

FEDERAL RESERVE BANK
OF NEW YORK

AT GR No 8315

April 5, 1978

LIST OF OTC MARGIN STOCKS
As of April 3, 1978

*To All Persons Extending Securities Credit
in the Second Federal Reserve District:*

Following is the text of a statement by the Board
of Governors of the Federal Reserve System released on April 3:

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

The list supersedes the revised List of OTC Margin Stocks
that was issued on August 15, 1977. Changes that have been made
in the List, which now includes 1,128 OTC stocks, are as follows:

--88 stocks have been included for the first time.

--14 stocks previously on the List have been removed for
substantially failing to meet the requirements for continued listing.

--51 stocks have been removed because they are now listed on a
national securities exchange or the companies were acquired by
another firm.

The Board monitors the market activity of all OTC stocks to
determine which stocks meet the requirements for inclusion and
continued inclusion on the List of OTC Margin Stocks, and period-
ically revises the List.

Margin regulations generally limit the amount of credit a person
or firm may obtain to buy, or carry, securities. Stocks on the List
of OTC Margin Stocks are subject to the same margin requirements
(currently 50 per cent) as stocks listed on national stock exchanges.

(Over)

This means a person or firm buying a stock on credit must make a down payment equal to at least 50 per cent of the purchase price of the stock and may obtain credit for the remaining 50 per cent.

Margin requirements on OTC stocks apply only to credit extended on the date the stock becomes an OTC margin stock and thereafter. Credit extended by banks to purchase or carry OTC stocks before they appeared on the List becomes subject on that date to the retention and withdrawal requirements of the Board's margin Regulation U if the credit is collateralized by any stock. Such credit previously extended by lenders subject to Regulation G (which governs securities credit by persons other than banks, brokers, or dealers) becomes subject to retention and withdrawal requirements if collateralized by "margin securities."

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

The List is published by the Board for the information of lenders and the general public.

The Board of Governors' revised List of OTC Margin Stocks referred to in the above statement will be sent to you as soon as copies become available. Any questions regarding this matter may be directed to our Regulations Division (Tel. No. 212-791-5914).

PAUL A. VOLCKER,
President.