



FEDERAL RESERVE BANK
OF DALLAS

WILLIAM H. WALLACE
FIRST VICE PRESIDENT
AND CHIEF OPERATING OFFICER

November 17, 1987

DALLAS, TEXAS 75222

Circular 87-80

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, effective November 10, 1987, that are subject to its margin regulations. The Federal Reserve Bank 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 February 10, 1987 and the supplements of additions and deletions effective May 12, 1987 and August 11, 1987 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 10, 1987 are attached.

MORE INFORMATION

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

Sincerely yours,

A handwritten signature in cursive script that reads "William H. Wallace".

For additional copies of any circular please contact the Public Affairs Department at (214) 651-6289. Banks and others are encouraged to use the following incoming WATS numbers in contacting this Bank (800) 442-7140 (intrastate) and (800) 527-9200 (interstate).

FEDERAL RESERVE press release



For use in morning papers
October 26, 1987

October 23, 1987

The Federal Reserve Board today published a revised list of over-the-counter (OTC) stocks that are subject to its margin regulations, effective November 10, 1987.

This List of Marginable OTC Stocks supersedes the revised List of Marginable OTC Stocks that was effective on August 11, 1987. Changes that have been made in the List, which now includes 3,328 OTC stocks, are as follows:

- 182 stocks have been included for the first time, 153 under NMS designation.
- 36 stocks previously on the List have been removed for substantially failing to meet the requirements for continued listing.
- 56 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 stocks designated as National Market System (NMS) securities for which transaction reports are required to be made pursuant to an effective transaction reporting plan. 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 February 1988.

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 OTC stocks not on the List or in the NMS group 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; List of Marginable
OTC Stocks**

AGENCY: Board of Governors of the
Federal Reserve System.

ACTION: Final rule; determination of
applicability of regulations.

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 four
times a year 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 11, 1987 and will serve to give
notice to the public about the changed
status of certain stocks.

EFFECTIVE DATE: November 10, 1987.

FOR FURTHER INFORMATION CONTACT:
Peggy Wolfrum, Research Assistant,
Division of Banking Supervision and
Regulation, (202) 452-2781. For the
hearing impaired *only*, 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 is available

from the Federal Reserve Banks. This List supersedes the last complete List which was effective August 11, 1987. (Additions and deletions for that List were published at 52 FR 28538, July 31, 1987). The current List includes those stocks that meet the criteria specified by the Board of Governors in Regulations G, T, U and X (12 CFR Parts 207, 220, 221 and 224, respectively). These stocks 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. The List also includes any stock designated under an SEC rule as qualified for trading in the national market system (NMS Security). Additional OTC stocks 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 NMS designation. The names of these stocks are available at the Board and the Securities and Exchange Commission and will be incorporated into the Board's next quarterly List.

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, National Market System (NMS Security), Reporting and recordkeeping requirements, Securities.

12 CFR Part 224

Banks, Banking, Borrowers, Credit, Federal Reserve System, Margin, Margin requirements, Reporting and recordkeeping 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 12 CFR 207.2(k) and 207.6(c) (Regulation G), 12 CFR 220.2(s) and 220.17(c) (Regulation T), and 12 CFR 221.2(j) and 221.7(c) (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

American Community Development Group, Inc.
 \$.01 par common
 American Trustee
 \$1.00 par common
 Atcor, Inc.
 \$.10 par common
 BancTexas Group, Inc.
 \$1.00 par convertible preferred
 Battle Mountain Gold Company
 Class A, \$.10 par common
 Cochran Furniture Company, Inc.
 No par common
 Commercial Programming Unlimited Inc.
 Class A, \$.025 par common
 Digital Products Corporation
 \$.01 par common
 Electronics, Missiles & Communications, Inc.
 \$.01— $\frac{2}{3}$ par common
 Flexible Computer Corporation
 \$.001 par common
 Gencorp Inc.
 Warrants (expire 03-15-88)
 Great American Resources, Inc.
 No par common
 Hetra Computer and Communications Industries, Inc.
 \$.01 par common
 Hills Stores Company
 Series B, \$.01 par cumulative exchangeable preferred
 Information Solution, Inc.
 \$.001 par common
 Itel Corporation
 Class B, Series B, \$1.00 par convertible preferred
 Karcher, Carl Enterprises, Inc.
 9 $\frac{1}{2}$ % convertible subordinated debentures
 Kyle Technology Corporation
 No par common
 Lane Telecommunications, Inc.
 \$.10 par common
 Life Care Communities Corporation

\$.01 par common
 Masco Industries, Inc.
 Depository convertible exchangeable preferred shares
 NCA Corporation
 No par common
 New York City Shoes, Inc.
 \$.01 par common
 Northwest Natural Gas Company
 Series \$2.375 no par convertible preferred
 Oil Securities, Inc.
 \$.05 par common
 Perle Systems Limited
 No par common
 Polymeric Resources Corporation
 No par common
 Pratt Hotel Corporation
 \$.01 par common
 Southbrook International Television Company PLC
 American Depository Receipts
 Stereo Village, Inc.
 \$.01 par common
 Sterling, Inc.
 No par common
 Thermo Analytical, Inc.
 \$.10 par common
 Tipton Centers, Inc.
 \$.10 par common
 Tops Markets, Inc.
 \$.01 par common
 ZZZZ Best Co., Inc.
 \$.01 par common, Warrants (expire 12-15-89)

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

All American Gourmet Company
 \$.10 par common
 Amre, Inc.
 \$.01 par common
 Argosystems, Inc.
 \$.01 par common
 Barrister Information Systems Corporation
 \$.24 par common
 Bayou Resources, Inc.
 \$.01 par common
 Best Buy Co., Inc.
 \$.10 par common
 BPI Systems, Inc.
 \$.01 par common
 Bridge Communications, Inc.
 No par common
 Calmar, Inc.
 \$.10 par common
 Caremark, Inc.
 \$.01 par common
 Carriage Industries, Inc.
 \$.02 par common
 Clear Channel Communications, Inc.
 \$.10 par common
 Clevite Industries, Inc.
 \$.01 par common, Warrants (expire 06-30-91)
 CML Group, Inc.
 \$.10 par common
 Comptek Research Inc.
 \$.02 par common
 Devry, Inc.
 \$.10 par common
 Elder-Beerman Stores Corp., The
 No par common
 Eldorado Bancorp (California)
 No par common

Environmental Treatment & Technologies Corp. \$.10 par common	Additions to List	Warrants (expire 12-15-88)
First Federal Savings & Loan Association of Brooksville \$.01 par common	ACMAT Corporation Class A, no par common	Cherne Enterprises Inc. No par common
First Federal Savings Bank of California \$1.00 par common	Advanced Polymer Systems, Inc. \$.01 par common	City Holding Company \$2.50 par common
First Savings Bank of Florida F.S.B. \$.01 par common	Agouron Pharmaceuticals, Inc. No par common	City Resources (Canada) Ltd. No par common
First United Financial Services, Inc. \$2.00 par common	Albany International Corp. Class A, \$.001 par common	Cognos Incorporated No par common
General Automation, Inc. \$.10 par common	Allegheny Beverage Corporation 9½% convertible subordinated debentures	Colorocs Corporation \$.05 par common
Home Federal Bank of Florida, F.S.B. \$.01 par common	American City Business Journals, Inc. \$.01 par convertible exchangeable preferred	Comcast Corporation 5½% convertible subordinated debentures
Jones & Vining, Inc. \$.10 par common	American Colloid Company \$1.00 par common	Communications & Cable, Inc. \$.05 par common
La-Z-Boy Chair Company \$1.00 par common	American Mobile Systems Incorporated \$.01 par common	Communications Transmission, Inc. \$.01 par common
Leiner, P. Nutritional Products Corporation No par common	American Passage Marketing Corporation \$.01 par common	Conmed Corporation \$.01 par common
Merchants Group, Inc. \$.01 par common	Amvestors Financial Corp. Series A, \$1.00 par convertible exchangeable preferred	Convex Computer Corporation 6% convertible subordinated debentures
Metrobank, Federal Savings Bank (Michigan) \$1.00 par common	Anchor Savings & Loan Association (New Jersey) \$1.00 par common	Corporate Software Incorporated \$.01 par common
Metromail Corporation \$.40 par common	Aneco Reinsurance Company Limited \$.40 par capital	CPB, Inc. \$5.00 par common
Modulaire Industries No par common	Applied Power, Inc. Class A, \$.20 par common	Craft World International, Inc. \$.01 par common
Monolithic Memories, Inc. \$.02 par common	Art's-Way Manufacturing Company Incorporated No par common	Criticare Systems, Inc. \$.04 par common
Nathan's Famous, Inc. \$.10 par common	Astec Industries, Inc. Warrants (expire 12-30-91)	Crossland Savings, FSB (New York) Series B, \$12.75 cumulative preferred
Network Security Corporation No par common	Atek Metals Center, Inc. No par common	Crystal Oil Company \$.01 par common
Northeast Savings, F.A. \$.01 par common, Series A, \$2.25 cumulative convertible preferred	Autoinfo, Inc. \$.01 par common	Dallas Semiconductor Corporation \$.02 par common
Pan American Mortgage Corp. \$.100 par common	Barrett Resources Corporation \$.001 par common	Dstaline, Inc. \$.001 par common
Porex Technologies Corp. \$.01 par common	Beauty Labs, Inc. \$.01 par common	Dataphaz, Inc. \$.001 par common
Pre-Paid Legal Services, Inc. \$.01 par common	Beecham Group, PLC. American Depository Receipts	Diagnostek, Inc. \$.01 par common, Class B, warrants (expire 3-31-88)
Rainer Bancorporation \$2.50 par common	Bethel Bancorp (Maine) \$1.00 par common	Digitext, Inc. \$.01 par common
Real Estate Investment Trust of California No par shares of beneficial interest	Brooklyn Savings Bank, the (Connecticut) \$1.00 par common	Domain Technology, Incorporated \$.01 par common
Rent-A-Center, Inc. \$1.00 par common	Businessland, Inc. 5½% convertible subordinated debentures	Dyansen Corporation \$.01 par common, Class A, warrants (expire 1988)
San/Ban Corporation No par common	C.I.S. Technologies, Inc. No par common	Earth Technology Corporation (USA), the \$.10 par common
Scholastic Inc. \$.25 par common	Cade Industries, Inc. \$.001 par common	Eastex Energy, Inc. \$.01 par common
Seattle Trust & Savings Bank \$14.00 par common	Warrants (expire 9-24-88)	Eliot Savings Bank (Massachusetts) \$.10 par common
Shaw's Supermarkets, Inc. \$1.00 par common	Calstar, Inc. \$.10 par common, Warrants (expire 1990)	Encor Energy Corporation No par common
Southern Home Savings Bank (Florida) \$1.00 par common	Cambrex Corporation \$.10 par common	English China Clays, PLC American Depository Receipts
Spectradyne, Inc. No par common	Cambridge Instrument Company, PLC., the American Depository Receipts	Entree Corporation \$.01 par common
Triangle Microwave, Inc. No par common	Castle Energy Corporation \$.05 par common	Entronics Corporation \$.01 par common
Trust America Service Corporation \$.01 par common	Catalyst Thermal Energy Corporation \$.10 par common	Environmental Power Corporation \$.01 par common
Two Pesos, Inc. \$.01 par common	Celgene Corporation \$.01 par common	Equipment Company of America \$.10 par common
Union Warren Savings Bank \$1.00 par common	Centel Cable Television Company Class A, \$.01 par common	Everex Systems, Inc. \$.001 par common
Vitramon, Inc. \$.10 par common	Centex Telemanagement, Inc. \$.01 par common	Fastenal Company \$.01 par common
Zenith National Insurance Company \$1.00 par common	Chase Medical Group, Inc. \$.01 par common	Filenet Corporation \$.01 par common
	Chemfix Technologies, Inc.	First American Savings Bank, F.S.B. (Ohio)

\$1.00 par common	\$.001 par common	Seagate Technology
First Commercial Bancshares, Inc. (Alabama)	Melamine Chemicals, Inc.	6¾% convertible subordinated debentures
\$10.00 par common	\$.01 par common	Security Financial Group, Inc.
First Essex Bancorp, Inc.	Middleby Corporation, the	\$.10 par common
\$.10 par common	\$.01 par common	Skyline Chili, Inc.
First Federal Savings Bank of Charlotte	Miners National Bancorp, Inc.	No par common
County (Florida)	\$5.00 par common	Software Services of America, Inc.
\$1.00 par common	Morsemere Financial Group, Inc.	\$.01 par common
First Federal Savings Bank of Elizabethtown	\$.10 par common	Spectramed, Inc.
(Kentucky)	Moto Photo, Inc.	\$.01 par common
\$1.00 par common	\$.01 par common	Spiegel, Inc.
First of America Bank Corporation	Multi-Color Corporation	Class A, non-voting, \$1.00 par common
(Michigan)	No par common	St. Ives Laboratories Corporation
9% convertible preferred, \$11.00 par value	New Jersey Savings Bank	\$.01 par common
Fletronics, Inc.	\$2.00 par common	Steel of West Virginia, Inc.
\$.01 par common	Newmark Illinois Corporation	\$.01 par common
Frances Denney Companies, Inc., the	\$.01 par common	Structural Dynamics Research Corporation
\$.01 par common	Normandy Oil & Gas Company, Inc.	Class A, \$.0278 par common
Gen-Probe Incorporated	\$.10 par common	Summagraphics Corporation
\$.01 par common	Norton Enterprises, Inc.	\$.01 par common
Gendex Corporation	\$.01 par common	Sun Microsystems, Inc.
\$1.00 par common	Oncor, Inc.	5¼% convertible subordinated debentures
Goldtex, Inc.	\$.01 par common	Telemundo Group, Inc.
\$.10 par common	Onondaga Savings Bank (New York)	\$.01 par common
Greencastle Federal Savings Bank (Indiana)	\$1.00 par common	Teradata Corporation
\$.01 par common	Pacific Silver Corporation	\$.01 par common
Harding Associates, Inc.	\$.25 par common	Texas American Energy Corporation
\$.01 par common	Paperboard Industries Corporation	\$2.575 cumulative convertible
Harleysville Savings Association	No par common	exchangeable preferred
(Pennsylvania)	Parkvale Savings Association (Pennsylvania)	Texcel International Inc.
\$1.00 par common	\$1.00 par common	Warrants (expire 7-3-89)
Harold's Stores, Inc.	Penn Treaty American Corporation	TM Communications, Inc.
\$.01 par common	\$.10 par common	\$.01 par common, Warrants (expire 12-1-
HHB Systems, Inc.	Pennview Savings Association	87)
\$.01 par common	(Pennsylvania)	Total Assets Protection
Hi-Port Industries, Inc.	\$1.00 par common	\$.002 par common
\$.05 par common	Peters, J.M. Company, Inc.	Tucker Holding Company, Inc.
Hilb, Royal and Hamilton Company	\$.10 par common	\$.10 par common
No par common	Petroleum Development Corporation	United Building Services Corporation of
Home Federal Savings Bank (Xenia, Ohio)	\$.01 par common	Delaware
\$.01 par common	Photon Technology International	\$.01 par common
Home Office Reference Laboratory, Inc.	No par common	United Newspapers, PLC
\$.01 par common	Precision Target Marketing, Inc.	American Depository Receipts
Hospital Newspapers Group, Inc.	\$.01 par common, Warrants (expire 2-23-	United Savings and Loan Association (South
\$.001 par common	88)	Carolina)
Hunter-Melnor, Inc.	Premier Bankshares Corporation (Virginia)	\$1.00 par common
\$.01 par common	\$2.00 par common	Valcom, Inc.
II-VI Incorporated	Price Pfister, Inc.	\$.10 par common
No par common	\$.01 par common	Vikonics, Inc.
Impact Systems, Inc.	Pronet, Inc.	\$.02 par common
\$.001 par common	\$.01 par common	Vipont Pharmaceutical, Inc.
Ingles Markets, Incorporated	Qmax Technology Group, Inc.	Warrants (expire 6-25-89)
Class A, \$.05 par common	\$.01 par common	Virgin Group, PLC
Intel Corporation	Quartz Mountain Gold Corporation	American Depository Receipts
Warrants (expire 08-15-88)	No par common	Vista Organization, Ltd., The
Interfederal Savings Bank (Tennessee)	Railroad Savings & Loan Association	\$.001 par common
\$1.00 par common	(Kansas)	Walshire Assurance Company
International Telecharge, Inc.	\$.100 par common	\$.01 par common
\$.01 par common	Rise Technology, Inc.	Ward White Group, PLC.
Isoetec Communications, Inc.	\$.01 par common	American Depository Receipts
\$.01 par common	Rockingham Bancorp (New Hampshire)	Wheelabrator Technologies, Inc.
Jason, Incorporated	\$1.00 par common	\$.01 par common
\$.10 par common	Royal Business Group, Inc.	Wolf Financial Group, Inc.
Jepson Corporation, the	\$.100 par common	\$.01 par common
\$.01 par common	Royalpar Industries, Inc.	Workingmens Co-Operative Bank
Jetborne International, Inc.	Warrants (expire 1-20-82)	(Massachusetts)
\$.01 par common	S.N.L. Financial Corporation	\$.10 par common
Johnson Worldwide Associates, Inc.	Class A, \$2.00 par common	Xscribe Corporation
Class A, \$.05 par common	Sag Harbor Savings Bank (New York)	No par common
Lake Shore Bancorp, Inc. (Illinois)	\$1.00 par common	
\$10.00 par common	Sage Analytics International, Inc.	
Lexington Group, Inc., the	\$.001 par common	
\$.01 par common	Scanforms, Inc.	
McCaw Cellular Communications, Inc.	\$.01 par common	
Class A, \$.01 par common	SDNB Financial Corp.	
Medical Action Industries, Inc.	No 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 265.2(c)(18)), October 26, 1987.

William W. Wiles,
Secretary of the Board.

[FR Doc. 87-25253 Filed 10-30-87; 8:45 am]

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