters' notes by a computer.

Mr. De Pew described the strike as bitter, one in which some agencies had attempted to "break" the union by signing individual contracts with its members. He estimated that at least thirty of the union's members had either signed such contracts or worked during the strike. Those members, he said, could be fined by the union by as much as \$1,000.

During the strike, Mr. De Pew said seven of the sixty-five agencies that had signed the previous contract had entered into interim agreements with the union, which enabled them to send union members to jobs while the strike continued.

Turning Point Described

The key turning point came Saturday, according to Mr. De Pew, when the Doyle Reporting Agency agreed to sign a three-year contract. After a four-hour meeting that night six other agencies signed the agreement, Mr. De Pew said. They are the Adler, Advocate, Borak, Esquire, Rayvid and Edward Schulman agencies. At least one other major agency, the DiSimone Reporting Service, has balked at signing the accord, Mr. De Pew said.

Ten of sixteen reporters who customarily work for the owner of the agency, Raymond DiSimone, have reported regularly for work during the strike, while six had refused to work, Mr. De Pew said.

1951, it formed the Honor House Products Corp. (hereinafter Honor House) to conduct the mail order business in a corporate form. All of the stock of Honor House was owned by the S.J. Wegman Company. In 1953, the company constructed its own building in Lynbrook, New York, and another corporation, the Wilbur Street Corporation (hereinafter Wilbur Street) was formed in 1952 to acquire title to the building.

In 1957, the S.J. Wegman Company formed a wholly-owned subsidiary corporation called Agricultural Biologicals Corp. (hereinafter ABC) to develop and market gibberellic acid, a substance which stimulates growth in plants. This product proved unsuccessful and was subsequently abandoned. However, as a result of this effort, Mr. Wegman's attention was called to collagenase, a substance used to treat skin ulcers, burns and bedsores. The company used profits from the mail order business to develop collagenase, and changed the name of ABC to Advance Biofactures Corporation.

In 1965, ABC received approval from the Food and Drug Administration to market collagenase. However, the product was not actively marketed until 1972. Ultimately, collagenase became an extremely successful product and, by the time of trial, accounted for 95 percent of ABC's income. The mail order business became much less significant and finally, in 1983, all of the assets of Honor House were sold for the amount of its liabilities. ABC used much of the money earned from the sale of collagenase for the research and development of new drugs (over \$5 million in a seven-year period).

During the 1960's, a number of outside investors, including Mrs. Wegman's father and some of the Wegmans' neighbors, invested in ABC stock. In 1969 and again in 1972, ABC attempted to sell its shares to the general public. Both efforts, however, were eventually abandoned. As a result, the S.J. Wegman Company continued to own 70 percent of ABC's shares. By the time of trial, ABC employed about sixty people, had four subsidiaries, and had retained earnings of nearly \$3 million.

The role played by Mrs. Wegman

assessments by the Internal Revenue Service that the corporation was contesting. Applying similar methods, Stein determined that ABC was worth \$39,616 in January 1973 and that Mr. Wegman's interest in the corporation was \$22,232.

There was a similar divergence of opinion concerning the value of Honor House. Zweifler testified that Honor House's value in 1973 amounted to \$577,500. Stein, on the other hand, placed the corporation's value at \$170,000 as of that date. There was no testimony concerning the value of Honor House at any other time.

The opinions of the parties' experts differed to a somewhat lesser degree with respect to the value of the parties' real estate holdings. Mrs. Wegman's appraiser, Norman Hanlon, testified that her husband's business property, consisting of a one-story warehouse and industrial building with office space, was worth \$325,000 as of January 1982 and that in January 1985 its value was \$465,000. Mr. Wegman's expert, Jay Tannenbaum, testified that the property was worth \$203,833 in August, 1972, \$370,500 in August, 1981, and \$393,500 in August, 1984.

Mrs. Wegman's expert witness Kenneth Rossman, stated that the Freeport residence, which the parties owned as tenants by the entirety, was worth \$111,000 in December, 1981, \$147,000 in December, 1984. He valued the Hewlett Bay Park home at \$417,000 as of December, 1981, \$550,000 as of December, 1984. Mrs. Wegman's expert, Margery Hanlon, concluded that the marital residence was worth \$55,000 in December, 1981 and \$174,000 in December, 1984. She valued the Hewlett Bay Park property at \$350,000 as of December, 1981 and \$525,000 as of December, 1984.

It appears that Mr. Wegman's remaining assets consisted of a profit sharing plan and securities portfolio valued at approximately \$98,000, that in addition to her interest in the Freeport house, Mrs. Wegman's assets consisted of \$4,000 in a credit union account, an automobile purchased in 1981, a \$5,000 municipal bond, 5,500 shares of ABC stock that

Continued on page 19, column 1