

WASHINGTON SERVICE BUREAU, INC.

LETTER: Timeplex, Inc.

WSB DIVISION # 33-Rule 144

FILE # WITHIN DIVISION 46

Letter also filed in file guide under
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Section _____

Rule 144

3-22-74

FEB 23 1974

Leo Silverstein, Esq.
Jordan & Jall
343 Park Avenue
New York, New York 10022

Re: Timeplex, Inc.

Dear Mr. Silverstein:

This is in reply to your letter of November 23, 1973 requesting an interpretation of Rule 144(e) under the Securities Act of 1933 (the "Act") as it would apply to the sale of certain shares of Timeplex, Inc. (the "Company").

In May 1971 Allen & Company, Inc. ("Allen"), investment bankers, effected a private sale of 142,350 shares of common stock of the Company and 73,000 shares of its preferred stock to itself for its own account and twenty other investors. This group of investors included ten persons who were either officers or employees of Allen or members of their respective families. In connection with the private placement in May 1971, the Company issued a warrant to purchase 68,250 of its shares to Allen, two of its officers and members of their families, and agreed to use its best efforts to cause the election of a designee of Allen to its Board of Directors. A Vice-President of Allen has served as a director from May 1971 to May 1972, and since July 1973. None of the other investors is obligated to vote for Allen's nominee as director.

Based upon the information in your letter, this Division is of the opinion that an investor unaffiliated with Allen who does not act in concert with the other investors in selling his shares need not aggregate his shares with shares sold by the others in determining the limitations on amount contained in Rule 144(e).

Sincerely yours,
William E. Toomey
William E. Toomey
Assistant Chief Counsel

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