



FEDERAL RESERVE BANK
OF DALLAS

WILLIAM H. WALLACE
FIRST VICE PRESIDENT
AND CHIEF OPERATING OFFICER

August 15, 1990

DALLAS, TEXAS 75222

Circular 90-56

TO: The Chief Executive Officer of each
member bank 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, effective August 13, 1990. The Board publishes a complete list once a year and supplements containing additions to and deletions from the list three times a year.

The complete list of OTC stocks as of August 13, 1990, is available from the Public Affairs Department of this Bank upon request. Included with the list, for the first time, is a listing of foreign margin stocks that meet the eligibility criteria for inclusion in the list.

ATTACHMENT

A copy of the Federal Register announcement of revisions to the list of OTC stocks, effective August 13, 1990, is attached. Included with the revisions is the listing of foreign margin stocks.

MORE INFORMATION

For more information regarding marginable OTC stock requirements, please contact Dean A. Pankonien at (214) 651-6228. For copies of the materials, please contact the Public Affairs Department at (214) 651-6289.

Sincerely yours,

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

first group of foreign equity securities that have met the Board's eligibility criteria under Regulation T pursuant to an amendment adopted by the Board effective April 30, 1990. The List of Marginable OTC Stocks and the List of Foreign Margin Stocks will be published four times a year by the Board. This document sets forth additions to or deletions from the previously published List of Marginable OTC Stocks which was effective May 14, 1990, and lists the foreign equity securities now eligible for margin treatment at broker-dealers.

EFFECTIVE DATE: August 13, 1990.

FOR FURTHER INFORMATION CONTACT:

Peggy Wolfrum, Securities Regulation Analyst, 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: Two categories of stock information are listed below. The first group represents additions to or deletions from the Board's List of Marginable OTC Stocks. This supersedes the last List which was effective May 14, 1990. Additions and deletions for that List were published on May 3, 1990 (55 FR 18591). A copy of the complete List incorporating these additions and deletions is available from the Federal Reserve Banks.

The List of Marginable OTC Stocks includes those stocks that meet the criteria in Regulations G, T and U (12 CFR parts 207, 220 and 221, respectively). This determination also affects the applicability of Regulation X (12 CFR part 224). 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 OTC stock designated under a Securities and Exchange Commission (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 SEC and will be incorporated into the Board's next quarterly List.

The second group of securities, the List of Foreign Margin Stocks, identifies those foreign equity securities that are

FEDERAL RESERVE SYSTEM

12 CFR Parts 207, 220, 221 and 224

Securities Credit Transactions; List of Marginable OTC Stocks; List of Foreign Margin Stocks; Regulations G, T, U and X

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) in the United States 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 of Foreign Margin Stocks represents the

now eligible for margin treatment at broker-dealers pursuant to an amendment to Regulation T (12 CFR 220). (See **Federal Register** of March 27, 1990, at page 11158 for Board action.) These foreign equity securities have met the Board's Regulation T requirements and are now eligible for margin at broker-dealers on the same basis as domestic margin securities.

Public Comment and Deferred Effective Date

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 Lists specified in 12 CFR 207.6 (a) and (b), 220.17 (a), (b), (c) and (d), 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 these Lists as soon as possible. The Board has responded to a request by the public and allowed a two-week delay before the Lists are 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(u) and 220.17(e) (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 of Marginable OTC Stocks; and the List of Foreign Margin Stocks.

Deletions From the List of Marginable OTC Stocks

Stocks Removed for Failing Continued Listing Requirements

Acclaim Entertainment, Inc.
Class B, warrants (expire 08-31-90)
Aircoa Hospitality Services, Inc.
\$.01 par common
ALC Communications Corporations
\$.01 par common
Alliance Pharmaceutical Corp.
Warrants (expire 05-28-90)
American Midland Corporation
\$.01 par common
American Pioneer, Inc.
\$1.00 par common
Amertek, Inc.
No par common
Assix International, Inc.
Warrants (expire 07-19-91)
Astrocom Corporation
\$.10 par common
Atlantic Group, Inc., The
\$.05 par common
Avery Inc.
\$.01 par common
Bull & Bear Group, Inc.
Class A, \$.01 par common
Calumet Industries, Inc.
\$.25 par common
Campeau Corporation
No par ordinary shares
Cantel Industries, Inc.
Class B, \$.10 par common
Casual Male Corporation, The
\$.01 par common
Central Banking System, Inc.
\$.25 par common
Chartwell Group LTD.
\$.10 par common
Chronar Corporation
No par common
Cityfed Financial Corp.
\$.01 par common
Series B, \$25.00 par cumulative convertible preferred
COBE Laboratories, Inc.
No par common
Continental Health Affiliates, Inc.
\$.02 par common
Daisy Systems Corporation
\$.001 par common
Elron Electronic Industries Ltd.
Rights (expire 04-20-90)
First Executive Corporation
Warrants (expire 10-09-92)
First of America Bank Corporation
(Michigan)
Series D, 11.25% convertible preferred,
\$64.00 par value
Franklin Savings Association (Kansas)
\$1.00 par guarantee stock
Group, Inc., The
\$.01 par common

Home National Corporation
\$.50 par common
Home Unity Savings & Loan Association
(Pennsylvania)
\$1.00 par common
Initio, Inc.
\$.01 par common
Intel Corporation
Warrants (expire 03-15-92), warrants
(expire 05-15-95)
Interfund Corporation
\$.01 par common
International American Homes, Inc.
\$.01 par common
Johnson Electronics, Inc.
\$.25 par common
Lincoln Logs, Ltd.
\$.01 par common
Luskin's, Inc.
\$.01 par common
Maury Federal Savings Bank (Tennessee)
\$1.00 par common
Merchants Capital Corporation
Class A, \$.10 par common
MMR Holding Corporation
\$.01 par common
National Lumber & Supply, Inc.
No par common
ORFA Corp. of America
\$.001 par common
Petrol Industries, Inc.
\$.10 par common
Pharmatec, Inc.
\$.03 par common
Preferred Savings Bank, Inc.
\$2.50 par common
Professional Investors Insurance Group, Inc.
\$1.00 par common
Rocking Horse Child Care Centers of
America, Inc.
\$.001 par common
Southeastern Savings Bank, Inc.
\$1.00 par common
Sun Microsystems, Inc.
5¼% convertible subordinated debentures
Supreme Equipment & Systems Corporation
\$.66⅔ par common
Syntech International, Inc.
\$1.00 par convertible preferred
Tierco Group, Inc., The
\$1.00 par common
Transtector Systems, Inc.
No par common
Vanderbilt Gold Corporation
\$.10 par common
WNS, Inc.
\$.10 par common

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

Acceptance Insurance Holdings Inc.
\$.01 par common
Andrews Group, Inc.
\$.10 par common
Automated Systems, Inc.
\$.10 par common
Cipher Data Products, Inc.
\$.001 par common
City National Corporation
\$1.00 par common
Community National Bancorp, Inc.
\$.01 par common
Concept, Inc.
\$.50 par common

DEL Electronics Corporation \$.10 par common	Additions to the List of Marginable OTC Stocks	Immune Response Corporation, The \$.0025 par common
Deltak Corporation \$.01 par common	Aicorp, Inc. \$.01 par common	Integrated Waste Services, Inc. \$.01 par common
Dial Reit, Inc. \$.01 par common	Alias Research Inc. No par common	JSB Financial, Inc. \$.01 par common
Easco Hand Tools, Inc. \$.01 par common	American Film Technologies, Inc. \$.002 par common	K-Swiss Inc. Class A, \$.01 par common
FBX Corporation \$.01 par common	Warrants (expire 06-30-93)	Kasler Corporation Convertible subordinated debentures (due 2007)
First Interstate Corporation of Wisconsin \$2.50 par common	Arctco, Inc. \$.01 par common	Kelley Oil Corporation \$.01 par common
First of America Bank Corporation \$10.00 par common	Artistic Greetings, Incorporated \$.10 par common	Lasermaster Technologies, Inc. \$.01 par common
Gamma Biologicals, Inc. \$.10 par common	Aspect Telecommunications Corporation \$.01 par common	Laurel Savings Association (Pennsylvania) \$1.00 par common
Hartford Steam Boiler Inspection & Insurance Company No par common	Baker Hughes, Inc. Warrants (expire 03-31-95)	Loewen Group Inc., The No par common
Interchange Financial Services Corporation No par common	Barton Industries, Inc. \$.01 par common	Microscience International Corporation No par common
Jerrico, Inc. No par common	BE Avionics, Inc. \$.01 par common	Mid Atlantic Medical Services, Inc. \$.01 par common
Kimmins Environmental Service Corp. \$.001 par common	Benton Oil and Gas Company \$.01 par common	Mid-American Waste Systems, Inc. \$1.00 par common
Live Entertainment Inc. No par common	Broadcast International, Inc. \$.10 par common	Midwesco Filter Resources, Inc. \$.01 par common
LPL Technologies, Inc. Class A, \$.01 par common	Cambex Corporation \$.10 par common	Millfeld Trading Co., Inc. \$.001 par common
M/I Schottenstein Homes, Inc. \$.01 par common	Canyon Resources Corporation \$.01 par common	Mr. Coffee, Inc. \$.01 par common
Molecular Biosystems, Inc. \$.01 par common	Cedar Group, Inc. \$.001 par common	Neurogen Corporation \$.025 par common
NEECO, Inc. \$.01 par common	Class A, warrants (expire 11-08-94)	NSC Corporation \$.01 par common
Northwestern Public Service Company \$7.00 par common	CFSB Bancorp, Inc. \$.01 par common	Orbital Sciences Corporation \$.01 par common
Omnicom Group, Inc. \$.50 par common	Columbia Hospital Corporation \$1.00 par common	OSHAP Technologies LTD. \$.001 par common (IS 1.0 par value)
PCS, Inc. \$.01 par common	Community Bancshares, Inc. (Tennessee) \$1.00 par common	Warrants (expire 11-25-90)
Pioneer Financial Services, Inc. \$1.00 par common	Crest Industries, Inc. \$.01 par common	P & F Industries, Inc. \$10.00 par cumulative convertible preferred
No par cumulative convertible exchangeable preferred	Cross & Trecker Corporation \$2.50 depository convertible exchangeable preferred stock	Picturetel Corporation \$.01 par common
Policy Management Systems Corp. \$.01 par common	Digital Systems International, Inc. \$.01 par common	Warrants (expire 03-26-92)
Profit Systems, Inc. \$.01 par common	Doctors Rehabilitation Corporation of America \$.001 par common	Pinnacle Environmental, Inc. \$.01 par common
Schult Homes Corporation No par common	Dynasty Classics Corporation No par common	Pioneer FED Bancorp, Inc. \$.01 par common
Sharebase Corporation \$.01 par common	Ellwood Federal Savings Bank (Pennsylvania) \$1.00 par common	Pool Energy Services Company No par common
Smith Laboratories, Inc. No par common	Environmental Elements Corporation \$.01 par common	Ramsay-HMO, Inc. \$.001 par common
Sturm, Ruger & Company, Inc. \$1.00 par common	Falcon Products, Inc. \$.02 par common	Rasterops No par common
Svenska Cellulosa Aktiebolaget American Depositary Receipts	Falls Financial Inc. \$.01 par common	Score Board, Inc., The \$.01 par common
Systematics, Inc. \$.025 par common	Fleer Corporation \$.01 par common	Second Bancorp, Incorporated No par common
Unifi, Inc. \$.10 par common	Gensia Pharmaceuticals, Inc. \$.01 par common	Security Financial Holding Company \$.01 par common
United Dominion Realty Trust, Inc. \$1.00 par common	Granite Construction, Inc. \$.01 par common	Shirt Shed, Inc., The \$.01 par common
United Vermont Bancorporation \$.50 par common	Gwinnett Bancshares, Inc. \$1.00 par common	Sullivan Dental Products, Inc. \$.01 par common
United-Guardian, Inc. \$.10 par common	Healthinfusion, Inc. \$.01 par common	Sun Microsystems, Inc. 6% convertible subordinated debentures
Veronex Resources, Ltd. No par common	Home Federal Savings Bank of Missouri \$1.00 par common	Sundowner Offshore Services, Inc. \$.01 par common
Vista Resources, Inc. \$.25 par common	Horsehead Resource Development Company, Inc. \$.01 par common	Swift Transportation Co., Inc. \$.001 par common
Warwick Insurance Managers, Inc. No par common	IG Laboratories, Inc. \$.01 par common	Taunton Technologies, Inc. \$.01 par common
		Telebit Corporation No par common

Twin Star Productions, Inc.
\$.001 par common

Unitrin, Inc.
\$.10 par common

Unity Healthcare Holding CO., Inc.
\$.01 par common

Ventura Entertainment Group, LTD.
\$.001 par common

Vidmark, Inc.
\$.001 par common

Viejo Bancorp
No par common

Wet Seal, Inc., The
Class A, \$.10 par common

Workingmen's Capital Holdings, Inc.
No par common

Xilinx, Inc.
\$.01 par common

Y & A Group, Inc.
\$.0025 par common

Zenith Laboratories, Inc.
\$.09 par common

Zeos International, LTD.
\$.01 par common

The List of Foreign Margin Stocks

Advantest Corporation
¥ 50 par common

Ajinomoto Co., Inc.
¥ 50 par common

Arabian Oil Co., Ltd.
¥ 500 par common

Bank of Tokyo, Ltd.
¥ 50 par common

Cannon Sales Co., Inc.
¥ 50 par common

Daiwa House Industry Co., Ltd.
¥ 50 par common

Fuji Fire & Marine Insurance Co., Ltd.
¥ 50 par common

Fuji Photo Film Co., Ltd.
¥ 50 par common

General Electric Co., PLC
Ordinary shares, par value 50 p

Grand Metropolitan, PLC
Ordinary shares, par value 50 p

Guinness, PLC
Ordinary shares, par value 25 p

Hatachi, Ltd.
¥ 50 par common

Honshu Paper Co., Ltd.
¥ 50 par common

Industrial Bank of Japan, Ltd.
¥ 50 par common

Isetan Co., Ltd.
¥ 50 par common

Ito Yokado Co., Ltd.
¥ 50 par common

Japan Radio Co., Ltd.
¥ 50 par common

Kokuyo Co., Ltd.
¥ 50 par common

Komatsu Ltd.
¥ 50 par common

Mauri Co., Ltd.
¥ 50 par common

Matsushita Electric Industrial Co., Ltd.
¥ 50 par common

Mitsubishi Bank Ltd.
¥ 50 par common

Mitsukoshi Ltd.
¥ 50 par common

NEC Corporation
¥ 50 par common

Nichido Fire & Marine Insurance Co., Ltd.
¥ 50 par common

Nippon Express Co., Ltd.
¥ 50 par common

Nomura Securities Co., Ltd.
¥ 50 par common

Polly Peck International, PLC
Ordinary shares, par value 10 p

Racal Electronics, PLC
Ordinary shares, par value 25 p

Ricoh Co., Ltd.
¥ 50 par common

Sekisui Chemical Co., Ltd.
¥ 50 par common

Sony Corporation
¥ 50 par common

Taisei Corporation
¥ 50 par common

Taisho Pharmaceutical Co., Ltd.
¥ 50 par common

Tobishima Corporation
¥ 50 par common

Tohoku Electric Power Co., Inc.
¥ 500 par common

Toppan Printing Co., Ltd.
¥ 50 par common

Toyota Motors Corporation
¥ 50 par common

Victor Company of Japan Ltd.
¥ 50 par common

Yamaha Corporation
¥ 50 par common

Yamanouchi Pharmaceutical Co., Ltd.
¥ 50 par common

By order of the Board of Governors of the
Federal Reserve System, acting by its Staff
Director of the Division of Banking
Supervision and Regulation pursuant to
delegated authority (12 CFR 265.2(c)(18)), July
27, 1990.

William W. Wiles,
Secretary of the Board.
[FR Doc. 90-17970 Filed 8-1-90; 8:45 am]

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