

ADMINISTRATIVE PROCEEDING
FILE NO. 3-6135

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

In the Matter of :
ALSTEAD, STRANGIS & DEMPSEY, INC. :
(8-14697) :
:

INITIAL DECISION

Washington, D.C.
December 20, 1982

Warren E. Blair
Chief Administrative Law Judge

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APPEARANCES: Peter B. Shaeffer and Anita M. Nagler, of
the Chicago Regional Office of the Commission,
for the Division of Enforcement.

Michael C. Mahoney and Thomas P. Malone, of
Curtin & Mahoney, for Alstead, Strangis &
Dempsey, Inc.

BEFORE: Warren E. Blair, Chief Administrative Law Judge.

These public proceedings were instituted on May 20, 1982 by order of the Commission ("Order") pursuant to Sections 15(b) and 19(h) of the Securities Exchange Act of 1934 ("Exchange Act"). The Order directed a public hearing be held to determine whether Alstead, Strangis & Dempsey, Inc. ("ASD," "registrant," or "respondent"), had engaged in the misconduct charged by the Division of Enforcement ("Division") and what, if any, remedial action would be appropriate in the public interest.

In substance, the Division alleges that during the period from on or about February 5, 1980 to July 31, 1980, ASD wilfully violated the anti-fraud provisions of Section 17 of the Securities Act of 1933 ("Securities Act") and of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder by offering and selling shares of common stock of Flight Transportation Corporation ("FTC") and of A.T. Bliss & Company ("Bliss") at excessive and unreasonable markups without disclosure to its customers that it was doing so.

Respondent appeared through counsel, who participated throughout the hearing. As part of the post-hearing procedures successive filings of proposed findings, conclusions, and supporting briefs were specified. Timely filings thereof were made by the parties.

The findings and conclusions herein are based upon the preponderance of the evidence as determined from the record and upon observation of the witnesses.

RESPONDENT

Respondent, a Minnesota corporation having its principal place of business in Minneapolis, Minnesota, became registered as a broker-dealer under the Exchange Act in May, 1978 and is a member of the National Association of Securities Dealers ("NASD"). During the period in question Jerry A. Alstead ("Alstead") was registrant's president and one of its directors.

RESPONDENT'S TRADING ACTIVITIES

Flight Transportation Corporation

FTC, a Minnesota corporation incorporated in 1968, was engaged as of November, 1979 in a fixed-base aviation operation at Flying Cloud Airport, Eden Prairie, Minnesota. In November, 1979, FTC made a public offer of 560,000 shares of its common stock at \$3.25 per share pursuant to a "best-efforts" underwriting agreement with ASD. The offering was completed on February 4 or 5, 1980.

Upon completion of the offering, ASD decided to become a "market maker" ^{1/} in FTC stock and on either February 4 or 5, 1980 set the opening market-price for that stock at 3-3 1/4

1/ By definition under Section 3(a)(38) of the Exchange Act, the term "market maker" means "... any dealer who, with respect to a security, holds himself out (by entering quotations in an inter-dealer communications system or otherwise) as being willing to buy and sell such security for his own account on a regular or continuous basis."

per share based upon the public offering price used in the underwriting. It appears that ASD opened its trading on February 5, 1980 with a purchase of 500 shares of FTC from another dealer at \$3.25 per share.

During the period February 4 to March 21, 1980 when ASD and two other brokers, R.J. Steichen ("Steichen") and Amswiss International ("Amswiss"), were the three dealers publishing quotations on FTC on the NASDAQ system, ^{2/} trading volume in FTC was in excess of 365,000 shares with ASD's participation in transactions with its customers and other dealers accounting for over 325,000 shares, or nearly 89% of that volume. ^{3/} For that same period, it appears that 88% of the total FTC shares traded by ASD were bought from or sold to its customers.

As contended by the Division, the record conclusively establishes that from February 4, 1980 through March 21, 1980, respondent dominated the FTC over-the-counter market. But the Division's further contention that ASD, while dominating the market in that period, effected 156 principal sales of FTC stock to its customers at excessive percentage markups is not to that extent sustained by the record.

2/ An inter-dealer communication system widely used by broker-dealers to obtain market information on the over-the-counter stocks.

3/ In the period February 4-29, 1980, trading by ASD accounted for over 85% of the nearly 126,000 trading volume and exceeded 91% of the over 239,000 FTC volume from March 1-21, 1980.

The Commission has held in numerous decisions that, generally, markups of more than 10% above the prevailing market price are fraudulent,^{4/} and that the rule applies even in the sale of low-priced securities.^{5/} In a recent decision, the Commission reiterated:

The market price is the prevailing inter-dealer price, that is, the price at which transactions take place among dealers. And. . . in the absence of countervailing evidence, a dealer's contemporaneous cost is the best evidence of that price.... [footnotes omitted] ^{6/}

But in doing so the Commission took cognizance, as it had earlier,^{7/} of a distinction to be made when a market maker is the accused. Under that circumstance the Commission recalled:

We have previously recognized that, generally speaking, a market maker's contemporaneous cost is not an appropriate basis for calculating its markups since this might compel a market maker to charge retail prices that are less than its wholesale offering prices. Such a result would deter market makers from taking the risk of maintaining a market or a position in a security and, consequently, would impair market liquidity. Thus it has been recognized that, in the case of market makers, markups should be computed on the basis of actual contemporaneous sales to other broker-dealers or contemporaneous offering prices, rather than contemporaneous costs which reflect a market maker's bids. [footnotes omitted] ^{8/}

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- ^{4/} James E. Ryan, Securities Exchange Act Release No. 18,617 (April 5, 1982), 24 SEC Docket 1859, 1864; Crosby & Elkin, Inc., Securities Exchange Act Release No. 17709 (April 5, 1981), 22 SEC Docket 772.
- ^{5/} First Pittsburgh Securities Corporation, Securities Exchange Release No. 16,897 (June 16, 1980), 20 SEC Docket 401, 406.
- ^{6/} Peter J. Kisch, Securities Exchange Act Release No. 19005 (August 24, 1982), 25 SEC Docket 1533, 1539-40.
- ^{7/} General Investing Corporation, 41 SEC 952, 954-55 (1964).
- ^{8/} Peter J. Kisch, supra, at 1540.

The Commission then distinguished between market makers, stating:

Where the firm in question dominates the market as registrant did here, its own inside offer cannot be used as the basis for computing markups since that would give the firm "unrestricted latitude in setting its inside offer and therefore [its] retail prices." Instead, contemporaneous prices charged by the firm or other market makers in actual sales to other dealers, or the contemporaneous representative asked quotations of other market makers should be used as the basis for computing markups. [footnote omitted] 9/

The Division concedes that its computation of markups charged on a total of 308 retail purchases of FTC stock made by ASD customers in the period February 4, through March 21, 1980 would have to be different if the principles enunciated in the Kisch opinion regarding market makers were applicable. It is the Division's position, however, that here the circumstances are such that the Kisch principles are inappropriate for use in computing ASD's markups. Instead the Division insists that its approach provides reliable evidence of the extent of respondent's excessive markups.

The methodology followed by the Division in its computations, as footnoted in the schedule prepared by the Division and admitted in evidence, 10/ utilized one of three means, in descending priority, to determine a base price from which ASD's

9/ Id.

10/ Division Exhibit 36.

markup was to be calculated. In the first instance, the base price per share would be fixed at the same price as that paid by ASD to another broker-dealer in connection with a purchase on the same day and closest in time preceding the retail sale. If the same-day purchase to a broker-dealer did not exist, the Division looked to the price ASD paid for FTC stock in a purchase from another of its customers on the same day and closest in time preceding the retail sale. Where such retail purchase was found, the base price was calculated as being equal to the per share price paid by ASD "adjusted by adding one-half the difference between that purchase price and the sale price." The third priority introduced use of the per share price paid to another customer or broker-dealer on the preceding day.

Defending its methodology, the Division argues that because of factual distinctions and absence of circumstances which generated the concerns about market making deterrence in the Kisch case, ASD's contemporaneous cost provides better evidence of the prevailing prices than use of the Kisch principles. As differentiations, the Division cites ASD's domination of the floating supply of FTC stock and of the wholesale and retail market for that stock and the evidence that the "actual market having depth and liquidity" was a creation of ASD amongst its retail customers and "not among dealers or customers independent" of ASD. The Division further asserts the unreliability of quotes of other dealers in FTC stock as indicators of the price

at which stock would actually be sold.

The flaw in the Division's position is that it has not shown that an exception should be made to the general rules laid down by Kisch so as to mandate use of ASD's contemporaneous cost as the base for markups calculations. Although the factual recital in Kisch does not portray trading on all fours with that of ASD, the Commission there called attention to its earlier General Investing Corporation decision. ^{11/} In the latter case, which foreshadowed the more explicit guidance of Kisch, the firm asserted that it had dominated the market for the five securities involved in 73 of the 83 transactions in question, and the record indicated "that . . . the firm . . . was primarily engaged in a retail selling operation [and] held securities in inventory mainly to retail them to customers through intensive mail and telephone solicitation efforts." ^{12/} That factual trading pattern is sufficiently similar to that followed by ASD to indicate that the general principles laid down by Kisch should be followed and the methodology advocated by the Division rejected.

Further, even were the application of contemporaneous cost considered appropriate, the Division's calculations could

11/ Peter J. Kisch, supra, 1540, n. 17.

12/ General Investing Corporation, supra, at 955.

not be accepted. Contemporaneous cost calculations are not limited, as in the Division's first priority, to use of a same day purchase from another broker-dealer preceding closest in time the retail sale in question,^{13/} and there is less reason to accept the next two methods used in the Division's calculations. The Division concedes that the use of purchases from customers to determine contemporaneous cost is without precedent but urges that here the retail purchases constitute better evidence of the prevailing market than "isolated sales of a thousand shares from one dealer to another." That argument ignores the very underpinning of the Kisch approach which is to avoid a result that "would deter market makers from taking a risk of maintaining a market or a position in a security and, consequently, would impair market liquidity."^{14/}

That the Division had problems utilizing retail purchases in its methodology is evident from the fact that in its second priority it had to adjust that price by "adding one-half of the difference between that purchase price and the sale price."^{15/} The adjustment, an effort by the Division to place ASD's transactions in a so-called "quasi-agent perspective," is a strained attempt to find an acceptable way to utilize same-day

13/ See Linder, Bilotti & Co., Inc., 42 SEC 807, 809, n. 4

14/ Peter J. Kisch, supra, at 1540.

15/ Division Exhibit 36, n. 2.

prices paid by ASD to its retail customers, and the method carries with it the burden of clearly adding to rather than resolving the problems which would face a market maker if the Division's view were accorded recognition. Illustrative are two of the transactions, as pointed out by ASD, in which ASD sold T.F. Miller 100 shares of FTC stock at \$4.00 per share at 3:01 P.M. on February 14, 1980 and the next day at 11:12 A.M., with no other intervening trade occurring, sold NA & JR Cheney 200 shares at the same \$4.00 price.^{16/} In the first of those trades the Division calculated by use of its second priority that ASD's markup was 14.3% and in the next trade, which required use of the third method, the markup amounted to 33.3%. Quite obviously the methodology advocated by the Division would inject considerable confusion and uncertainty into market makers' operations and deter dealers from maintaining a market for a security, contrary to the intent of the Commission as expressed in its Kisch opinion.

Respondent cites Kisch^{17/} as determinative of whether ASD's markups on FTC stock were excessive and contends that when properly calculated the markups on FTC retail sales were appropriate and the prices charged were reasonably

^{16/} Id., p. 4, lines 5 and 6.

^{17/} Peter J. Kisch, supra.

related to the then current market prices for that stock. Contrary to respondent's claim of fairness, the record reflects that the Division has proved its charges with respect to some of the markups on FTC stock during the period in question.

Recasting the retail sales of FTC and recalculating the markups to conform with the teachings of Kisch,^{18/} it appears that in a total number of 338 retail transactions,^{19/} excessive and unreasonable prices were charged as follows:^{20/}

<u>Range of Percentage</u>	<u>Number of Transactions</u>	<u>Percentage of All Transactions</u>
20.0 - 23.1	8	2.4
15.0 - 19.9	15	4.4
11.1 - 14.9	<u>17</u>	<u>5.0</u>
Total	40	11.8

Accordingly, it is concluded that respondent wilfully violated Section 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder in the sale of FTC stock to its retail customers.

^{18/} Id.

^{19/} Appendix A sets forth the recasting and recomputation of markups on FTC stock for the period February 5 through March 21, 1980.

^{20/} Markups of more than 10% above the prevailing market price are fraudulent. Kisch, supra, and cases there cited.

A.T. Bliss & Company

Respondent began over-the-counter trading in the common stock of A.T. Bliss & Company on June 3, 1980 with a purchase of 25,000 shares from Lucius Hill Securities and actively purchased and sold that stock through July 31, 1980. The Division contends that during that period ASD effected 255 sales to its retail customers at excessive markups ranging between 11.1% and 48.5%.

In calculating the markups and the percentages involved, the Division utilized a base price which it deemed to be ASD's contemporaneous cost of the Bliss stock sold and determined the base price in either of two ways. First, if ASD had made purchases from a broker-dealer on the same day that it effected the retail sale, the base price per share for that sale was considered identical to the price per share paid by ASD in its closest preceding purchase. If no same-day purchase was found, the Division considered the base price for the retail sale to be equal to the highest price paid by ASD in a purchase from a broker-dealer on the previous day.

Although the methodology employed by the Division is consonant with principles long established for calculating markups on retail sales by broker-dealers who are not

market makers, ^{21/} that approach is not acceptable here where the record establishes that ASD did undertake to make a market in Bliss stock during the time in question. The Division acknowledges on the authority of the Kisch opinion ^{22/} that the market maker status is significant in determining the appropriate method for computing, but defends its use of contemporaneous cost on the basis that ASD was a retail dealer, not a market maker in Bliss stock.

As support for its position the Division argues that the evidence reflects that ASD's inter-dealer activity was almost exclusively as a purchaser, that ASD never listed itself as a market maker in the "pink sheets," ^{23/} and that ASD entered the inter-dealer market in order to fill retail customer demand generated by its salesmen. The Division relies heavily on the Commission's decision in Strathmore Securities, Inc., ^{24/} for denying ASD market maker status in Bliss stock.

However, in marshalling the facts militating against according status of a market maker to ASD, the Division has ignored the fact that during the period at issue ASD

^{21/} See, e.g., First Pittsburgh Securities Corporation, supra.

^{22/} Peter J. Kisch, supra.

^{23/} Pink is the color of the paper on which the Stock Section of The National Daily Service is printed.

^{24/} 42 SEC 993 (1966).

continuously held itself out as willing to buy and sell Bliss stock. Evidence of ASD's market maker activity is reflected by the appearance of quotations by ASD on Bliss stock in the regional inter-dealer over-the-counter stock quotations published in Minneapolis ^{25/} on each business day from June 2 through July 31, 1980. Further, as respondent argues, another Minneapolis dealer, R.J. Steichen & Co., sought ASD quotes on Bliss almost daily after June 10 before effecting its transactions in Bliss stock. It also appears that R.J. Steichen made two purchases of Bliss stock from ASD, the first for 2,000 shares on June 10 and the second for 500 shares on June 16.

The manner and means followed by ASD in holding itself out as a market maker and in its dealings with R.J. Steichen & Co., together with the testimony of Alstead that ASD was a market maker for Bliss stock, are salient differences when comparison is made with the Strathmore ^{26/} case. In Strathmore, the Commission found that contrary to the firm's claim that the firm made a market, an officer of

25/ The Division and respondent stipulated that the regional inter-dealer stock quotation sheets published by Metro Data Company in Minneapolis, Minnesota are records ordinarily used in the business of Minneapolis based broker-dealers.

26/ Strathmore Securities, Inc., supra.

Strathmore testified that "he considered the firm was primarily 'a retail house'," ^{27/} and also found that the record supported that testimony. Here, Alstead's testimony that ASD was a market maker, the apparent recognition of that role by other Minneapolis dealers, and ASD's operations are sufficient, absent a showing that ASD's Bliss quotations were not inserted in the regional sheets in good faith, ^{28/} to support the conclusion that the Division has not sustained its burden of showing that respondent should not be accorded recognition as a market maker.

The conclusion that ASD was a Bliss market maker again calls into play the Kisch guidelines for determining the reasonableness of ASD's markups and makes the "contemporaneous cost" methodology used by the Division unacceptable. However, recasting the 307 Bliss transactions by ASD as a market maker

^{27/} Id., at 997.

^{28/} Although legislative history leading to the enactment of the Securities Acts Amendments of 1975 does not make specific reference to the background of the definition of the term "market maker" under Section 3(a)(38), it undoubtedly flowed from the need to define that term for purposes of Section 15(c)(5) of the Exchange Act which broadened Commission authority to regulate market making pursuant to legislative intent to encourage a "healthy, highly competitive system of market makers...." S. Rep. No. 94-75, 94th Cong., 1st Sess. 14-16 (1975). The existence of statutory definition under Section 3(a)(38) places a greater burden upon the Division in seeking to negate an asserted market maker status than existed in 1966 when Strathmore Securities, Inc., supra was decided.

reflects, again contrary to respondents position that its retail prices were proper, that excessive markups of over ^{29/} 10% were made as follows:

<u>Range of Percentage</u>	<u>Number of Transactions</u>	<u>Percentage of All Transactions</u>
10.7 - 12.7	44	14.3%

Accordingly, it is concluded that respondent wilfully violated Section 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder in the sale of Bliss stock to its retail customers.

Failure to Disclose Excessive Markups

Respondent asserts that the only evidence the Division presented in support of its allegation that respondent failed to disclose to retail customer purchasers of FTC and Bliss stock that ASD's markups were excessive and unreasonable were respondent's confirmations. Respondent insists that when Alstead's testimony on that issue is taken into account, the Division has not proved by a preponderance of the evidence that respondent failed to make the requisite disclosure regarding its markups. The record does not support respondent's construction but rather establishes the contrary.

Under examination by the Division, Alstead testified that he did not provide his own customers with information

^{29/} Appendix B sets forth the recasting and recomputation of markups on Bliss stock for the period June 4 through July 31, 1980.

that disclosed the extent of ASD's markups and, further, that when he did in some instances inform customers of the firm's "actual cost," the disclosure related to ASD's "average cost of inventory." ^{30/} Acceptance of respondent's claim that the noted testimony should be taken in context of Alstead's not considering such markups as unreasonable or excessive would be a distortion of the clear meaning of that testimony.

Similarly, respondent's argument that Alstead's disclosure of ASD's "actual costs" provided enough information to permit a customer to determine the nature and extent of ASD's markup is rejected. The average cost of inventory, which appears to be the information that Alstead provided, is not an acceptable cost upon which to calculate markups, and use of that cost basis by a customer in attempting to calculate ASD's markup would produce a misleading result.

Scienter

Respondent argues that the requisite scienter ^{31/} to establish violations of Section 17(a)(1) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder has not been shown. In support, respondent relies upon evidence of its efforts to ascertain prevailing market prices for FTC and Bliss stocks, and executions of trades at

^{30/} Tr. 141-42; 156-57.

^{31/} Aaron v. S.E.C., 446 U.S. 680.

prices respondent believed to be appropriate. It does not appear that the record lends the support that respondent's argument requires in order to prevail.

Scienter is established when it is shown that misconduct is knowing, intentional or reckless, and need not be "deliberate and cold-blooded."^{32/} Here, ASD's market making activities were carried on without consideration of the impact of relevant regulations, rules, and decisions of regulatory authorities relating to the appropriate methods of calculating acceptable markups. Instead, respondent adopted an attitude that its own method of determining its costs, such as average cost of inventory and the amount of commission paid in acquiring its inventory,^{33/} sufficed for its purposes. Under the circumstances, respondent is deemed to have acted recklessly within the meaning of scienter in failing to assure that its pricing practices met established criteria.

Wilfulness

In its argument that the Division has failed to show by a preponderance of the evidence that respondent wilfully

^{32/} Nelson v. Serwold, 576 F.2d 1332 (9th Cir. 1978), cert. denied 439 U.S. 970 (1978).

^{33/} In effect, respondent was attempting to pass along part of its costs of operation and gain a guaranteed net profit regardless of whether the price charged was reasonably related to current market price. Cf. DMR Securities, Inc., 18 SEC Docket 873, 875 (1979).

violated Section 17(a)(2) and (3) of the Securities Act, respondent cites In the Matter of William Carter^{34/} as its authority, quoting the Commission as follows:

We do hold however, that a finding of will-full (sic) . . . requires a showing that respondents were aware of or knew that their sale [sic] was part of an activity that was improper or illegal. ^{35/}

Respondent's reliance on Carter is entirely misplaced. The quotation referred to, without ellipsis, reads in full as follows:

We do hold, however, that a finding of willful aiding and abetting within the meaning of Rule 2(e)(1)(iii) requires a showing that respondents were aware or knew that their role was part of an activity that was improper or illegal. ^{36/}
[Italics in original underlined above.]

Read in full and in context, it is clear that the Commission was expressing itself regarding the requisite elements of proof for finding wilful aiding and abetting when alleged in a Rule 2(e) proceeding. Regardless of whether that holding should be broadened to cover a like allegation in a broker-dealer proceeding, there is no question of the inapplicability of Carter where a respondent itself, as here, is charged with directly committing a wilful violation.

Apposite cases on the question of respondent's wilfulness are Tager v. S.E.C., 344 F.2d 5, 8 (2d Cir. 1965), and Arthur Lipper & Co. v. S.E.C., 547 F.2d 171, 180 (1976), which hold that

^{34/} 22 SEC Docket 292 (1981).

^{35/} Respondent's Brief in Support of Its Proposed Findings of Fact and Conclusions of Law, at 51.

^{36/} 22 SEC Docket, at 316.

"wilfully" within the intent of Section 15(b) of the Exchange Act means intentionally committing the acts constituting the violation. Nothing more is required than proof that the broker-dealer acted intentionally in the sense that it was aware of what it was doing. Here, respondent knew that as part of its operation as a market maker it was purchasing FTC and Bliss stock, adding the markups that are now at issue, and selling that stock at the increased prices to its retail customers. In consequence of respondent's acting with that knowledge, the excessive markup violations were "wilful" within the meaning of Section 15(b) of the Exchange Act.

PUBLIC INTEREST

Having found that respondent wilfully violated Section 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, it is necessary to consider the remedial action appropriate in the public interest.

The Division recommends a suspension of ASD's registration as a broker-dealer for a period of six (6) months. In support of that recommendation the Division points to the nature and extent of the violations covered in its proposed findings and to the two censures and fines imposed against respondent by the NASD, the first in 1979 and the other in 1981. On the other hand, respondent, in

keeping with its proposed findings and arguments that no wilful violations have been proved, states that it is inappropriate to impose any sanction.

Upon careful consideration of the record and the arguments and contentions of the parties, it is concluded that in the public interest respondent's registration as a broker-dealer should be suspended for a period of thirty (30) days.

While a six-month suspension would be appropriate were the violations as extensive as argued by the Division, it appears too harsh in light of the substantially smaller number of markups found to be excessive and unreasonable. Considering that fact, together with the NASD disciplinary actions which involved regulatory violations of lesser seriousness, it is concluded that a sanction of thirty (30) days is sufficient to impress upon ASD the importance of continuing to retain competent counsel and employing experienced personnel to avoid future violations of the securities laws and regulations. In assessing the sanction, the fact that ASD no longer employs the personnel who caused the violations to occur has also been taken into consideration.^{37/}

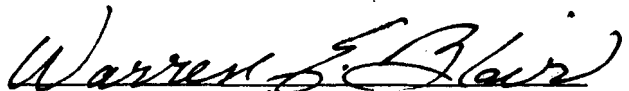
Accordingly, IT IS ORDERED that the registration of Alstead, Strangis & Dempsey, Inc., as a broker-dealer is

^{37/} All proposed findings and conclusions submitted have been considered, as have the contentions. To the extent such proposals and contentions are consistent with this initial decision, they are accepted.

suspended for a period of thirty (30) days.

This order shall become effective in accordance with and subject to the provisions of Rule 17(f) of the Rules of Practice.

Pursuant to Rule 17(f) of the Rules of Practice, this initial decision shall become the final decision of the Commission as to each party who has not, within fifteen days after service of this initial decision upon him, filed a petition for review of this initial decision pursuant to Rule 17(b), unless the Commission, pursuant to Rule 17(c), determines on its own initiative to review this initial decision as to him. If a party timely files a petition for review, or the Commission takes action to review as to a party, the initial decision shall not become final with respect to that party.


Warren E. Blair
Chief Administrative Law Judge

Washington, D.C.
December 20, 1982

COMPUTATION OF MARK UPS OF COMMON STOCK OF FLIGHT TRANSPORTATION INC. IN SALES
BY ASD TO ITS RETAIL CUSTOMERS*

Mo/Dy/Yr.	TIME	SELLER	BUYER	NUMBER OF SHARES	PRICE PER SHARE	METHOD OF COMPUTATION	BASE PRICE PER SHARE	ACTUAL MARK UP PER SHARE	PERCENTAGE
2/05/80	1:05	RJS	ASD	2000	3.25	-	-	-	-
2/05/80	1:20	ASD	Anderson	200	3.75	A	3.25	.50	15.4
2/05/80	1:20	ASD	Marks	200	3.75	A	3.25	.50	15.4
2/05/80	2:37	ASD	Gilbertson	500	3.75	A	3.25	.50	15.4
2/05/80	3:35	ASD	Beech	400	3.75	A	3.25	.50	15.4

2/06/80	9:08	ASD	Miller	200	3.625	B	3.75	NONE	NONE
2/06/80	12:43	ASD	Wohler	200	3.875	B	3.75	.125	3.3
2/06/80	12:44	ASD	Wohler, R.	100	3.875	B	3.75	.125	3.3
2/06/80	12:45	ASD	Linsmayer	500	3.875	B	3.75	.125	3.3
2/06/80	12:46	ASD	Juhl	100	3.875	B	3.75	.125	3.3
2/06/80	12:47	ASD	Swanson	200	3.875	B	3.75	.125	3.3
2/06/80	12:49	ASD	Poston	100	3.875	B	3.75	.125	3.3
2/06/80	1:27	ASD	Olson	700	3.875	B	3.75	.125	3.3
2/06/80	1:29	ASD	Schweiger	500	3.875	B	3.75	.125	3.3
2/06/80	1:36	ASD	Lavey	250	3.875	B	3.75	.125	3.3
2/06/80	1:42	ASD	Spaeth	250	3.875	B	3.75	.125	3.3

MARK UP METHODS

- A - First Priority - Same day highest prices charged by ASD or other market makers in sales to other dealers.
- B - Second Priority - Highest prices charged by ASD or other market makers in sales to other dealers on the business day preceding or succeeding sales by ASD to customers.
- C - Third Priority - Representative asked quotations of other market makers or in NASDAQ appearing on same day as sales by ASD to customers.

* With exception of four sales on 3/10/80 and three sales on 3/14/80, does not include retail sales to customers if mark up according to Division's calculations was less than 10%.

ABBREVIATIONS

- RJS - R.J. Streichen
- AMS - Amswiss
- DW - Dean Witter
- ASD - Alstead, Strangis & Dempsey, Inc.
- EJ - Edward D. Jones & Co.
- PJ - Piper, Jaffrey
- DB - Dain Bosworth
- REC - Recon Securities, Inc.
- SB - Smith Barney
- SHLR - Shearson, Loeb Rhodes

Mo/Dy/Yr.	TIME	SELLER	BUYER	NUMBER OF SHARES	PRICE PER SHARE	METHOD OF COMPUTATION	BASE PRICE PER SHARE	ACTUAL MARK UP PER SHARE	PERCENTAGE
2/06/80	1:43	ASD	Smith	150	3.875	B	3.75	.125	3.3
2/06/80	1:46	ASD	Stinson	200	3.875	B	3.75	.125	3.3
2/06/80	1:47	ASD	Janssen	1100	3.875	B	3.75	.125	3.3
2/06/80	1:59	ASD	Wisinski	100	3.875	B	3.75	.125	3.3
2/06/80	2:28	ASD	Swanson	100	3.875	B	3.75	.125	3.3
2/06/80	2:45	ASD	Wellner	1000	3.875	B	3.75	.125	3.3
2/07/80	9:36	ASD	Haugen	500	3.875	A	3.75	.125	3.3
2/07/80	10:30	ASD	Wadley	100	3.875	A	3.75	.125	3.3
2/07/80	11:00	ASD	Bailey	300	3.875	A	3.75	.125	3.3
2/07/80	11:31	ASD	Mohwinkel	50	3.75	A	3.75	NONE	NONE
2/07/80	11:35	ASD	RFC	500	3.75	-	-	-	-
2/07/80	12:04	ASD	Schill	500	3.875	A	3.75	.125	3.3
2/07/80	12:52	ASD	Steady	100	3.875	A	3.75	.125	3.3
2/07/80	1:24	ASD	Strangis	5000	3.75	A	3.75	NONE	NONE
2/08/80	12:03	ASD	Townsend	100	4.00	B	3.75	.25	6.7
2/08/80	1:15	ASD	Townsend	150	4.00	B	3.75	.25	6.7
2/08/80	1:17	ASD	Barette	100	4.00	B	3.75	.25	6.7
2/08/80	1:33	ASD	Brandt	200	4.00	B	3.75	.25	6.7
2/08/80	2:51	ASD	Janssen	700	4.00	B	3.75	.25	6.7
2/11/80	9:58	ASD	Kierstead	100	3.875	C	4.00	NONE	NONE
2/11/80	11:32	ASD	Murphy	200	4.00	C	4.00	NONE	NONE
2/11/80	11:33	ASD	Ludvigson	300	4.00	C	4.00	NONE	NONE
2/11/80	1:20	ASD	Leader	100	4.00	C	4.00	NONE	NONE
2/11/80	2:00	ASD	Kuehn	150	4.00	C	4.00	NONE	NONE
2/11/80	2:00	ASD	Peterson	100	4.00	C	4.00	NONE	NONE
2/11/80	2:02	ASD	Besaw	100	3.875	C	4.00	NONE	NONE
2/11/80	2:05	ASD	Grossfield	2000	3.75	C	4.00	NONE	NONE
2/11/80	2:14	ASD	Steady	150	4.00	C	4.00	NONE	NONE
2/12/80	12:57	ASD	Anderson	200	4.00	B	3.75	.25	6.7
2/12/80	2:10	ASD	Waldron	50	4.00	B	3.75	.25	6.7
2/12/80	2:43	ASD	Dodge	300	4.00	B	3.75	.25	6.7
2/12/80	2:50	ASD	Aaddahl	100	4.00	B	3.75	.25	6.7

APPENDIX A

Mo/Dy/Yr.	TIME	SELLER	BUYER	NUMBER OF SHARES	PRICE PER SHARE	METHOD OF COMPUTATION	BASE PRICE PER SHARE	ACTUAL MARK UP PER SHARE	PERCENTAGE
2/13/80	12:25	RJS	RJ	50	3.75	-	-	-	-
2/13/80	2:59	ASD	Carlson	100	3.875	A	3.75	.125	3.3
2/14/80	11:16	ASD	Fleming	300	4.00	B	3.75	.25	6.7
2/14/80	11:17	ASD	Frabble	100	4.00	B	3.75	.25	6.7
2/14/80	12:34	ASD	McGraw	800	4.00	B	3.75	.25	6.7
2/14/80	12:59	ASD	Rees	500	4.00	B	3.75	.25	6.7
2/14/80	1:51	ASD	Chipley	200	3.875	B	3.75	.125	3.3
2/14/80	2:29	ASD	Crowley	200	4.00	B	3.75	.25	6.7
2/14/80	3:01	ASD	Miller	100	4.00	B	3.75	.25	6.7
2/15/80	11:12	ASD	Cheney	200	4.00	A	3.25	.75	23.1
2/15/80	11:17	ASD	Kulijewicz	100	4.00	A	3.25	.75	23.1
2/15/80	11:19	ASD	Goldman	100	4.00	A	3.25	.75	23.1
2/15/80	11:20	ASD	Knapp	100	4.00	A	3.25	.75	23.1
2/15/80	11:34	ASD	Mueffelmann	1000	3.875	A	3.25	.625	19.2
2/15/80	11:38	ASD	Hecimovic	250	3.875	A	3.25	.625	19.2
2/15/80	12:32	ASD	Novack	100	4.00	A	3.25	.75	23.1
2/15/80	1:46	RJS	ASD	300	3.25	-	-	-	-
2/15/80	1:51	ASD	Ebnet	100	4.00	A	3.25	.75	23.1
2/15/80	2:17	ASD	Schwalback	100	4.00	A	3.25	.75	23.1
2/15/80	2:23	ASD	Anderson	200	4.00	A	3.25	.75	23.1
2/15/80	3:03	ASD	Behr	50	3.875	A	3.25	.625	19.2
2/19/80	10:06	ASD	Chamberlin	100	4.00	A	3.875	.125	3.2
2/19/80	10:22	ASD	Helgesen	150	4.00	A	3.875	.125	3.2
2/19/80	10:55	ASD	Brink	200	4.00	A	3.875	.125	3.2
2/19/80	10:57	ASD	Peterson	300	3.875	A	3.875	NONE	NONE
2/19/80	3:46	AMS	SB	1000	3.875	-	-	-	-
2/20/80	10:59	RJS	DW	1000	4.25	-	-	-	-
2/20/80	11:13	ASD	Nord	100	4.25	A	4.25	NONE	NONE
2/20/80	11:14	ASD	Walters	250	4.25	A	4.25	NONE	NONE
2/20/80	11:15	ASD	Lorner	50	4.25	A	4.25	NONE	NONE
2/20/80	2:45	ASD	Blonigen	275	4.25	A	4.25	NONE	NONE

APPENDIX A

Mo/Dy/Yr.	TIME	SELLER	BUYER	NUMBER OF SHARES	PRICE PER SHARE	METHOD OF COMPUTATION	BASE PRICE PER SHARE	ACTUAL MARK UP PER SHARE	PERCENTAGE
2/21/80	12:45	ASD	DW	300	4.25	-	-	-	-
2/21/80	2:59	ASD	Braun	140	4.375	A	4.25	.125	2.9
2/21/80	2:59	ASD	Schaefer	125	4.375	A	4.25	.125	2.9
2/22/80	1:14	ASD	Ziller	1000	4.25	B	4.25	NONE	NONE
2/22/80	1:30	ASD	Ledford	200	4.375	B	4.25	.125	2.9
2/22/80	1:54	ASD	Gagne	150	4.375	B	4.25	.125	2.9
2/25/80	10:34	ASD	Gleixner	100	4.25	A	4.25	NONE	NONE
2/25/80	12:17	ASD	Hannon	200	4.375	A	4.25	.125	2.9
2/25/80	1:22	ASD	DW	200	4.25	-	-	-	-
2/26/80	10:55	ASD	Beck	250	4.25	B	4.25	NONE	NONE
2/26/80	10:56	ASD	Johnson	100	4.25	B	4.25	NONE	NONE
2/26/80	1:49	ASD	Wagner	100	4.25	B	4.25	NONE	NONE
2/26/80	2:29	ASD	Anderson	1000	4.375	B	4.25	.125	2.9
2/26/80	2:31	ASD	Manka	700	4.25	B	4.25	NONE	NONE
2/26/80	2:32	ASD	Olesch	200	4.375	B	4.25	.125	2.9
2/26/80	2:35	ASD	Sund	200	4.375	B	4.25	.125	2.9
2/26/80	2:37	ASD	Douvier	80	4.375	B	4.25	.125	2.9
2/26/80	3:24	ASD	Fink	100	4.375	B	4.25	.125	2.9
2/27/80	10:00	ASD	Schroeder	350	4.4375	C	4.25	.1875	4.4
2/28/80	9:39	ASD	Morris	500	4.25	B	4.25	NONE	NONE
2/28/80	10:53	ASD	Schlotec	200	4.375	B	4.25	.125	2.9
2/28/80	10:56	ASD	Esterka	700	4.375	B	4.25	.125	2.9
2/28/80	11:06	ASD	Osum	1000	4.125	B	4.25	NONE	NONE
2/28/80	12:51	ASD	Anderson	100	4.375	B	4.25	.125	2.9
2/28/80	2:47	ASD	Binek	150	4.625	B	4.25	.375	8.8
2/28/80	2:51	ASD	Peterson	250	4.50	B	4.25	.25	5.9
2/28/80	2:52	ASD	Radke	400	4.50	B	4.25	.25	5.9

APPENDIX A

Mo/Dy/Yr.	TIME	SELLER	BUYER	NUMBER OF SHARES	PRICE PER SHARE	METHOD OF COMPUTATION	BASE PRICE PER SHARE	ACTUAL MARK UP PER SHARE	PERCENTAGE
2/29/80	8:59	ASD	Beecher	100	4.50	A	4.25	.25	5.9
2/29/80	8:59	ASD	Bigler	100	4.625	A	4.25	.375	8.8
2/29/80	8:59	ASD	Lincoln	100	4.625	A	4.25	.375	8.8
2/29/80	9:31	ASD	McGill	500	4.625	A	4.25	.375	8.8
2/29/80	9:56	ASD	Johnson	100	4.50	A	4.25	.25	5.9
2/29/80	-	AMS	DW	400	4.25	-	-	-	-
2/29/80	1:47	ASD	Berglund	200	4.625	A	4.25	.375	8.8
2/29/80	1:47	ASD	Rhode	200	4.625	A	4.25	.375	8.8
2/29/80	3:38	ASD	Hobot	400	4.375	A	4.25	.125	2.9
3/03/80	9:29	ASD	DB	200	4.25	-	-	-	-
3/03/80	11:24	ASD	Bergman	200	4.50	A	4.25	.25	5.9
3/04/80	11:21	AMS	SHLR	300	4.25	-	-	-	-
3/04/80	3:38	ASD	Hecimovic	100	4.125	A	4.25	.125	2.9
3/05/80	10:04	ASD	Evans	200	4.50	B	4.75	NONE	NONE
3/05/80	10:08	ASD	Berry	100	4.50	B	4.75	NONE	NONE
3/05/80	1:17	ASD	Bjorklund	200	4.50	B	4.75	NONE	NONE
3/06/80	-	ASD	Day	200	4.50	A	4.75	NONE	NONE
3/06/80	9:33	ASD	Doelz	600	4.25	A	4.75	NONE	NONE
3/06/80	9:36	ASD	Rostad	200	4.25	A	4.75	NONE	NONE
3/06/80	9:37	ASD	Karels	100	4.25	A	4.75	NONE	NONE
3/06/80	9:39	ASD	Blazei	100	4.50	A	4.75	NONE	NONE
3/06/80	9:40	ASD	Hansen	200	4.50	A	4.75	NONE	NONE
3/06/80	9:41	ASD	Pugh	200	4.50	A	4.75	NONE	NONE
3/06/80	9:44	ASD	Currier	100	4.125	A	4.75	NONE	NONE
3/06/80	9:44	ASD	Graden	500	4.25	A	4.75	NONE	NONE
3/06/80	9:46	ASD	Hennes	100	4.50	A	4.75	NONE	NONE
3/06/80	9:46	ASD	Laurie	100	4.25	A	4.75	NONE	NONE
3/06/80	9:47	ASD	Wohler	100	4.50	A	4.75	NONE	NONE
3/06/80	9:48	ASD	Wohler	100	4.50	A	4.75	NONE	NONE

APPENDIX A

Mo/Dy/Yr.	TIME	SELLER	BUYER	NUMBER OF SHARES	PRICE PER SHARE	METHOD OF COMPUTATION	BASE PRICE PER SHARE	ACTUAL MARK UP PER SHARE	PERCENTAGE
3/06/80	9:49	ASD	Frenzel	100	4.50	A	4.75	NONE	NONE
3/06/80	9:50	ASD	Brandes, R.	100	4.50	A	4.75	NONE	NONE
3/06/80	9:51	ASD	Brandes, T.	100	4.50	A	4.75	NONE	NONE
3/06/80	2:11	ASD	DW	100	4.75	-	-	-	-
3/07/80	-	ASD	Odegaar	100	4.50	B	4.75	NONE	NONE
3/07/80	9:07	ASD	Struyk	500	4.75	B	4.75	NONE	NONE
3/07/80	9:10	ASD	Kuettel	550	4.75	B	4.75	NONE	NONE
3/07/80	9:11	ASD	Jung	200	4.75	B	4.75	NONE	NONE
2/07/80	9:12	ASD	Kanta	100	4.75	B	4.75	NONE	NONE
3/07/80	9:55	ASD	Smith	100	5.00	B	4.75	.25	5.3
3/07/80	10:10	ASD	Nissen	150	4.50	B	4.75	NONE	NONE
3/10/80	10:51	ASD	Fitzgerald	200	5.00	A	4.25	.75	17.6
3/10/80	11:08	ASD	Kjeseth	1000	4.75	A	4.25	.50	11.8
3/10/80	11:17	ASD	Buehler	200	4.875	A	4.25	.625	14.7
3/10/80	11:17	ASD	Johnson	100	4.875	A	4.25	.625	14.7
3/10/80	12:32	ASD	Larson	300	5.00	A	4.25	.75	17.6
3/10/80	1:20	RJS	ASD	440	4.25	-	-	-	-
3/10/80	2:39	ASD	Tidquist	100	4.75	A	4.25	.50	11.8
3/11/80	9:22	ASD	Silver	1000	4.75	A	4.25	.50	11.8
3/11/80	9:49	ASD	Hall	1000	4.9375	A	4.25	.6875	16.2
3/11/80	9:52	ASD	Hall, R.	200	4.75	A	4.25	.50	11.8
3/11/80	11:35	ASD	Morrisette	100	4.75	A	4.25	.50	11.8
3/11/80	1:13	ASD	Johnson	400	5.00	A	4.25	.75	17.6
3/11/80	2:10	RJS	ASD	800	4.25	-	-	-	-
3/11/80	2:50	ASD	Burkel	500	5.00	A	4.25	.75	17.6
3/11/80	2:56	ASD	Torgerson	500	5.00	A	4.25	.75	17.6
3/12/80	10:08	ASD	Bauman	100	4.875	A	4.50	.375	8.3
3/12/80	12:49	ASD	Callstrum	200	5.00	A	4.50	.50	11.1
3/12/80	1:08	ASD	Guanelia	100	5.00	A	4.50	.50	11.1
3/12/80	1:30	ASD	Wagner	100	5.00	A	4.50	.50	11.1
3/12/80	1:36	ASD	Yurczyk	2000	5.00	A	4.50	.50	11.1

APPENDIX A

Mo/Dy/Yr.	TIME	SELLER	BUYER	NUMBER OF SHARES	PRICE PER SHARE	METHOD OF COMPUTATION	BASE PRICE PER SHARE	ACTUAL MARK UP PER SHARE	PERCENTAGE
3/12/80	2:11	AMS	ASD	100	4.50	-	-	-	-
3/12/80	2:40	ASD	Belew	100	5.00	A	4.50	.50	11.1
3/12/80	2:44	ASD	Klock	200	5.00	A	4.50	.50	11.1
3/13/80	9:27	ASD	Hiar	500	5.00	A	4.25	.75	17.6
3/13/80	10:01	RJS	ASD	1000	4.25	-	-	-	-
3/13/80	3:05	ASD	Evans	400	5.00	A	4.25	.75	17.6
3/13/80	3:09	ASD	Lear	1000	4.75	A	4.25	.50	11.8
3/14/80	11:41	ASD	Palmer	100	5.00	B	4.375	.625	14.3
3/14/80	2:45	ASD	Ondahl	500	4.875	B	4.375	.50	11.4
3/14/80	2:49	ASD	Stadheim	1000	5.00	B	4.375	.625	14.3
3/17/80	12:59	ASD	Meyers	200	4.75	A	4.375	.375	8.6
3/17/80	1:37	AMS	ASD	200	4.375	-	-	-	-
3/18/80	10:21	ASD	Hemmer	400	4.75	A	4.50	.25	5.8
3/18/80	10:24	AMS	EJ	100	4.50	-	-	-	-
3/18/80	11:01	ASD	Saari	200	4.75	A	4.50	.25	5.8
3/18/80	1:21	ASD	Groger	1000	4.75	A	4.50	.25	5.8
3/18/80	1:55	ASD	Verby	100	4.75	A	4.50	.25	5.8
3/18/80	1:57	ASD	Musser	100	4.25	A	4.50	NONE	NONE
3/19/80	-	ASD	Esser	100	4.75	B	4.50	.25	5.8
3/20/80	-	ASD	Murphy	200	4.25	C	4.75	NONE	NONE
3/20/80	No sales had mark ups over 10% calculated on a base price of \$4.75 under Method C.								
3/21/80	No sales had mark ups over 10% calculated on a base price of \$5.00 under Method C.								

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COMPUTATION OF MARK UPS OF COMMON STOCK OF A.T. BLISS & COMPANY IN SALES
BY ASD TO ITS RETAIL CUSTOMERS*

Mo/Dy/Yr.	TIME	SELLER	BUYER	NUMBER OF SHARES	PRICE PER SHARE	METHOD OF COMPUTATION	BASE PRICE PER SHARE	ACTUAL MARK UP PER SHARE	PERCENTAGE
6/04/80	-	ASD	Friederichs	200	3.25	C	3.50	NONE	NONE
6/04/80	-	ASD	Senn	200	3.75	C	3.50	.25	7.1
6/04/80	10:41	ASD	Kaiser	200	3.25	C	3.50	NONE	NONE
6/04/80	1:51	ASD	Hlavac	500	3.75	C	3.50	.25	7.1
6/04/80	1:52	ASD	Schlee	500	3.75	C	3.50	.25	7.1
6/04/80	1:54	ASD	Oglansky	500	3.75	C	3.50	.25	7.1
6/04/80	1:55	ASD	Henricks	200	3.75	C	3.50	.25	7.1
6/04/80	2:04	ASD	Goodwater	100	3.75	C	3.50	.25	7.1
6/04/80	2:11	ASD	Schendel	200	3.75	C	3.50	.25	7.1
6/04/80	2:12	ASD	Grossfield	500	3.75	C	3.50	.25	7.1
6/04/80	2:13	ASD	Stadheim	500	3.75	C	3.50	.25	7.1
6/04/80	2:14	ASD	Knudsen	100	3.50	C	3.50	NONE	NONE
6/04/80	2:14	ASD	Welter Co.	500	3.75	C	3.50	.25	7.1
6/04/80	2:15	ASD	Janson	200	3.75	C	3.50	.25	7.1
6/04/80	2:16	ASD	Jacobson	200	3.75	C	3.50	.25	7.1
6/04/80	2:16	ASD	Knoke	100	3.75	C	3.50	.25	7.1
6/04/80	2:17	ASD	Weber	200	3.75	C	3.50	.25	7.1

Mark Up Methods

- A - First Priority - Same day highest prices charged by ASD in sales to other dealers.
 - B - Second Priority - Highest prices charged by ASD in sales to other dealers on the business day preceding or succeeding sales by ASD to customers.
 - C - Third Priority - Highest asked quotations of ASD appearing on same day as the sales by ASD to customers.
- * Does not include retail sales to customers if mark up according to Division's calculations was less than 10%.

ABBREVIATIONS

ASD - Alstead, Strangis & Dempsey, Inc.
RJS - R.J. Steichen

APPENDIX B

Mo./Dy./Yr.	TIME	SELLER	BUYER	NUMBER OF SHARES	PRICE PER SHARE	METHOD OF COMPUTATION	BASE PRICE PER SHARE	ACTUAL MARK UP PER SHARE	PERCENTAGE
6/04/80	2:18	ASD	Anderson	500	3.75	C	3.50	.25	7.1
6/04/80	2:18	ASD	Vaa	2000	3.75	C	3.50	.25	7.1
6/04/80	2:19	ASD	Anderson	200	3.75	C	3.50	.25	7.1
6/04/80	2:19	ASD	Anderson	200	3.75	C	3.50	.25	7.1
6/04/80	2:19	ASD	Arnt	400	3.75	C	3.50	.25	7.1
6/04/80	2:19	ASD	Berghoff	200	3.75	C	3.50	.25	7.1
6/04/80	2:19	ASD	Blum	100	3.75	C	3.50	.25	7.1
6/04/80	2:19	ASD	Czola	200	3.75	C	3.50	.25	7.1
6/04/80	2:19	ASD	Fitzgerald	200	3.75	C	3.50	.25	7.1
6/04/80	2:19	ASD	Goblish	200	3.75	C	3.50	.25	7.1
6/04/80	2:19	ASD	Harmon	200	3.75	C	3.50	.25	7.1
6/04/80	2:19	ASD	Plunkett	450	3.75	C	3.50	.25	7.1
6/04/80	2:20	ASD	Brandt	200	3.75	C	3.50	.25	7.1
6/04/80	2:20	ASD	Moline	200	3.75	C	3.50	.25	7.1
6/04/80	2:22	ASD	Louque	500	3.75	C	3.50	.25	7.1
6/04/80	2:23	ASD	Carlson	500	3.50	C	3.50	NONE	NONE
6/04/80	2:23	ASD	Falkum	100	3.75	C	3.50	.25	7.1
6/04/80	2:23	ASD	Pillard	300	3.75	C	3.50	.25	7.1
6/04/80	2:23	ASD	Treat	100	3.75	C	3.50	.25	7.1
6/04/80	2:28	ASD	Person	200	3.75	C	3.50	.25	7.1
6/04/80	2:33	ASD	Bjornson	100	3.75	C	3.50	.25	7.1
6/04/80	2:34	ASD	Hecimovic	2000	3.75	C	3.50	.25	7.1
6/04/80	2:34	ASD	Townsend	200	3.75	C	3.50	.25	7.1
6/04/80	2:35	ASD	Dahlman	100	3.75	C	3.50	.25	7.1
6/04/80	2:35	ASD	Fuch	200	3.75	C	3.50	.25	7.1
6/04/80	2:36	ASD	Smitschney	100	3.75	C	3.50	.25	7.1
6/04/80	2:37	ASD	Morris	200	3.75	C	3.50	.25	7.1
6/04/80	2:38	ASD	Wandtke	200	3.75	C	3.50	.25	7.1
6/04/80	2:39	ASD	Eliasson	200	3.75	C	3.50	.25	7.1
6/04/80	2:39	ASD	Polis	200	3.75	C	3.50	.25	7.1
6/04/80	2:39	ASD	Stanley	100	3.75	C	3.50	.25	7.1
6/04/80	2:40	ASD	Larson	300	3.40	C	3.50	NONE	NONE
6/04/80	2:41	ASD	Eik	300	3.40	C	3.50	NONE	NONE
6/04/80	2:41	ASD	Gray	400	3.75	C	3.50	.25	7.1

APPENDIX B

Mo/Dy/Yr.	TIME	SELLER	BUYER	NUMBER OF SHARES	PRICE PER SHARE	METHOD OF COMPUTATION	BASE PRICE PER SHARE	ACTUAL MARK UP PER SHARE	PERCENTAGE
6/04/80	2:42	ASD	Frable	100	3.75	C	3.50	.25	7.1
6/04/80	2:43	ASD	Donnelly	200	3.75	C	3.50	.25	7.1
6/04/80	2:43	ASD	Syring	100	3.75	C	3.50	.25	7.1
6/04/80	2:47	ASD	Schwartz	200	3.30	C	3.50	NONE	NONE
6/04/80	2:47	ASD	Stacki	200	3.75	C	3.50	.25	7.1
6/04/80	2:52	ASD	Bohanon	200	3.75	C	3.50	.25	7.1
6/04/80	2:53	ASD	Bernstein	200	3.75	C	3.50	.25	7.1
6/04/80	2:54	ASD	Beecher	200	3.75	C	3.50	.25	7.1
6/04/80	2:55	ASD	Bailey	200	3.75	C	3.50	.25	7.1
6/04/80	2:55	ASD	Ryan	200	3.75	C	3.50	.25	7.1
6/04/80	2:56	ASD	Atlas	100	3.75	C	3.50	.25	7.1
6/04/80	2:57	ASD	Messerli	100	3.75	C	3.50	.25	7.1
6/04/80	2:58	ASD	Pederson	200	3.75	C	3.50	.25	7.1
6/04/80	2:58	ASD	Zeigler	450	3.75	C	3.50	.25	7.1
6/04/80	2:59	ASD	Alfords	100	3.75	C	3.50	.25	7.1
6/04/80	3:00	ASD	Schaal	1000	3.50	C	3.50	NONE	NONE
6/04/80	3:02	ASD	Doherty	400	3.75	C	3.50	.25	7.1
6/04/80	3:03	ASD	Ackele	150	3.75	C	3.50	.25	7.1
6/04/80	3:07	ASD	Healy	500	3.50	C	3.50	NONE	NONE
6/04/80	3:09	ASD	Price	1200	3.50	C	3.50	NONE	NONE
6/04/80	3:10	ASD	Cadmus	1000	3.75	C	3.50	.25	7.1
6/04/80	3:10	ASD	Hennings	500	3.25	C	3.50	NONE	NONE
6/04/80	3:11	ASD	Jefferson	200	3.75	C	3.50	.25	7.1
6/04/80	3:12	ASD	Sec Vent.	500	3.50	C	3.50	NONE	NONE
6/04/80	3:13	ASD	Slettemoen	2500	3.75	C	3.50	.25	7.1
6/04/80	3:15	ASD	Cadmus	1000	3.75	C	3.50	.25	7.1
6/04/80	3:20	ASD	Kraus	200	3.75	C	3.50	.25	7.1
6/04/80	3:23	ASD	Curtis	200	3.75	C	3.50	.25	7.1
6/05/80	9:05	ASD	Carlson	100	3.75	C	4.00	NONE	NONE
6/05/80	9:52	ASD	Babcock	350	3.75	C	4.00	NONE	NONE
6/05/80	10:09	ASD	Smutka	200	3.75	C	4.00	NONE	NONE
6/05/80	10:12	ASD	Niethammer	200	3.75	C	4.00	NONE	NONE

APPENDIX B

Mo/Dy/Yr.	TIME	SELLER	BUYER	NUMBER OF SHARES	PRICE PER SHARE	METHOD OF COMPUTATION	BASE PRICE PER SHARE	ACTUAL MARK UP PER SHARE	PERCENTAGE
6/05/80	10:25	ASD	Ducos	400	3.50	C	4.00	NONE	NONE
6/05/80	10:28	ASD	Boyd	300	3.75	C	4.00	NONE	NONE
6/05/80	10:30	ASD	Nelson	200	3.50	C	4.00	NONE	NONE
6/05/80	10:43	ASD	Eriksen	200	3.75	C	4.00	NONE	NONE
6/05/80	10:52	ASD	Lear	200	3.75	C	4.00	NONE	NONE
6/05/80	10:54	ASD	Gohl	100	3.75	C	4.00	NONE	NONE
6/05/80	11:49	ASD	McQuay	100	3.75	C	4.00	NONE	NONE
6/05/80	12:20	ASD	Vodonik	1000	3.50	C	4.00	NONE	NONE
6/05/80	1:09	ASD	Kranz	200	3.75	C	4.00	NONE	NONE
6/05/80	1:19	ASD	Dubiel	150	3.75	C	4.00	NONE	NONE
6/05/80	2:10	ASD	Stuhr	300	3.75	C	4.00	NONE	NONE
6/05/80	2:33	ASD	Thompson	300	3.75	C	4.00	NONE	NONE
6/05/80	3:02	ASD	Sec. Vent	100	3.50	C	4.00	NONE	NONE
6/05/80	3:16	ASD	Strangis	1000	3.75	C	4.00	NONE	NONE
6/05/80	3:20	ASD	Howard	100	3.75	C	4.00	NONE	NONE
6/05/80	3:50	ASD	Bartholow	100	3.75	C	4.00	NONE	NONE
6/06/80	-	ASD	Bell	500	3.75	C	4.00	NONE	NONE
6/06/80	9:32	ASD	Bremer	500	3.625	C	4.00	NONE	NONE
6/06/80	9:34	ASD	Suderman	500	3.75	C	4.00	NONE	NONE
6/06/80	9:36	ASD	Chandler	300	3.75	C	4.00	NONE	NONE
6/06/80	10:57	ASD	Amundson	100	3.75	C	4.00	NONE	NONE
6/06/80	11:01	ASD	Hynes	200	3.75	C	4.00	NONE	NONE
6/06/80	11:02	ASD	Dixon	200	3.75	C	4.00	NONE	NONE
6/06/80	11:09	ASD	Boun	300	3.75	C	4.00	NONE	NONE
6/06/80	11:09	ASD	Fryer	300	3.75	C	4.00	NONE	NONE
6/06/80	11:10	ASD	Rosenberger	100	3.75	C	4.00	NONE	NONE
6/06/80	12:37	ASD	Derosier	350	3.50	C	4.00	NONE	NONE
6/06/80	3:53	ASD	Rhode	200	3.75	C	4.00	NONE	NONE
6/06/80	3:53	ASD	Silberman	1000	3.75	C	4.00	NONE	NONE
6/06/80	3:55	ASD	Linsmayer	500	3.75	C	4.00	NONE	NONE
6/06/80	3:56	ASD	Smiley	500	3.75	C	4.00	NONE	NONE
6/06/80	3:57	ASD	Busyn	300	3.75	C	4.00	NONE	NONE
6/06/80	3:57	ASD	Suomi	500	3.75	C	4.00	NONE	NONE

APPENDIX B

Mo/Dy/Yr.	TIME	SELLER	BUYER	NUMBER OF SHARES	PRICE PER SHARE	METHOD OF COMPUTATION	BASE PRICE PER SHARE	ACTUAL MARK UP PER SHARE	PERCENTAGE
6/09/80	2:48	ASD	Carlson	300	3.75	B	3.4375	.3125	9.1
6/09/80	2:51	ASD	Olesh	100	3.875	B	3.4375	.4375	12.7
6/09/80	2:51	ASD	Sund	100	3.875	B	3.4375	.4375	12.7
6/09/80	2:52	ASD	Kellelt	200	3.75	B	3.4375	.3125	9.1
6/09/80	2:53	ASD	Leader	150	3.875	B	3.4375	.4375	12.7
6/09/80	2:53	ASD	Lyden	200	3.75	B	3.4375	.3125	9.1
6/09/80	2:54	ASD	Ryan	200	3.75	B	3.4375	.3125	9.1
6/09/80	2:54	ASD	Wherley, J.	200	3.75	B	3.4375	.3125	9.1
6/09/80	2:55	ASD	Sorum	200	3.75	B	3.4375	.3125	9.1
6/09/80	2:56	ASD	Wherley, G.	300	3.75	B	3.4375	.3125	9.1
6/09/80	2:56	ASD	Jenison	100	3.875	B	3.4375	.4375	12.7
6/09/80	2:57	ASD	Luby	200	3.75	B	3.4375	.3125	9.1
6/09/80	2:58	ASD	Gleixner	100	3.875	B	3.4375	.4375	12.7
6/09/80	2:58	ASD	Johnson	200	3.75	B	3.4375	.3125	9.1
6/09/80	2:59	ASD	Cunnon	100	3.75	B	3.4375	.3125	9.1
6/09/80	2:59	ASD	Paper	100	3.875	B	3.4375	.4375	12.7
6/09/80	3:00	ASD	Vaa	2000	3.75	B	3.4375	.3125	9.1
6/09/80	3:01	ASD	Forsythe	200	3.75	B	3.4375	.3125	9.1
6/09/80	3:02	ASD	Pederson	100	3.75	B	3.4375	.3125	9.1
6/09/80	3:03	ASD	Beck	100	3.875	B	3.4375	.4375	12.7
6/09/80	3:03	ASD	Bergland	200	3.75	B	3.4375	.3125	9.1
6/09/80	3:03	ASD	Titus	200	3.75	B	3.4375	.3125	9.1
6/09/80	3:04	ASD	Greger	100	3.75	B	3.4375	.3125	9.1
6/09/80	3:04	ASD	Hall	100	3.875	B	3.4375	.4375	12.7
6/09/80	3:04	ASD	Larson	100	3.75	B	3.4375	.3125	9.1
6/09/80	3:05	ASD	Craig	100	3.75	B	3.4375	.3125	9.1
6/09/80	3:05	ASD	Guanelia	100	3.875	B	3.4375	.4375	12.7
6/09/80	3:05	ASD	Prins	100	3.75	B	3.4375	.3125	9.1
6/09/80	3:06	ASD	Bruellman	200	3.75	B	3.4375	.3125	9.1
6/09/80	3:06	ASD	Ernst	100	3.75	B	3.4375	.3125	9.1
6/09/80	3:06	ASD	Pink	500	3.75	B	3.4375	.3125	9.1
6/09/80	3:07	ASD	Berg	100	3.875	B	3.4375	.4375	12.7
6/09/80	3:07	ASD	Eager	350	3.75	B	3.4375	.3125	9.1
6/09/80	3:08	ASD	Altstatt	100	3.875	B	3.4375	.4375	12.7

APPENDIX B

MO/DY/Yr.	TIME	SELLER	BUYER	NUMBER OF SHARES	PRICE PER SHARE	METHOD OF COMPUTATION	BASE PRICE PER SHARE	ACTUAL MARK UP PER SHARE	PERCENTAGE
6/10/80	11:13	ASD	RIS	2000	3.4375	-	-	-	-
6/10/80	11:43	ASD	Kopas	100	3.875	A	3.4375	.4375	12.7
6/10/80	11:50	ASD	Krumwiede	100	3.875	A	3.4375	.4375	12.7
6/10/80	11:52	ASD	Anderson	200	3.75	A	3.4375	.3125	9.1
6/10/80	11:52	ASD	Callstrum	200	3.75	A	3.4375	.3125	9.1
6/10/80	11:58	ASD	Falkum	400	3.5625	A	3.4375	.125	3.6
6/10/80	1:28	ASD	Farley	500	3.75	A	3.4375	.3125	9.1
6/10/80	1:31	ASD	Schaal	1000	3.75	A	3.4375	.3125	9.1
6/10/80	1:32	ASD	Fisher	200	3.75	A	3.4375	.3125	9.1
6/10/80	1:32	ASD	Garber	200	3.75	A	3.4375	.3125	9.1
6/10/80	1:33	ASD	Tullis	250	3.75	A	3.4375	.3125	9.1
6/10/80	1:38	ASD	Cuneo	200	3.75	A	3.4375	.3125	9.1
6/10/80	1:50	ASD	Hart	100	3.875	A	3.4375	.4375	12.7
6/10/80	2:00	ASD	Sec. Vent	400	3.75	A	3.4375	.3125	9.1
6/10/80	2:06	ASD	Nyberg	1000	3.75	A	3.4375	.3125	9.1
6/10/80	2:23	ASD	Hanson	500	3.75	A	3.4375	.3125	9.1
6/10/80	2:24	ASD	Maxwell	500	3.75	A	3.4375	.3125	9.1
6/10/80	2:30	ASD	Halverson	200	3.75	A	3.4375	.3125	9.1
6/10/80	2:31	ASD	Gaffney	1000	3.75	A	3.4375	.3125	9.1
6/10/80	3:11	ASD	Parsons	200	3.75	A	3.4375	.3125	9.1
6/10/80	3:27	ASD	Torgerson	300	3.75	A	3.4375	.3125	9.1
6/11/80	9:15	ASD	Chelgren	2000	3.75	B	3.4375	.3125	9.1
6/11/80	10:56	ASD	Beggin	100	3.875	B	3.4375	.4375	12.7
6/11/80	10:57	ASD	McCumber	1500	3.75	B	3.4375	.3125	9.1
6/11/80	11:00	ASD	Sorenson	1000	3.75	B	3.4375	.3125	9.1
6/11/80	11:12	ASD	Zeigler	150	3.875	B	3.4375	.4375	12.7
6/11/80	11:17	ASD	Stemmer	200	3.75	B	3.4375	.3125	9.1
6/11/80	11:22	ASD	Cummings	300	3.75	B	3.4375	.3125	9.1
6/11/80	11:22	ASD	Silver	300	3.75	B	3.4375	.3125	9.1
6/11/80	11:27	ASD	Johnson	500	3.75	B	3.4375	.3125	9.1
6/11/80	11:28	ASD	Karels	200	3.75	B	3.4375	.3125	9.1
6/11/80	11:31	ASD	Sodergren	100	3.75	B	3.4375	.3125	9.1
6/11/80	11:34	ASD	Groger	400	3.75	B	3.4375	.3125	9.1
6/11/80	11:44	ASD	Kniefel	200	3.75	B	3.4375	.3125	9.1

APPENDIX B

Mo/Dy/Yr.	TIME	SELLER	BUYER	NUMBER OF SHARES	PRICE PER SHARE	METHOD OF COMPUTATION	BASE PRICE PER SHARE	ACTUAL MARK UP PER SHARE	PERCENTAGE
6/11/80	11:56	ASD	Melby	100	3.75	B	3.4375	.3125	9.1
6/11/80	12:51	ASD	Murphy	300	3.75	B	3.4375	.3125	9.1
6/11/80	1:39	ASD	Ekerberg	100	3.875	B	3.4375	.4375	12.7
6/11/80	1:50	ASD	Carlson	400	3.75	B	3.4375	.3125	9.1
6/11/80	2:11	ASD	Margolis	600	3.75	B	3.4375	.3125	9.1
6/11/80	2:13	ASD	Matson	500	3.50	B	3.4375	.0625	1.8
6/11/80	2:37	ASD	Olson	200	3.75	B	3.4375	.3125	9.1
6/11/80	2:38	ASD	Sullivan	100	3.75	B	3.4375	.3125	9.1
6/11/80	2:47	ASD	Pederson	250	3.75	B	3.4375	.3125	9.1
6/11/80	3:29	ASD	Busyn	300	3.75	B	3.4375	.3125	9.1
6/11/80	3:58	ASD	Stafford	500	3.75	B	3.4375	.3125	9.1
6/12/80	9:33	ASD	Palmquist	300	3.75	C	4.00	NONE	NONE
6/12/80	9:33	ASD	Zillgitt	300	3.75	C	4.00	NONE	NONE
6/12/80	10:01	ASD	Hecimovich	800	3.75	C	4.00	NONE	NONE
6/12/80	10:12	ASD	Stahn	400	3.75	C	4.00	NONE	NONE
6/12/80	10:14	ASD	Higgins	200	3.75	C	4.00	NONE	NONE
6/12/80	10:15	ASD	Millar	200	3.75	C	4.00	NONE	NONE
6/12/80	10:16	ASD	Kranz	800	3.75	C	4.00	NONE	NONE
6/12/80	10:21	ASD	Bremer	200	3.75	C	4.00	NONE	NONE
6/12/80	10:22	ASD	Rhein	200	3.75	C	4.00	NONE	NONE
6/12/80	10:24	ASD	Stabnow	200	3.75	C	4.00	NONE	NONE
6/12/80	2:07	ASD	Turner	4000	3.50	C	4.00	NONE	NONE
6/12/80	3:00	ASD	Strobel	500	3.875	C	4.00	NONE	NONE
6/12/80	3:05	ASD	Bergquist	200	3.75	C	4.00	NONE	NONE
6/13/80	11:15	ASD	Fink	200	3.875	B	3.50	.375	10.7
6/13/80	11:23	ASD	Besaw	300	3.875	B	3.50	.375	10.7
6/13/80	11:25	ASD	Boyd	300	3.9375	B	3.50	.4375	12.5
6/13/80	11:26	ASD	Vodonik	1000	3.9375	B	3.50	.4375	12.5
6/13/80	11:29	ASD	Kellaher	300	3.875	B	3.50	.375	10.7
6/13/80	12:50	ASD	Ducos	200	3.9375	B	3.50	.4375	12.5
6/13/80	2:10	ASD	Swanson	100	3.9375	B	3.50	.4375	12.5
6/13/80	2:50	ASD	Rosenberg	700	3.9375	B	3.50	.4375	12.5
6/13/80	3:15	ASD	Anderson, H.	100	3.9375	B	3.50	.4375	12.5

APPENDIX B

Mo/Dy/Yr.	TIME	SELLER	BUYER	NUMBER OF SHARES	PRICE PER SHARE	METHOD OF COMPUTATION	BASE PRICE PER SHARE	ACTUAL MARK UP PER SHARE	PERCENTAGE
6/16/80	9:33	ASD	Eliasson	250	3.875	A	3.50	.375	10.7
6/16/80	9:36	ASD	Connor	500	3.9375	A	3.50	.4375	12.5
6/16/80	9:44	ASD	Dusich	200	3.9375	A	3.50	.4375	12.5
6/16/80	9:49	ASD	Foley	100	3.9375	A	3.50	.4375	12.5
6/16/80	11:21	ASD	Folstad	500	3.9375	A	3.50	.4375	12.5
6/16/80	1:37	ASD	Saltzman	500	3.9375	A	3.50	.4375	12.5
6/16/80	2:08	ASD	RJS	500	3.50	A	-	-	-
6/16/80	2:23	ASD	Pederson	100	3.9375	A	3.50	.4375	12.5
6/16/80	2:25	ASD	Chard	250	3.9375	A	3.50	.4375	12.5
6/16/80	2:30	ASD	Ahlm	800	3.75	A	3.50	.25	7.1
6/17/80	11:28	ASD	Hughes	200	3.875	B	3.50	.375	10.7
6/17/80	11:53	ASD	Grayson	500	3.875	B	3.50	.375	10.7
6/17/80	11:54	ASD	Vold	500	3.875	B	3.50	.375	10.7
6/17/80	2:03	ASD	Johnson	200	3.875	B	3.50	.375	10.7
6/17/80	2:17	ASD	Jernberg	200	3.875	B	3.50	.375	10.7
6/17/80	2:18	ASD	Wellner	500	3.75	B	3.50	.25	7.1
6/17/80	2:39	ASD	Stadheim	500	3.75	B	3.50	.25	7.1
6/17/80	2:41	ASD	Goettl	400	3.875	B	3.50	.375	10.7
6/17/80	2:41	ASD	Schenefeld	300	3.875	B	3.50	.375	10.7
6/17/80	2:41	ASD	Southdale, Inc	200	3.875	B	3.50	.375	10.7
6/17/80	2:41	ASD	Spletter	800	3.875	B	3.50	.375	10.7
6/17/80	2:56	ASD	Behr	100	3.875	B	3.50	.375	10.7
6/18/80	9:00	ASD	Bard	300	3.875	C	4.00	NONE	NONE
6/18/80	9:07	ASD	Bergman	100	3.875	C	4.00	NONE	NONE
6/18/80	10:21	ASD	Schweger	1000	3.875	C	4.00	NONE	NONE
6/18/80	10:37	ASD	Peterson	2000	3.875	C	4.00	NONE	NONE
6/18/80	11:11	ASD	Blazei	200	3.875	C	4.00	NONE	NONE
6/18/80	1:50	ASD	Babcock	500	3.75	C	4.00	NONE	NONE
6/18/80	1:54	ASD	Swann	300	3.875	C	4.00	NONE	NONE
6/18/80	2:13	ASD	Stabrow	1100	3.875	C	4.00	NONE	NONE
6/18/80	2:40	ASD	Adamson	600	3.875	C	4.00	NONE	NONE
6/18/80	2:50	ASD	Rosenberg	700	3.9375	C	4.00	NONE	NONE

Mo/Dy/Yr.	TIME	SELLER	BUYER	NUMBER OF SHARES	PRICE PER SHARE	METHOD OF COMPUTATION	BASE PRICE PER SHARE	ACTUAL MARK UP PER SHARE	PERCENTAGE
6/18/80	3:12	ASD	Anderson, D.	100	3.9375	C	4.00	NONE	NONE
6/19/80	11:11	ASD	Fryer	300	3.75	C	4.00	NONE	NONE
6/19/80	12:19	ASD	Busyn	300	3.75	C	4.00	NONE	NONE
6/19/80	2:55	ASD	Potter	600	3.875	C	4.00	NONE	NONE

6/20/80 through 7/15/80 ALL CALCULATIONS UNDER 10% Using the offering price of \$4.00 under Method C as the base price.

7/16/80	11:15	ASD	Peterson	250	3.875	C	4.00	NONE	NONE
7/17/80	11:27	ASD	Mattella	600	3.75	C	4.00	NONE	NONE
7/17/80	11:41	ASD	Doop	200	3.875	C	4.00	NONE	NONE

7/18/80 through 7/31/80 ALL CALCULATIONS UNDER 10% Using the offering price of \$4.00 under Method C as the base price.