



# PAUL REVERE Investors Inc.

18 Chestnut Street • Worcester, Massachusetts 01608

Please reply to:  
1275 King Street  
Greenwich, Connecticut 06830  
(203) 552-1800

August 18, 1972

Allan S. Mostoff, Director  
Division of Investment Company Regulation  
Securities and Exchange Commission  
500 North Capitol Street, N. W.  
Washington, D. C. 20549

Act	ICA-40
Section	2(a)(41)
Rule	
Public Availability	3/22/73

Dear Mr. Mostoff:

Paul Revere Investors Inc.  
File No. 811-2197

Paul Revere Investors Inc. (the "Company") is a closed-end, non-diversified management investment company which was organized in May, 1971 and went public through a public offering of its shares on September 30, 1971. Under its investment policy it invests principally in long-term, fixed-income debt obligations which have equity features and which are acquired in direct placements. When fully invested in accordance with this policy, which is expected to take approximately two years from the date of the public offering, the Company must have at least 85% of its assets invested in direct placements and in equity securities acquired as a result of the exercise of warrants, options or conversion rights acquired in direct placements.

The Company also has an automatic dividend investment plan (the "Plan") under which participating shareholders may automatically reinvest all dividends in shares of the Company's stock. Such reinvestment is at net asset value or at market price, whichever is lower. Depending upon which is lower, the Company issues additional shares or the agent for the participants purchases shares in the market. Current policy is to pay dividends monthly.

Section 2(a)(41) of The Investment Company Act of 1940 (the "Act") provides in pertinent part as follows:

"'Value,' with respect to assets of registered investment companies --- means -- (B) -- (i) with respect to securities for which market quotations are readily available, the market value of such securities; and (ii) with respect to other securities and assets, fair value as determined in good faith by the board of directors."

Section 23(b) of the Act provides in pertinent part as follows:

"No registered closed-end company shall sell any common stock of which it is the issuer at a price below the current net asset value of such stock --- (which net asset value shall be determined as of a time within forty-eight hours, excluding Sundays and holidays, next preceding the time of such determination), except --- under such other circumstances as the Commission may permit by rules and regulations or orders for the protection of investors."

Owners of the Company's shares, as well as potential investors, like to know the current net asset value per share. Since securities acquired in direct placements fall within the category of "other securities and assets" in Subsection 2(a)(41)(B)(ii) of the Act, their fair value is that "determined in good faith by the board of directors". Thus, the longer the period that has elapsed since the most recent determination by the board of directors ("Board"), the more out of date is the most recent value that can be given.

Further, participants in the Plan are entitled to shares at the lower of net asset value per share or market value. It is therefore necessary to determine net asset value to establish which cost basis is applicable, and, if this is net asset value, the actual issue price of the shares payable as a dividend. Under the provisions of Section 23(b) of the Act the net asset value for issue purposes must be determined as of a time within forty-eight hours of the time of issue. This has caused the Board to meet within forty-eight hours prior to

each monthly dividend payment to value the restricted securities.

Need for frequent meetings on a restrictive time schedule to value restricted securities has proved burdensome to the members of the Board, particularly to those who are not interested parties of the Company or its investment adviser. This was one of the principal considerations in the recent resignation of one director, and management fears that it will lose the services of others and will not be able to replace them with new directors of comparable stature, ability and value to the Company unless an alternative is devised. It would appear that some reasonable alternative might be agreed upon which would provide necessary safeguards to protect the public and yet permit more frequent determinations of net asset value.

The Company proposes that the Board create a Securities Valuation Committee ("Committee") delegating to it certain powers and responsibilities to value restricted securities between meetings of the Board under guidelines established by the Board. The exact composition of the Committee could be left to the Board but it is contemplated that both the Board and management be represented.

The foregoing procedure would appear to be within the contemplation of the terms of Investment Company Act Release No. 5847 dated October 21, 1969 where it is stated:

"While the board may, consistent with this responsibility, determine the method of valuing each issue of restricted security in the company's portfolio, it must continually review the appropriateness of any method so determined. The actual calculations may be made by persons acting pursuant to the directions of the board."

The Board would meet no less often than quarterly to review, and if necessary amend, the guidelines. Further, a provision designed to provide some flexibility and adjustment of the method of valuation between meetings of the Board, to protect against unusual and unexpected fluctuations in value of any restricted securities in the portfolio would be included.

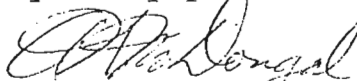
It should be noted that a substantial majority of the value of the Company's direct placements is, and for an indefinite period of time will be, in debt securities rather than in equity securities. Though many of the same considerations apply in valuation of restricted debt securities as in the valuation of restricted equity securities, a difference exists which was recognized in the opening paragraph of Release No. 5847 mentioned above. This directed the application of the release toward the problems created by the acquisition of restricted equity securities. Their fair value is related to considerations such as public acceptance and earnings which tend to make values volatile. The fair value of restricted debt securities on the other hand, particularly under the Company's investment policy where restricted debt securities will ordinarily be held to maturity, depends basically upon the solvency of the issuer and is relatively stable.

Attached hereto as Exhibit A is a copy of guidelines proposed for initial adoption by the Company's Board to implement the proposed procedures. It is felt that the application of these guidelines between meetings of the Board will permit determination of net asset value within acceptable limits. If experience indicates that this is not accomplished, the Board on its own, or at the request of management, can amend them at any time to increase accuracy. The key to Schedule I to the guidelines is a mechanical aid rather than a rigid framework and can also be modified as needed. Special instructions under Footnote E. would be expected to be used frequently.

Attached hereto as Exhibit B are copies of valuation sheets showing the value of restricted securities owned by the Company as determined by the Board at each valuation from the date of acquisition of such restricted securities to the date of this letter. It will be noted that with one exception the only change in valuation of any debt security from cost has been to amortize original issue discount. The only changes in valuation of equity securities relate to situations where there is a market in the same class of security and, in one instance, a situation where it is expected that there will be a market reasonably soon.

The Company requests approval of the procedures proposed in Paragraph D. hereof. If it is felt that further limitations or restrictions are needed for the protection of stockholders or others, representatives of the Company would be pleased to discuss these with the staff, as well as answer any further questions the staff may have. Your favorable consideration is respectfully requested.

Very truly yours,



A. Warren McDougal  
Clerk

AWM:aml

Based upon the foregoing and the attachments thereto, we will not recommend that the Commission take any action against the Company under Section 2(a)(41) of the Act, if it establishes the proposed Securities Valuation Committee and procedures for the purpose of valuation of the Company's restricted securities between meetings of the Board of Directors; provided however that the "Guidelines for use by the Securities Valuation Committee" make it clear that, in addition to the duties and procedures specified by the second paragraph of the Guidelines, the Committee has the duty and responsibility to advise the Board of Directors at any time it believes that the methods established for valuing any restricted security or securities are erroneous so that the Board may determine whether such methods should be modified.

We note that the proposed Guidelines and Committee apply specifically to the valuation of restricted securities. However, Section 2(a)(41) also requires that unrestricted securities for which there are not market quotations readily available must also be valued by the Board of Directors (see Investment Company Act Release No. 6295). In this regard, we assume that the proposed valuation procedure for restricted securities would also be used for unrestricted securities for which no market quotations are readily available.

Alan Rosenblat, Chief Counsel  
Division of Investment Management Regulation

By   
Peter M. Sullivan, Attorney

cc: Karl Smeltzer

February 21, 1973

PAUL REVERE INVESTORS INC.  
GUIDELINES  
for use by  
SECURITIES VALUATION COMMITTEE  
in valuing  
RESTRICTED SECURITIES

The value to be given restricted securities is "fair value" which shall mean their inherent worth without regard to the restrictive feature, adjusted for any diminution in value resulting from the restrictive feature. The method of valuing each restricted security in the Company's portfolio will be established by the directors not less often than quarterly. The Committee will follow the method established in valuing each restricted security until a new method is established by the directors or in accordance with the following paragraph.

The Committee shall have the duty and responsibility to keep current on all factors which may have an effect on fair value of restricted securities in the Company's portfolio. If the Committee determines that there has been a change in such factors causing the net asset value of the Company determined under the methods established by the directors to vary more than 1% from what the Committee deems net asset value to be, no net asset value will be published or otherwise used until the methods which the Committee deems erroneous have been reviewed by a majority of the Board and either affirmed or modified by them. Such review and affirmation or modification may be accomplished by telephone, letter or other means of communication and shall be noted in the official records of the Committee, giving the names of those directors approving and disapproving. If agreement is not obtained from a majority of the Board, determination shall be deferred until agreement is obtained or until the next regular or special meeting of the Board.

The initial method established for valuing each restricted security in the Company's portfolio is set forth in Schedule I attached. Restricted securities purchased subsequent to any meeting of the Board shall, until the next following meeting of the Board, be valued as follows:

Debt securities - Cost plus accrued amortization of original issue discount, if any.

Preferred Stock - Cost plus accrued amortization of original issue discount, if any.

Common Stock - Cost or, if there is a market in unrestricted securities of the same class, a value discounted from market value in the same proportion as cost was discounted from market on the date of the firm agreement to purchase.

Warrants or Options - Cost, or if there is a market in unrestricted securities of the same class or of the same class as the underlying securities, (i) a value discounted from market value in the same proportion as cost was discounted from market on the date of the firm agreement to purchase or (ii) a value equal to cost plus or minus one-fourth of the difference between the market value of securities of the same class as the underlying security on the date of the firm agreement to purchase and on the valuation date (but never less than zero), whichever is applicable.

The Board of Directors  
of Paul Revere Investors Inc.

SCHEDULE I

\*Method of Valuing  
(Key follows)

<u>Issuer and Security</u>	<u>Initial</u>	<u>/72</u>	<u>/73</u>	<u>/73</u>	<u>/73</u>
Carthage Manufacturing Corp.					
Note	A.				
Common Stock	E.				
Consumpak, Inc.					
Note	A.				
Common Stock	A.				
Designcraft Jewel Industries, Inc.					
Note	A.				
Warrants	D.				
Food, Incorporated					
Note	A.				
Common Stock	A.				
Goodman Equipment Corp.					
Mortgage Bond	A.				
Note	A.				
Common Stock	A.				
Imperial Corporation of America					
Convertible Note	A.				
My-Toy Company, Inc.					
Note	A.				
Warrants	D.				
National Hardgoods Distributors, Inc.					
Note	A.				
Warrants	D.				
Nation-Wide Check Corp.					
Note	B.				
Convertible Note	A.				
Simera Corp.					
Note	B.				
Warrants	A.				
Synthetic Materials Corp.					
Note	A.				
Class A Common	A.				
Class B Common	A.				
Transcontinental Music Corp.					
Note	B.				
Common Stock	A.				
Warrants	A.				



<u>Issuer and Security</u>	<u>Initial</u>	<u>*Method of Valuing</u>			
		<u>(Key follows)</u>			
		<u>/72</u>	<u>/73</u>	<u>/73</u>	<u>/73</u>
Transvac, Inc.					
Note (Sr.)	A.				
Note (Sr. Sub.)	E.				
Warrants	D.				
Triton Oil & Gas Corp.					
Warrants	E.				
Walco Products, Inc.					
Note	A.				
Common Stock	A.				

A. = Cost

B. = Cost plus accrued amortization of original issue discount.

C. = Value discounted from market value of unrestricted securities of the same class in the same proportion as cost was discounted from market on the date of the firm agreement to purchase.

D. = Cost plus or minus 1/4 of the difference between the market value of securities of the same class as the underlying security on the date of the firm agreement to purchase and on the valuation date (but never less than zero). No adjustment need be made if less than \$5,000.

E. = Special instructions set forth on a separate sheet.

\*Valuations may be rounded to the nearest \$1,000.



Paul Revere Investors

Consupak, Inc.

Agreement Date:	2/23/72	\$1,637,500	9% Sr. Sub. Note due 6/15/82
Purchase Date:	6/15/72	112,500	Cost: \$1,637,500
			Common Stock. 225,000 shares at \$.50/sh.
			Cost: \$112,500
			Reg. rts. 2 free (30% of stock)
			Unlimited piggybacks.

<u>Valuation Date</u>	<u>Earnings Per Share</u>		<u>Current Market If Public</u>	<u>Debt Valuation</u>	<u>Equity Valuation</u>
	<u>Last Year</u>	<u>Latest</u>			
June 30, 1972	.37	.12 3 mos.	-	\$1,637,500	\$112,500
July 11, 1972	.37	.12 3 mos.	-	1,637,500	112,500
Aug. 15, 1972	.37	.12 3 mos.	-	1,637,500	112,500

Paul Revere Investors

Designcraft Jewel Industries, Inc.

Agreement Date: 11/30/71 (7-1/2)	\$1,500,000	8-3/4% Sr. Prom. Note due 12/31/82
Purchase Date: 12/23/71 (8-3/4)		Cost: \$1,422,686
		w/w 50,000 shs. at \$8.00 to 12/31/82
		Cost: \$77,314
		Reg. rts. 2 free (30% of stock).
		Unlimited piggybacks (20% of stock).

<u>Valuation Date</u>	Earnings Per Share		Current Market <u>If Public</u>	Debt <u>Valuation</u>	Equity <u>Valuation</u>
	<u>Last Year</u> (Aug. 31)	<u>Latest*</u>			
Dec. 31, 1971	.66	.25 6 mos.	9-1/2--10-1/4	\$1,422,686	\$ 77,314
Jan. 11, 1972	.66	.25 6 mos.	10-1/2--11-1/4	1,422,686	77,314
Feb. 15, 1972	.66	.45 9 mos.	12-3/4--13-3/4	1,423,008.15	156,250
Mar. 7, 1972	.66	.45 9 mos.	11-1/2--12-1/2	1,423,330.29	137,500
April 11, 1972	.66	.45 9 mos.	13-1/2--14-1/2	1,423,652.43	168,750
May 9, 1972	.66	.71 12mos.	12-1/4--13-1/4	1,423,974.57	153,125
June 13, 1972	.66	.71 12mos.	30-3/4--31-3/4	1,424,296.71	384,375
June 30, 1972	.71	.18 vs. .13 3 mos.	35-1/4--36	1,424,618.86	440,625
July 11, 1972	.71	.18 vs. .13 3 mos.	36-1/2--37-1/4	1,424,618.86	456,250

\*Switching to a Feb. 28 Fiscal Year.

Paul Revere Investors

Designcraft Jewel Industries, Inc.

<u>Valuation Date</u>	Earnings Per Share <u>Last Year</u> (Aug. 31)	Share <u>Latest*</u>	Current Market <u>If Public</u>	Debt <u>Valuation</u>	Equity <u>Valuation</u>
Aug. 15, 1972	.71	.18 vs. .13 3 mos.	24-1/2--25-1/4	\$1,424,941	\$310,000

Paul Revere Investors

Food, Incorporated

Agreement Date:	4/28/72	\$1,500,000	8-1/2% Senior Subordinated Notes, due 1979.
Purchase Date:	4/28/72	238,600	Common Stock. 455 Class B shares at \$524.39 per share (15% of the Company)

<u>Valuation Date</u>	<u>Earnings Per Share</u>		<u>Current Market If Public</u>	<u>Debt Valuation</u>	<u>Equity Valuation</u>
	<u>Last Year</u>	<u>Latest</u>			
June 13, 1972	145.95	-	-	\$1,500,000	\$238,600
June 30, 1972	145.95	-	-	1,500,000	238,600
July 11, 1972	145.95	-	-	1,500,000	238,600
Aug. 15, 1972	145.95	-	-	1,500,000	238,600

Paul Revere Investors

Goodman Equipment Corporation

Agreement Date:	8/ 1/71	\$500,000	10% First Mortgage Bonds due 6/30/88
Purchase Date:	3/10/72		Cost: \$500,000
		250,000	10% Subordinated Notes due 6/30/83
			Cost: \$250,000
		47	Common Stock. 4,688 shares at \$.01/sh.
			Cost: \$47
			Reg. rts. 1 free right
			Unlimited piggybacks.

<u>Valuation Date</u>	<u>Earnings Per Share</u>		<u>Current Market If Public</u>	<u>Debt Valuation</u>	<u>Equity Valuation</u>
	<u>Last Year (June 30)</u>	<u>Latest</u>			
April 11, 1972	(8.75)	.37 6 mos.	-	\$500,000 250,000	\$ 47
May 9, 1972	(8.75)	.53 9 mos.	-	500,000 250,000	47
June 13, 1972	(8.75)	.53 9 mos.	-	500,000 250,000	47
June 30, 1972	(8.75)	.53 9 mos.	-	500,000 250,000	47
July 11, 1972	(8.75)	.53 9 mos.	-	500,000 250,000	47
Aug. 15, 1972	(8.75)	.53 9 mos.	-	500,000 250,000	47

Paul Revere Investors

Imperial Corporation of America

Agreement Date: 12/13/71 (16-5/8) \$1,500,000  
Purchase Date: 5/15/72 (14-1/4)

6-1/2% Convertible Subordinated  
Notes due May 15, 1987.  
Convertible at \$15.1725 per share  
to May 15, 1987.

<u>Valuation Date</u>	<u>Earnings Per Share</u>		<u>Current Market If Public</u>	<u>Debt Valuation</u>	<u>Equity Valuation</u>
	<u>Last Year</u>	<u>Latest</u>			
June 13, 1972	1.38	.35 vs. .26 3 mos.	13-1/2	\$1,500,000	-
June 30, 1972	1.38	.35 vs. .26 3 mos.	14-3/4	1,500,000	-
July 11, 1972	1.38	.35 vs. .26 3 mos.	14-1/4	1,500,000	-
Aug. 15, 1972	1.38	.35 vs. .26 3 mos.	14-1/2	1,500,000	-



Paul Revere Investors

My-Toy Company

Agreement Date: 6/30/72

\$750,000

8-1/2% Sub. Note due 7/15/82

Purchase Date: 7/21/72

Cost: \$711,976.66

w/w 150,000 at \$7.00 per share;

\$6.00 per share if earnings

per share falls below \$.47

for the fiscal year ended 6/30/72.

Cost: \$38,023.34

Reg. rts. 2 free (30% of stock)

Unlimited piggybacks.

<u>Valuation Date</u>	<u>Earnings Per Share</u>		<u>Current Market If Public</u>	<u>Debt Valuation</u>	<u>Equity Valuation</u>
	<u>Last Year (June 30)</u>	<u>Latest</u>			
Aug. 15, 1972	.46	.37 (9 mos.)	7-1/8--7-3/8	\$711,976.66	\$38,023.34

Paul Revere Investors

National Hardgoods Distributors, Inc.

Agreement Date: 9/14/71 (3-1/2)	\$1,000,000	10% Sr. Prom. Note due 10/31/82
Purchase Date: 12/ 7/71 (2-1/2)		Cost: \$974,927
		w/w 60,000 shs. at \$2.00/sh. to 10/31/82
		Cost: \$25,073

<u>Valuation Date.</u>	<u>Earnings Per Share</u>		<u>Current Market If Public</u>	<u>Debt Valuation</u>	<u>Equity Valuation</u>
	<u>Last Year (Jan. 30)</u>	<u>Latest</u>			
Dec. 7, 1971	.16	.11 6 mos.	3-5/8--3-7/8	\$974,927	\$25,073
Dec. 31, 1971	.16	.11 6 mos.	2-1/4--2-5/8	974,927	25,073
Jan. 11, 1972	.16	.04 9 mos.	3--3-1/2	974,927	25,073
Feb. 15, 1972	.16	.04 9 mos.	3-1/2--3-7/8	975,309.79	25,073
March 7, 1972	.16	.04 9 mos.	3--4	975,501.19	25,073
April 11, 1972	.16	.04 9 mos.	3-3/4--4-1/4	975,692.59	25,073
May 9, 1972	.16	.21 12 mos.	3-1/4--3-3/4	975,883.99	25,073
June 13, 1972	.16	.21 12 mos.	3--3-3/8	976,075.39	25,073
June 30, 1972	.21	.02 vs. .01 3 mos.	2-7/8--3-1/4	976,266.78	25,073
July 11, 1972	.21	.02 vs. .01 3 mos.	2-3/4--3-1/8	976,266.78	25,073
Aug. 15, 1972	.21	.02 vs. .01 3 mos.	2-1/2--2-7/8	976,458.18	25,073

Paul Revere Investors

Nation-Wide Check Corporation

Agreement Date:	7/29/71 (3-1/2)	\$350,000	9-7/8% Sub. Prom. Note due 10/15/79
Purchase Date:	10/22/71 (3-3/4)		Cost: \$342,500
		150,000	9-7/8% Sub. Conv. Prom. Note due 10/15/81
			Conv. at \$2.00/sh.
			Cost: \$150,000
			Reg. rts. 2 free (Min. 50M shs.)
			Unlimited piggybacks.

<u>Valuation Date</u>	<u>Earnings Per Share</u>		<u>Current Market If Public</u>	<u>Debt Valuation</u>	<u>Equity Valuation</u>
	<u>Last Year (April 27)</u>	<u>Latest</u>			
Dec. 7, 1971	.07	3 mos.	3-3/4--4-1/2	\$342,500	\$150,000
Dec. 31, 1971	.16	.14 6 mos.	3-1/2--4-1/4	342,500	150,000
Jan. 11, 1972	.16	.14 6 mos.	3--3-1/2	342,500	150,000
Feb. 15, 1972	.16	.14 6 mos.	3--3-3/4	342,695.30	150,000
March 7, 1972	.16	.14 6 mos.	3--6	342,773.43	150,000
April 11, 1972	.16	.10 9 mos.	3-1/4--4	342,857.56	150,000
May 9, 1972	.16	.10 9 mos.	3--3-3/4	342,929.69	150,000
June 13, 1972	.16	.10 9 mos.	3-1/4--3-1/2	343,007.82	150,000
June 30, 1972	.16	.10 9 mos.	3--3-3/4	343,085.94	150,000
July 11, 1972	.16	.10 9 mos.	3--3-3/4	343,085.94	150,000
Aug. 15, 1972	.16	.20 12 mos.	3--3-3/4	343,164.07	150,000

Paul Revere Investors

Simera Corp.

(Formerly Marketing Resources & Applications, Inc.)

Agreement Date: 5/25/72 (16) \$1,000,000 8-1/2% Sr. Prom. Note due 6/30/77  
 Purchase Date: 6/26/72 (16) Cost: \$960,563  
 w/w 50,000 shs. at \$6.66 to 6/30/77  
 Cost: \$39,437  
 Additional warrants: If Note not prepaid  
 by 12/31/72, additional 50,000 at  
 \$6.66 to 6/30/77.  
 If Note not prepaid by 6/30/73,  
 additional 50,000 at \$6.66 to 6/30/77.  
 Reg. rts: 2 free (30% of stock).  
 Unlimited piggybacks.

<u>Valuation Date</u>	<u>Earnings Per Share</u>		<u>Current Market If Public</u>	<u>Debt Valuation</u>	<u>Equity Valuation</u>
	<u>Last Year</u>	<u>Latest</u>			
June 30, 1972	.37	.33 3 mos.	16-1/4--17-1/4	\$960,562.94	\$39,437.06
July 11, 1972	.37	.33 3 mos.	15-3/4--16-3/4	960,562.94	39,437.06
Aug. 15, 1972	.37	.33 3 mos.	13-1/4--14-1/4	961,220.22	39,437.06

Paul Revere Investors

Synthetic Materials Corporation

Agreement Date: 1/28/72 \$450,000 9% Senior Promissory Note due 3/15/82  
Purchase Date: 3/22/72 50,000 Cost: \$450,000  
Common Stock. 225 shares at \$222.22/sh.  
Reg. rts. 1 free right  
Unlimited piggybacks.

<u>Valuation Date</u>	<u>Earnings Per Share</u>		<u>Current</u> <u>Market</u> <u>If Public</u>	<u>Debt</u> <u>Valuation</u>	<u>Equity</u> <u>Valuation</u>
	<u>Last Year</u>	<u>Latest</u>			
April 11, 1972			-	\$450,000	\$50,000
May 9, 1972			-	450,000	50,000
June 13, 1972			-	450,000	50,000
June 30, 1972			-	450,000	50,000
July 11, 1972			-	450,000	50,000
Aug. 15, 1972			-	450,000	50,000

Paul Revere Investors

Transcontinental Music Corporation

Agreement Date: 2/22/72                      \$500,000  
 Purchase Date: 3/28/72

8% Sr. Notes due 3/15/75  
 Cost: \$450,000  
 w/w 50,000 shs. at \$7.50 to 3/15/77  
 Cost: \$10,000  
 Common Stock. 50,000 shs. at \$.80/sh.  
 Cost: \$40,000  
 Reg. rts. 1 free right (5% of Stock)  
 Unlimited piggyback (5% of Stock) and  
 reg. on rts. offering  
 Special Guarantees and Provisions:  
 (a) \$100,000 to be prepaid from  
 proceeds of Omega-Alpha's rights  
 offering of TMC stock;  
 (b) Notes are fully guaranteed by  
 Omega-Alpha and O/A is obligated  
 to repurchase Notes on 9/30/73  
 if TMC's pretax earnings for year  
 ending 6/30/73 are less than  
 \$2,000,000;  
 (c) PRI has option to put the stock  
 and warrants to James J. Ling  
 personally at \$3.00 and \$1.50 per  
 share respectively on 11/30/72.

<u>Valuation Date</u>	<u>Earnings Per Share</u>		<u>Current Market If Public</u>	<u>Debt Valuation</u>	<u>Equity Valuation</u>
	<u>Last Year</u>	<u>Latest</u>			
May 9, 1972	(2.88)		-	\$450,000	\$ 10,000 40,000
June 13, 1972	(2.88)		-	454,255.32	10,000 40,000

Paul Revere Investors

Transcontinental Music Corporation

<u>Valuation Date</u>	<u>Earnings Per Share Last Year</u>	<u>Share Latest</u>	<u>Current Market If Public</u>	<u>Debt Valuation</u>	<u>Equity Valuation</u>
June 30, 1972	(2.88)		-	\$456,382	\$10,000 40,000
July 11, 1972	(2.88)		-	456,382	10,000 40,000
Aug. 15, 1972	(2.88)		-	458,510.64	10,000 40,000

Paul Revere Investors

Transvac, Inc.

Agreement Date:	9/27/71 (8)	\$375,000	8-7/8% Sr. Prom. Note due 11/15/81
Purchase Date:	11/19/71 (6-3/8)		Cost: \$375,000
		375,000	9-7/8% Sr. Sub. Prom. Note due 11/25/81
			Cost: \$363,347
			w/w 80,357 shs. at \$7.00/sh. to 11/15/81
			Cost: \$11,653
			Reg. rts. 2 free (50M shs.)
			Unlimited piggybacks.

<u>Valuation Date</u>	<u>Earnings Per Share</u> <u>Last Year</u> (Mar. 31)	<u>Latest</u>	<u>Current</u> <u>Market</u> <u>If Public</u>	<u>Debt</u> <u>Valuation</u>	<u>Equity</u> <u>Valuation</u>
Dec. 7, 1971	.50	.26 6 mos.	5-5/8--6-1/8	\$375,000 363,347	\$11,653
Dec. 31, 1971	.50	.26 6 mos.	5-1/8--5-3/8	375,000 363,347	11,653
Jan. 11, 1972	.50	.26 6 mos.	6-1/8--6-1/2	375,000 363,347	11,653
Feb. 15, 1972	.50	.26 6 mos.	7-1/2--8	375,000 363,492.66	11,653
March 7, 1972	.50	.26 6 mos.	5-7/8--6-3/8	375,000 363,589.77	11,653
April 11, 1972	.50	(.69) 9 mos.	5--5-1/2	375,000 363,686.88	11,653
May 9, 1972	.50	(.69) 9 mos.	5--5-1/2	375,000 363,783.99	11,653
June 13, 1972	.50	(.69) 9 mos.	1/8--4-5/8	375,000 363,881.10	11,653



Paul Revere Investors

Transvac, Inc.

<u>Valuation Date</u>	<u>Earnings Per Share Last Year</u>	<u>Per Share Latest</u>	<u>Current Market If Public</u>	<u>Debt Valuation</u>	<u>Equity Valuation</u>
June 30, 1972	.50	(.69) 9 mos.	3--3-1/2	\$375,000 363,978.21	\$11,653
July 11, 1972	.50	(.69) 9 mos.	3--3-1/2	375,000 363,978.21	11,653
Aug. 15, 1972	.50	(.69) 9 mos.	2-5/8--3-1/8	375,000 326,575.32	11,653

Paul Revere Investors

Triton Oil & Gas Corp.

Agreement Date: 12/ 6/71 (3-5/8)      \$1,300,000      Commitment expiring 6/30/73 for 8-1/2%  
 Purchase Date: 12/31/71 (3-3/4)      loan commencing no earlier than 1/1/73  
 and maturing 12/31/73 secured by  
 666,164 shs. at Magna Oil Corp.  
 Fee 100,000 wts. to purchase  
 Triton Common at \$4.00/sh. for 5 yrs.  
 Cost: \$19,500  
 Reg. rts. 1 free (30% of stock).  
 Unlimited piggybacks.

<u>Valuation Date</u>	<u>Earnings Per Share</u>			<u>Market Price If Public</u>	<u>Debt Valuation</u>	<u>Equity Valuation</u>
	<u>Last Year</u> (May 31)	<u>Latest</u>				
Dec. 31, 1971	(.61)	(.07) 3 mos.	3-3/4--4	-	\$19,500	
Jan. 11, 1972	(.61)	(.07) 3 mos.	4--4-1/4	1/4	19,500	
Feb. 15, 1972	(.61)	(.07) 3 mos.	3-3/4--4-1/8	-	19,500	
March 7, 1972	(.61)	(.16) 6 mos.	3-3/8--3-3/4	-	19,500	
April 11, 1972	(.61)	(.16) 6 mos.	3-3/4--4-1/8	-	19,500	
May 9, 1972	(.61)	(.16) 6 mos.	2-3/4--3-1/4	-	19,500	
June 13, 1972	(.61)	(.16) 6 mos.	4-1/8--4-1/2	-	19,500	
June 30, 1972	(.61)	(.16) 6 mos.	5-1/8--5-1/2	-	19,500	
July 11, 1972	(.61)	(.16) 6 mos.	4-5/8--5	-	19,500	
Aug. 15, 1972	(.61)	(.16) 6 mos.	3-7/8--4-1/8	-	40,000	

Paul Revere Investors

Walco Products, Inc.

Agreement Date:	8/9/71	\$350,000	9-1/2% Sr. Sub. Note due 9/15/81
Purchase Date:	10/21/71		Cost: \$350,000
		150,000	Common. 127 shares at \$1.181.10/sh.
			Cost: \$150,000
			Reg. rts. 1 free after 1/31/72 (50% of stock).
			Unlimited piggybacks.

<u>Valuation Date</u>	Earnings Per Share		Current Market <u>If Public</u>	Debt <u>Valuation</u>	Equity <u>Valuation</u>
	<u>Last Year</u> (Jan. 31)	<u>Latest</u>			
Dec. 7, 1971	181.23	134.59 6 mos.	-	\$350,000	\$150,000
Dec. 31, 1971	181.23	134.59 6 mos.	-	350,000	150,000
Jan. 11, 1972	181.23	323.88 9 mos.	-	350,000	150,000
Feb. 15, 1972	181.23	323.88 9 mos.	-	350,000	150,000
March 7, 1972	181.23	323.88 9 mos.	-	350,000	150,000
April 11, 1972	181.23	346.00 12 mos.	-	350,000	150,000
May 9, 1972	346.00		-	350,000	150,000
June 13, 1972	346.00		-	350,000	150,000
June 30, 1972	346.00	35.63 vs. 34.57 3 mos.	-	350,000	150,000
July 11, 1972	346.00	35.63 vs. 34.57 3 mos.	-	350,000	150,000
Aug. 15, 1972	346.00	35.63 vs. 34.57 3 mos.	-	350,000	150,000