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Washington Service Bureau, Inc.	
Letter:	<u>Dataproducts Corp.</u>
WSB Division #:	<u>33-R-144</u>
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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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Richard L. Greene, Esq.
 Bronson, Bronson & McKinnon
 Bank of America Center
 555 California Street
 San Francisco, California 94104

Re: Dataproducts Corporation

Dear Mr. Greene:

This is in response to your letter of June 8, 1976 regarding the proposed sale by your client, Continental Capital Corporation, a registered investment company and small business investment company ("Continental"), of 140,000 shares of Dataproducts Corporation ("Dataproducts") common stock without compliance with the registration requirements of the Securities Act of 1933 (the "Act").

Additionally, you request confirmation of your view that Continental would not be deemed a statutory underwriter under the facts presented and that the doctrine of fungibility should not be applied to the proposed sale.

You state that the 140,000 shares of Dataproducts common stock which Continental owns represents less than 2.1% of the approximately 6,300,000 shares outstanding. There are also subordinated debentures outstanding which are convertible into 652,170 shares of common stock. Frank C. Chambers is the president and a director of Continental and he and his wife beneficially own just under 6% of Continental's common stock. Mr. Chambers is also one of seven directors of Dataproducts and with his wife beneficially owns 6,000 shares of Dataproducts common stock and under 1% of the outstanding Dataproducts convertible debentures.

In 1963 and 1967 Continental exercised a convertible debenture and a warrant both of which, for the purpose of this letter, were acquired in 1962 and resulted in the aggregated acquisition of 166,666 shares. You represent that these shares were acquired as an investment and not with a view to distribution. In 1964, and in December 1975, 13,889 and 15,000 registered shares, respectively, were purchased. In 1964,

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5,360 shares were sold and in 1967 sales of 8,589 and 14,166 shares were made. The last sale, consisting of 27,500 shares, was made in 1971.

On the basis of the facts presented, this Division is unable to conclude that Continental would not be deemed an "underwriter" by virtue of its control of Dataproducts. Consequently, we are also unable to conclude that Continental would be free to sell its Dataproducts common stock outside Rule 144.

Sincerely,

Consuela M. Washington
Attorney Adviser