



FEDERAL RESERVE BANK
OF DALLAS

WILLIAM H. WALLACE
FIRST VICE PRESIDENT

November 17, 1986

DALLAS, TEXAS 75222

Circular 86-95

TO: The Chief Executive Officer of all
member banks and others concerned in
the Eleventh Federal Reserve District

SUBJECT

Over-the-Counter (OTC) Margin Stocks

DETAILS

The Board of Governors of the Federal Reserve System has revised the list of over-the-counter (OTC) stocks that are subject to its margin regulations. The Federal Reserve Bank of Dallas will be publishing a complete list once a year and publishing supplements of additions to and deletions from the list three times a year. The complete list of OTC stocks effective May 13, 1986 and supplements of additions and deletions effective August 11, 1986 and November 11, 1986 are available from the Public Affairs Department.

ATTACHMENTS

The Board's press release and the material as published in the Federal Register announcing revisions to the list of OTC stocks effective November 11, 1986 are attached.

MORE INFORMATION

For further information regarding marginable OTC stock requirements, please contact David W. Dixon of this Bank's Legal Department at (214) 651-6228.

Sincerely yours,

William H. Wallace

FEDERAL RESERVE press release



For use in morning papers
October 27, 1986

October 24, 1986

The Federal Reserve Board today published a revised list of over-the-counter (OTC) stocks that are subject to its margin regulations, effective November 11, 1986.

This List of Marginable OTC Stocks supersedes the revised List of Marginable OTC Stocks that was effective on August 12, 1986. Changes that have been made in the List, which now includes 2,887 OTC stocks, are as follows:

- 219 stocks have been included for the first time, 181 under NMS designation.
- 40 stocks previously on the List have been removed for substantially failing to meet the requirements for continued listing.
- 42 stocks have been removed for reasons such as listing on a national securities exchange or involvement in an acquisition.

The list includes all over-the-counter securities designated by the Board pursuant to its established criteria as well as all securities qualified for trading in the national market system (NMS). This list includes all securities qualified for trading in Tier 1 of the NMS through November 11 and those in Tier 2 through October 21, 1986. Additional OTC securities may be designated as NMS securities in the interim between the Board's quarterly publications and will be immediately marginable. The next publication of the Board's list is scheduled for January 1987.

In addition to NMS designated securities, the Board will continue to monitor the market activity of other OTC stocks to determine which stocks meet the requirements for inclusion and continued inclusion on the List.

Margin regulations generally limit the amount of credit a person or firm may obtain to buy or carry stock. Stocks on the List of Marginable OTC Stocks are subject to the same margin requirements (currently 50 percent) as stocks listed on national securities exchanges. This means a person or firm buying a stock on credit must make a down payment equal to at least 50 percent of the purchase price of the stock and may obtain credit for the remaining 50 percent. These margin requirements are only applicable to credit extended on OTC Stocks after they are placed on the List and the List has become effective or are designated as NMS Securities. No credit may be extended by broker/dealers on OTC stocks not on the List or in the NMS group. Credit extended by banks and other lenders on the remaining OTC stocks need only conform to the good faith lending limitation contained in Regulations G and U.

It is unlawful for any person to cause any representation to be made that inclusion of a stock on this List indicates that the Board or the Securities and Exchange Commission has in any way passed upon the merits of any such stock or transaction therein. Any references to the Board in connection with the List or any stocks thereon in any advertisement or similar communications is unlawful.

FEDERAL RESERVE SYSTEM

12 CFR Parts 207, 220, 221 and 224

**Regulations G, T, U, and X; Securities
Credit Transactions**

AGENCY: Board of Governors of the
Federal Reserve System.

ACTION: Final Rule.

SUMMARY: The List of Marginable OTC Stocks is comprised of stocks traded over-the-counter (OTC) that have been determined by the Board of Governors of the Federal Reserve System to be subject to the margin requirements under certain Federal Reserve regulations. The List is published from time to time by the Board as a guide for lenders subject to the regulations and the general public. This document sets forth additions to or deletions from the previously published List effective August 12, 1986 and will serve to give notice to the public about the changed status of certain stocks.

EFFECTIVE DATE: November 11, 1986.

FOR FURTHER INFORMATION CONTACT:
Peggy Wolfrum, Research Assistant,

Division of Banking Supervision and Regulation, (202)-452-2781, Earnestine Hill or Dorothea Thompson, Telecommunications Device for the Deaf (TDD) (202)-452-3544, Board of Governors of the Federal Reserve System, Washington, DC 20551.

SUPPLEMENTARY INFORMATION: Set forth below are stocks representing additions to or deletions from the Board's List of Marginable OTC Stocks. A copy of the complete List incorporating these additions and deletions was filed with the original of this document. This List supersedes the last complete List which was effective August 12, 1986 (51 FR 27518, August 1, 1986). The List includes those stocks that meet the criteria specified by the Board of Governors in Regulations G, T, U, and X (12 CFR 207, 220, 221 and 224, respectively). They have the degree of national investor interest, the depth and breadth of market, and the availability of information respecting the stock and its issuer. To warrant regulation in the same fashion as exchange traded securities. It also includes, as a result of an amendment to the margin regulations (49 FR 35756, September 12, 1984), any stock designated under an SEC rule as qualified for trading in a national market system (NMS Security). The List of Marginable OTC Stocks, as it is now called, is a composite of the List of OTC Margin Stocks and all NMS securities. Additional OTC securities may be designated as NMS securities in the interim between the Board's quarterly publications. They will become automatically marginable at broker-dealers upon the effective date of their designation. The names of these securities are available at the Board and the Securities and Exchange Commission and will be subsequently incorporated into the Board's next quarterly List. Copies of the current List may be obtained from any Federal Reserve Bank.

The requirements of 5 U.S.C. 553 with respect to notice and public participation were not followed in connection with the issuance of this amendment due to the objective character of the criteria for inclusion and continued inclusion on the List specified in 12 CFR §§ 207.6 (a) and (b), 220.17 (a) and (b), and 221.7 (a) and (b). No additional useful information would be gained by public participation. The full requirements of 5 U.S.C. 553 with respect to deferred effective date have not been followed in connection with the issuance of this amendment because the Board finds that it is in the public interest to facilitate investment and credit decisions based in whole or in

part upon the composition of this List as soon as possible. The Board has responded to a request by the public and allowed a two-week delay before the List is effective.

List of Subjects

12 CFR Part 207

Banks, Banking, Credit, Federal Reserve System, Margin, Margin requirements, National Market System (NMS Security), Reporting and recordkeeping requirements, Securities.

12 CFR Part 220

Banks, Banking, Brokers, Credit, Federal Reserve System, Margin, Margin requirements, Investments, National Market System (NMS Security), Reporting and recordkeeping requirements, Securities.

12 CFR Part 221

Banks, Banking, Credit, Federal Reserve System, Margin, Margin requirements, Securities, National Market System (NMS Security), Reporting and recordkeeping requirements.

12 CFR Part 224

Banks, Banking, Borrowers, Credit, Federal Reserve System, Margin, Margin requirements, Reporting requirements, Securities.

Accordingly, pursuant to the authority of Sections 7 and 23 of the Securities Exchange Act of 1934, as amended (15 U.S.C. 78g and 78w), and in accordance with § 207.2(k) and 6(c) of Regulation G, § 220.2(s) and 17(c) of Regulation T, and § 221.2(j) and 7(c) of Regulation U, there is set forth below a listing of deletions from and additions to the Board's List:

Deletions From List

Stocks Removed for Failing Continued Listing Requirements

Alamo Savings Association of Texas
\$1.50 par capital
A M Cable TV Industries, Inc.
\$.10 par common
Amerford International Corporation
\$.05 par common
American Metals Service, Inc.
\$.01 par common
Bancoklahoma Corporation
Series A, \$2.50 convertible preferred
Barber-Greene Company
\$5.00 par common
Birdfinder Corp.
\$.01 par common
Birdview Satellite Communications, Inc.
\$.01 par common
Brooks Satellite, Inc.
\$.01 par common
Colonial Gas Company

\$1.80 cumulative convertible preferred
Communications Corporation of
America

\$.01 par common
Computer Depot, Inc.
\$.01 par common
Computercraft, Inc.
\$.01 par common
D'Lites of America, Inc.
\$.005 par common
Decom Systems, Inc.
Warrants (expire 09-30-86)
Divi Hotels, N.V.
Warrants (expire 03-17-88)
EMF Corporation
No par common
Eastmet Corporation
\$1.00 par common
Endo-Lase, Inc.
\$.01 par common
First Oklahoma Bancorporation, Inc.
\$5.00 par common
Flakey Jake's, Inc.
\$.01 par common
Forum Group, Inc.
Warrants (expire 08-10-86)
Founders Financial Corporation
\$1.00 par common
Freedom Savings and Loan Association
(Florida)
\$1.00 par common
Henredon Furniture Industries, Inc.
\$2.00 par common
Homecrafters Warehouse, Inc.
\$.01 par common
Infotech Management, Inc.
\$.01 par common
Insituform of North America, Inc.
Warrants (expire 08-26-86)
Magnetic Technologies Corporation
\$.10 par common
Max & Erma's Restaurants, Inc.
\$.10 par common
Naugles, Inc.
No par common Warrants (expire 04-30-89)
Novus Property Company
\$1.00 par shares of beneficial interest
Offshore Logistics, Inc.
No par common
Prodigy Systems, Inc.
\$.01 par common
Progressive Corporation, The (Ohio)
7% convertible subordinated
debentures
Protocol Computers, Inc.
\$.001 par common
Rand Information Systems, Inc.
\$.30 par common
Scope Inc.
\$1.00 par common
Tipperary Corporation
\$.50 par common

Stocks Removed for Listing on a National Securities Exchange or Being Involved in an Acquisition

Ally & Gargano, Inc.

\$1.00 par common	Rectisel Corporation	No par common
American National Holding Company	\$1.10 par common	Atlantic Bancorporation (New Jersey)
\$5.00 par common	Republic Health Corporation	\$2.50 par common
Applied Communications, Inc.	\$.05 par common	Baldwin Piano and Organ Company
\$.10 par common	Stanhome Inc.	\$.01 par common
Athens Federal Savings Bank	\$1.00 par common	Banking Center, The
\$1.00 par common	Thor Industries, Inc.	\$1.00 par common
Bay Pacific Health Corporation	\$.10 par common	Bio-Medicus, Inc.
\$.01 par common	Ultrasystems Inc.	Warrants (expire 8-31-88)
BBDO International, Inc.	No par common	Bio-Technology General Corporation
\$.10 par common	Victory Markets Inc.	\$.01 par common
Citizens Savings and Loan, F.A.	\$.33 1/2 par common	Bombay Palace Restaurants, Inc.
(Virginia)	Warner Computer Systems, Inc.	\$.01 par common
\$1.00 par common	\$.01 par common	Bonneville Pacific Corporation
Comdata Network, Inc.	Weschester Financial Services	\$.01 par common
\$.02 par common	Corporation	Boulevard Bancorp, Inc.
Computer Associates International, Inc.	\$.01 par common	\$.04 par common
\$.10 par common		Buffets, Inc.
Conseco, Inc.	Additions to the List	\$.01 par common
No par common	A.C. Teleconnect Corp.	Businessland, Inc.
Consolidated Capital Income	\$.015 par common	8% convertible subordinated
Opportunity Trust	Acme Steel Company	debentures
No par shares of beneficial interest	\$1.00 par common	CL Assets, Inc.
Warrants (expire 12-19-89)	Acuson Corporation	\$1.00 par common
Converse Inc.	No par common	Calgene, Inc.
\$1.00 par common	Adams-Russell, Electronics Company,	No par common
DCNY Corporation	Inc.	Cambridge Analytical Associates, Inc.
\$1.00 par common	\$.01 par common	\$.01 par common
Divi Hotels, N.V.	Aero Services International, Inc.	Canonie Environmental Services Corp.
\$1.00 par common	No par convertible preferred	\$.01 par common
Doxsee Food Corporation	Aifs, Inc.	Cellular Communications, Inc.
\$.10 par common	\$.10 par common	\$.01 par common
Eldon Industries, Inc.	Alliance Financial Corporation	Chips and Technologies, Inc.
\$1.00 par common	\$10.00 par common	\$.01 par common
Entertainment Marketing, Incorporated	Alloy Computer Products, Inc.	Cimco
\$.01 par common	\$.01 par common	\$.01 par common
General Shale Products Corporation	Ambassador Financial Group, Inc.	Citizens Insurance Company of
No par common	\$.01 par common	America, Inc.
Graco Inc.	Amcore Financial, Inc.	Class A, \$1.00 par common
\$1.00 par common	\$.50 par common	City Savings Bank of Meriden
Heritage Federal Savings and Loan	America West Airlines, Inc.	(Connecticut)
Association (Florida)	7.5% convertible subordinated	\$1.00 par common
\$.01 par common	debentures	CJI Industries, Inc.
Idle Wild Foods, Inc.	American Capacity Group, Inc.	Class A, \$1.00 par common
\$1.00 par common	\$1.00 par common	Clevite Industries, Inc.
Infrared Industries, Inc.	American Consumer Products, Inc.	\$.02 par common
No par common	\$.10 par common	Warrants (expire 6-30-91)
Intecom, Inc.	American Reliance Group, Inc.	Commercial Security Bancorporation
No par common	\$.01 par common	No par common
J.P. Industries, Inc.	American Television & Communications	Commonwealth Mortgage Company, Inc.
\$.10 par common	Corporation	\$.10 par common
King World Productions, Inc.	Class A, \$.01 par common	Community National Bank and Trust
\$.01 par common	American Woodmark Corporation	Company of New York
Monumental Corporation	No par common	\$.50 par common
\$3.50 par common	Amwest Insurance Group, Inc.	Community Savings Bank
One Liberty Properties, Inc.	No par common	(Massachusetts)
\$1.00 par common	Andover Savings Bank (Massachusetts)	\$.10 par common
Open Air Markets, Inc.	\$.10 par common	C-Tec Corporation
\$.05 par common	Apollo Computer, Inc.	Class B, \$1.00 par common
Patriot Bancorporation	7 1/4% convertible subordinated	Cytogen Corporation
\$.33 1/2 par common	debentures	\$.01 par common
\$.100 par cumulative convertible	Aritech Corp.	Datavision, Inc.
preferred	\$1.00 par common	\$.01 par common
Power Conversion, Inc.	Armor All Products Corporation	Devon Group, Inc.
\$.01 par common	\$.01 par common	\$.01 par common
PT Components, Inc.	Associated Inns and Restaurants	Diagnostic, Inc.
\$.01 par common	Company of America	\$.01 par common
Quotron Systems, Inc.	\$.01 par common	Dime Savings Bank of New York, F.S.B.
\$.10 par common	ATI Medical, Inc.	

\$1.00 par common	\$1.00 par common	\$1.00 par common
DNA Plant Technology Corporation	Harleysville Group, Inc.	Lincoln Logs, Ltd.
Warrants (expire 1-17-90)	\$1.00 par common	\$1.00 par common
Dominion Federal Savings and Loan Association (Virginia)	Harnischfeger Corporation	Linear Technology Corporation
\$1.00 par common	Warrants (expire 04-15-89)	No par common
Dotronix, Inc.	Harper International, Inc.	Liposome Company, The
\$1.00 par common	\$1.00 par common	\$1.00 par common
Duratek Corporation	Healthsouth Rehabilitation Corporation	Long Lake Energy Corporation
\$1.00 par common	\$1.00 par common	\$1.00 par common
Eagle Bancshares, Inc.	Heritage Entertainment, Inc.	Lowell Institution for Savings (Massachusetts)
\$1.00 par common	Series A, warrants (expire 1989)	\$1.00 par common
Ealing Corporation, The	Hitachi, Ltd.	M.S. Carriers, Inc.
\$1.00 par common	5% convertible subordinated debentures	\$1.00 par common
East Weymouth Savings Bank (Massachusetts)	Home Federal Savings and Loan Association of San Francisco	M/I Schottenstein Homes, Inc.
\$1.00 par common	\$1.00 par common	\$1.00 par common
Edison Control, Inc.	Home Federal Savings and Loan Association of Upper East Tennessee	Mail Boxes, Etc.
\$1.00 par common	\$1.00 par common	No par common
Excel Bancorp, Inc.	Home Federal Savings Bank, Northern Ohio	Marten Transport Ltd.
\$1.00 par common	\$1.00 par common	\$1.00 par common
F&M Financial Services Corporation	Home Intensive Care, Inc.	Martin Lawrence Limited Editions
\$1.00 par common	\$1.00 par common	\$1.00 par common
Federal National Mortgage Association	\$1.00 par common	Warrants (expire 12-18-86)
Warrants (expire 2-25-91)	\$1.00 par common	Merchants Bank of Boston, a Co-Operative Bank
FHP Corporation	\$1.00 par common	Class A, \$1.00 par common
\$1.00 par common	\$1.00 par common	Meridian Diagnostics, Inc.
Fidelcor, Inc.	\$1.00 par common	No par common
Series B, convertible preferred	Warrants (expire 02-29-89)	Merrill Corporation
Fidelity Federal Savings and Loan Association of Tennessee	Horizon Bank (Washington)	\$1.00 par common
\$1.00 par common	\$1.00 par common	Microbilt Corporation
Financial National Bancshares, Inc.	Hygeia Sciences, Inc.	No par common
No par common	\$1.00 par common	Microwave Laboratories, Inc.
First Banc Securities, Inc.	IDB Communications Group, Inc.	\$1.00 par common
\$5.00 par common	\$1.00 par common	MidAmerica Bancsystem, Inc.
First Federal of the Carolinas, F.A.	Independence Federal Savings Bank (Washington, DC)	\$1.00 par common
\$1.00 par common	\$1.00 par common	MLX Corp.
First Fidelity Bancorporation (New Jersey)	Insituform Southeast Corporation	\$1.00 par common
Series C, \$4.00 par cumulative convertible preferred	\$1.00 par common	MNX, Incorporated
First Home Federal Savings and Loan Association (Florida)	\$1.00 par common	\$1.00 par common
\$1.00 par common	Interactive Technologies Inc.	Molecular Biosystems, Inc.
First Service Bank for Savings (Massachusetts)	No par common	\$1.00 par common
\$1.00 par common	Interchange State Bank (New Jersey)	Morgan, Olmstead, Kennedy & Gardner Capital Corporation
Fiserv, Inc.	\$2.50 par common	\$1.00 par common
\$1.00 par common	International H.R.S. Industries, Inc.	Mutual Federal Savings and Loan Association
Frontier Insurance Group, Inc.	No par common	\$1.00 par common
\$1.00 par common	Itel Corporation	National Royalty Corporation
Gear, L.A., Inc.	Class B, Series A, \$1.00 par convertible preferred	\$1.00 par common
No par common	Class B, Series B, \$1.00 par convertible preferred	National Sanitary Supply Company
General Parametrics Corporation	Jiffy Lube International, Inc.	\$1.00 par common
\$1.00 par common	\$1.00 par common	Nature's Sunshine Products, Inc.
Geonex Corporation	Joule, Inc.	No par common
\$1.00 par common	\$1.00 par common	New Century Productions Ltd.
Golden Poultry Company, Inc.	Kenan Transport Company	\$1.00 par common
\$1.00 par common	No par common	Series A, par convertible preferred
Granite Cooperative Bank (Massachusetts)	Landmark Bank for Savings (Massachusetts)	Series B, par convertible preferred
\$1.00 par common	\$1.00 par common	New England Critical Care, Incorporated
\$1.00 par common	\$1.00 par common	\$1.00 par common
Granite State Bankshares, Inc. (New Hampshire)	Lands' End, Inc.	New England Savings Bank
\$1.00 par common	\$1.00 par common	\$1.00 par common
Great Falls Gas Company	Lasertechnics, Inc.	New York City Shoes, Inc.
\$1.00 par common	\$1.00 par common	\$1.00 par common
Hana Biologics, Inc.	Laurel Entertainment, Inc.	NFS Financial Corp.
	\$1.00 par common	\$1.00 par common
	Lawrence Savings Bank (Massachusetts)	Nichols-Homeshield, Inc.
	\$1.00 par common	
	Life Technologies, Inc.	

\$.01 par common
 Northwest Engineering Company
 \$.01 par common
 Old Dominion Systems, Inc.
 \$.01 par common
 OMI Corp.
 \$1.00 par convertible preferred
 Oncogene Science, Inc.
 \$.01 par common
 P & C Foods, Inc.
 \$.01 par common
 Pacer Corporation
 No par common
 Pacific Southwest Airlines
 \$.25 par common
 Paco Pharmaceutical Services, Inc.
 Warrants (expire 12-31-87)
 Palm Springs Savings Bank
 \$2.50 par common
 Paris Business Forms, Inc.
 \$.004 par common
 Pay 'N Save, Inc.
 \$1.00 par common
 PC Quote, Inc.
 No par common
 Penn Savings Bank, F.S.B.
 \$1.00 par common
 Perception Technology Corporation
 \$.10 par common
 Peregrine Entertainment, Ltd.
 No par common
 Pioneer Financial Services, Inc.
 \$1.00 par common
 Plexus Corp.
 \$.01 par common
 Polymer International Corp.
 \$.01 par common
 Premier Financial Services, Inc.
 \$5.00 par common
 Prime Capital Corporation
 \$.05 par common
 Pullman-Peabody Company
 Warrants (expire 02-24-88)
 Q-Med, Inc.
 \$.001 par common
 Quincy Co-Operative Bank, The
 (Massachusetts)
 \$.10 par common
 Quipp, Inc.
 \$.01 par common
 QVC Network, Inc.
 \$.01 par common
 Republic American Corporation
 \$.01 par common
 Republic Savings and Loan Association
 of Wisconsin
 \$.10 par common
 Republic Savings Financial Corporation
 (Florida)
 \$.01 par common
 Rheometrics, Inc.
 No par common
 Riverside Group, Inc.
 \$.10 par common
 Roadrunner Enterprises, Inc.
 No par common
 San Francisco Federal Savings & Loan
 Association
 \$.01 par common

Sandusky Plastics, Inc.
 \$.10 par common
 Sandwich Co-Operative Bank, The
 (Massachusetts)
 \$1.00 par common
 SCS/Compute, Inc.
 \$.10 par common
 Sealright Co., Inc.
 \$.01 par common
 Southlife Holding Company
 \$.05 par common
 Spartan Motors, Inc.
 No par common
 Series A, warrants (expire 5-10-87)
 Stanley Interiors Corporation
 \$.01 par common
 Student Loan Marketing Association
 Voting, \$.50 par common
 Suburban Bancorp, Inc.
 Class A, \$1.00 par common
 Suffolk Bancorp
 \$5.00 par common
 Summit Holding Corporation
 \$1.25 par common
 Sun State Savings and Loan Association
 (Arizona)
 \$1.00 par common
 Synbiotics Corporation
 No par common
 Syntro Corporation
 \$.01 par common
 Taunton Savings Bank (Massachusetts)
 \$.10 par common
 Tel/Man, Inc.
 \$.02 par common
 Telesis Systems Corporation
 \$.10 par common
 Texstyrene Corporation
 \$.01 par common
 Thermo Instrument Systems, Inc.
 \$.10 par common
 Thomson—CSF
 American depository shares
 Tipton Centers, Inc.
 \$.10 par common
 Trans World Airlines, Inc.
 \$6.00 par convertible preferred
 Transnational Industries, Inc.
 \$.01 par common
 Transworld Music Corporation
 \$.01 par common
 Twistee Treat Corporation
 \$.001 par common
 Video Library, Inc.
 No par common
 Vista Organization Partnership, L.P.,
 The Depository units of limited
 partnership interest
 Waltham Savings Bank (Massachusetts)
 \$.10 par common
 Watts Industries, Inc.
 Class A, \$.10 par common
 Wearever-Protosilex
 \$.01 par common
 Webb, Del E., Corporation
 Warrants (expire 4-15-88)
 Westcorp
 \$1.00 par common
 Westwood Group, Inc., The

\$.01 par common
 Woburn Five Cents Savings Bank
 (Massachusetts)
 \$.10 par common
 Worcester County Institution for
 Savings
 \$.10 par common
 X-Rite, Inc.
 \$.10 par common
 Zeus Components, Inc.
 \$.01 par common

By order of the Board of Governors of
 the Federal Reserve System acting by its
 Director of the Division of Banking
 Supervision and Regulation pursuant to
 delegated authority (12 CFR section
 265.2(c)(18)), October 24, 1986.

William W. Wiles,

Secretary of the Board.

[FR Doc. 86-24518 Filed 10-29-86; 8:45 am]

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