FORM 10QSB/A

Optional form for quarterly and transition reports of small business issuers under section 13 or 15(d) [amend]

Filing Date: **1996-12-30** | Period of Report: **1996-06-30**
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FILER

PUBLISHING CO OF NORTH AMERICA INC

CIK:**1010615**| IRS No.: **593203301** | State of Incorp.:**FL** | Fiscal Year End: **1231**
Type: **10QSB/A** | Act: **34** | File No.: **001-14384** | Film No.: **96688398**
SIC: **2741** Miscellaneous publishing

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2ND FL
DELTONA FL 32725

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4078603000

U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-QSB/A

[X] Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

For the quarterly period ended June 30, 1996

Commission File No. 0-27994

THE PUBLISHING COMPANY OF NORTH AMERICA, INC.
(Exact name of small business issuer as specified in its charter)

FLORIDA	59-3203301
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

186 N. INDUSTRIAL DRIVE
LAKE HELEN, FL 32744-0280
904-228-1000
(Address and telephone number of principal executive offices)

Indicate by check mark whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days:

X Yes ____ No

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date:

Class	Outstanding at December 26, 1996
Common Stock: no par value	4,105,000

Transitional Small Business Disclosure Format (check one): ___ Yes X No

THE PUBLISHING COMPANY OF NORTH AMERICA, INC.
FORM 10-QSB/A - JUNE 30, 1996

INDEX

THE PUBLISHING COMPANY OF NORTH AMERICA, INC.
BALANCE SHEETS

	December 31, 1995	June 30, 1996
ASSETS		(Unaudited)
Current assets:		
Cash and cash equivalents	$286,023	$1,044,987
Investments in U.S. Treasury securities	---	4,027,244
Accounts receivable, less allowance for doubtful accounts of $37,755 at December 31, 1995, and $243,951 at June 30, 1996	317,012	456,592
Securites available-for-sale	16,500	14,500
Directories in progress	87,618	26,133
Other current assets	16,747	22,260

Total current assets	723,900	5,591,716
Property and equipment, net	169,200	249,772
Other assets	---	23,544
Total assets	$893,100	$5,865,032
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$73,085	$157,547
Accrued expenses	---	83,023
Deferred revenue	270,257	83,110
Income taxes payable	---	28,944
Deferred income taxes	---	59,525
Total current liabilities	343,342	412,149
Promissory notes to shareholders, including accrued interest	---	274,599
Deferred income taxes	---	19,000
Shareholders' equity:		
Common shares, no par value: 15,000,000 shares authorized; 2,925,000 issued and outstanding at December 31, 1995; 4,105,000 issued and outstanding at June 30, 1996	100	5,096,315
Unrealized loss on available-for-sale securities	(17,520)	(19,520)
Retained earnings	567,178	82,489
Total shareholders' equity	549,758	5,159,284
Total liabilities and shareholders' equity	$893,100	$5,865,032

SEE ACCOMPANYING NOTES.

THE PUBLISHING COMPANY OF NORTH AMERICA, INC.
STATEMENTS OF INCOME
(unaudited)

<TABLE>
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	Three months ended June 30		Six months ended June 30	
	1995	1996	1995	1996
<S>	<C>	<C>	<C>	<C>
Net sales	$502,714	$925,950	$591,948	$1,871,232
Cost and expenses:				
Salaries and commissions	182,866	371,961	264,944	684,576

Materials and printing	66,278	136,860	77,169	263,944
Depreciation	8,415	18,473	12,964	35,409
Other operating costs	63,336	371,183	107,899	625,495
	320,895	898,477	462,976	1,609,424
Income from operations	181,819	27,473	128,972	261,808
Other income (expense)				
Interest expense	---	(37,763)	---	(57,338)
Other	806	(89)	1,886	6,488
Income (loss) before provision for income taxes	182,625	(10,379)	130,858	210,958
Provision for income taxes	---	(2,931)	---	128,469
Net income (loss)	$182,625	$(7,448)	$130,858	$82,489
Net income (loss) per share	---	$0.00	---	$0.03
Shares used in computation of net income (loss) per share	---	3,526,022	---	3,242,055
Pro forma data:				
Net income (loss) before provision for income taxes	$182,625	$(10,379)	$130,858	$210,958
Pro forma provision for income taxes	68,833	(2,931)	49,353	80,359
Pro forma net income (loss)	$113,792	$(7,448)	$81,505	$130,599
Pro forma net income (loss) per share	$0.04	$0.00	$0.03	$0.04
Shares used in computation of pro forma net income (loss) per share	2,955,000	3,526,022	2,955,000	3,242,055

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SEE ACCOMPANYING NOTES.

THE PUBLISHING COMPANY OF NORTH AMERICA, INC.
STATEMENTS OF CASH FLOWS
(unaudited)

<TABLE>
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	Six Months ended June 30	
	1995	1996

<S>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 130,858	$ 82,489
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	12,964	35,409
Bad debt expense	23,726	212,658
Provision for deferred income taxes	---	78,525
Exchange of advertising for machinery & equipment	(3,990)	(11,938)
Accretion of bridge notes	---	77,778
Interest accrued on promissory notes to shareholders	---	6,292
Interest accrued on U.S. Treasury securities	---	(15,381)
Increase in accounts receivable	(34,811)	(335,776)
(Increase) decrease in directories in progress	(41,034)	61,485
(Increase) decrease in other assets	10,525	(29,057)
Increase in accounts payable	12,335	84,462
Increase in accrued expenses	---	83,023
Increase (decrease) in deferred revenue	122,489	(187,147)
Increase in income taxes payable	---	28,944
Net cash provided by operating activities	233,062	171,766
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of securities available-for-sale	(67,860)	---
Purchases of U.S. Treasury securities	---	(4,011,863)
Purchases of property and equipment	(28,006)	(120,505)
Net cash used in investing activities	(95,866)	(4,132,368)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of shareholder advances	(13,610)	---
Distributions to shareholders	(48,004)	(178,871)
Net proceeds from initial public offering of common shares	---	4,898,437
Net cash (used in) provided by financing activities	(61,614)	4,719,566
Net increase in cash and cash equivalents	75,582	758,964
Cash and cash equivalents at beginning of period	15,524	286,023
Cash and cash equivalents at end of period	$ 91,106	$ 1,044,987

</TABLE>

SEE ACCOMPANYING NOTES.

THE PUBLISHING COMPANY OF NORTH AMERICA, INC.
STATEMENTS OF CASH FLOWS
(unaudited)

<TABLE>
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	Six Months ended June 30 1995	1996
SUPPLEMENTAL CASH FLOW INFORMATION		
Exchange of advertising for supplies	$ 8,032	$ ---
Interest paid	$ ---	$ 4,932
Income taxes paid	$ ---	$ 21,000
Distribution to shareholders in exchange for promissory notes	$ ---	$ 268,307

SEE ACCOMPANYING NOTES.

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS

1. BASIS OF PRESENTATION

The accompanying unaudited financial statements of The Publishing Company of North America, Inc. (the "Company") have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-QSB and Item 310(b) of Regulation S-B. Accordingly, they do not include all the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included in the accompanying unaudited financial statements. The results of operations of any interim period are not necessarily indicative of the results of operations for the fiscal year. For further information, refer to the financial statements and footnotes thereto included in the Company's registration statement on Form SB-2 relating to the Company's initial public offering of its common stock which was made effective on May 17, 1996.

As of June 30, 1996 retained earnings of $120,000 were re-classified as paid-in capital in order to accurately state the amount of paid-in capital.

2. CASH AND CASH EQUIVALENTS

The Company considers all highly-liquid investments with a maturity of three months or less when purchased to be cash equivalents.

3. ACCOUNTS RECEIVABLE

Accounts receivable are comprised primarily of amounts due from advertisers in the bar association directories. Late in the quarter ended September 30, 1996 the Company discovered that the computer-based custom database system upon which the Company has relied for tracking sales and receivables had included as part of the receivables total at June 30, 1996 approximately $42,000 in pre-payment discounts earned and taken. Of this amount, approximately $8,000 belonged in the most recent quarter, $13,000 belonged in the immediately preceding quarter, and the remaining $21,000 related to the prior year. The Company also discovered $126,000 of pre-payment discounts taken which were unearned, which had been reported as part of the receivables total, and which did not appear as due on an account-by-account basis by the computer-based custom database system. Management considered that the unearned discounts were owed to the Company and considered its options regarding the pursuit of collection of those monies. Due to the aging of many of these accounts and because management believes that enforcing collection at this time may result in a reduction of future renewal revenues significantly in excess of the potential cash receipts, the Company has provided for a full reserve of these amounts at June 30, 1996. This discovery is the reason the Company decided to file this Form 10-QSB/A for the period ended June 30, 1996. The Company believes all adjustments necessary are being made in this amended quarterly report and the report filed on November 19 for the quarter ended September 30, 1996. Also, the Company reviewed the aging of all accounts receivable at June 30, 1996 and concluded that an additional allowance of $70,000 should be provided. Of this amount, $48,000 related to the quarter ended June 30, 1996 and $22,000 related to the quarter ended March 31, 1996.

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS

4. REVENUE RECOGNITION

Revenues and related costs are recorded by the Company upon shipment of directories. Costs accumulated under directories in progress are stated at estimated costs, not in excess of estimated realizable value. Deferred revenue represents amounts received from advertisers prior to shipment of the related directories.

5. INCOME TAXES

Until January 1, 1996 the Company elected by consent of its shareholders to be taxed under the provisions of Subchapter S of the Internal Revenue Code. Under those provisions, the Company did not pay federal corporate income taxes on its taxable income; instead, the shareholders were liable for individual federal income taxes on the Company's taxable income. In March, 1996 the Company terminated its S Corporation status effective January 1, 1996 and thereafter will be taxed as a C Corporation. Accordingly, a deferred tax liability of $48,110 was recognized and charged to income as of

January 1, 1996; this charge relates directly to the conversion and is in addition to the taxes otherwise due for 1996 income. In March, 1996 the Company made a distribution of $178,871 to existing shareholders for estimated federal income taxes due on 1995 S Corporation income and the Company issued $268,307 of notes payable to existing shareholders for S Corporation earnings not previously declared as dividends during 1995. These notes were paid in July, 1996. Pro forma income tax adjustments had the Company been a C corporation for all periods presented are provided in the accompanying financial statements.

6. NET INCOME PER SHARE

Net income per share and pro forma net income per share are computed based on the weighted average number of common shares and common stock options using the treasury stock method. In accordance with the Securities and Exchange Commission requirements, common and common equivalent shares issued by the Company at prices below the public offering price during the 12-month period prior to the date of the initial public offering on May 17, 1996 have been included in the calculation as if they were outstanding for all periods prior to the offering using the treasury stock method and the initial public offering price.

Historical net income per share is not considered meaningful for the periods ended prior to January 1, 1996 due to the Company's S Corporation status; accordingly, such per share information is not presented for such periods. Pro forma net income per share is provided to show the effect on the historical financial information had the Company operated as a C Corporation since inception and excludes the $48,110 charge to income in connection with the termination of its S Corporation status on January 1, 1996.

7. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS

8. INITIAL PUBLIC OFFERING OF THE COMPANY'S COMMON STOCK

Pursuant to a registration statement on Form SB-2 with the Securities and Exchange Commission, on May 17, 1996 the Company's common stock commenced trading on the NASDAQ National Market System under the symbol PCNA. Gross proceeds of $6,325,000 were raised from the sale of 1,150,000 shares at $5.50 per share. Net proceeds to the Company after paying all related costs of the offering were approximately $4,900,000.

8. SUBSEQUENT EVENTS

In September, 1996 the Company purchased for approximately $900,000 land and a building in Lake Helen, Florida, for use as its corporate headquarters.

Modifications to improve the property's usefulness to the Company are expected to raise the investment to approximately $1,025,000. The Company has received a loan commitment and is scheduled to close on a mortgage not to exceed $800,000 in December, 1996.

Effective July 1, 1996 the Company entered into a lease for rental of approximately 7,250 square feet of office space in Orlando, Florida. The lease is for 36 months and calls for estimated rent payments over the life of the lease of approximately $282,000 before sales tax.

In July, 1996 the Company elected to retire the $268,307 of notes payable plus accrued interest to existing shareholders representing 1995 S Corporation earnings not previously paid as dividends. This amount included payments which aggregated to $178,795 to the President and Executive Vice President of the Company. The Company pre-paid these notes because their interest expense was greater than the investment income the Company could have reasonably earned on the funds used to retire the notes.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF INTERIM FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

Total revenues for the three and six month periods ended June 30, 1996 were $925,950 and $1,871,232, respectively, compared to $502,714 and $591,948, respectively, for the same periods in 1995. This represents an 84% and 216% increase in revenues from 1995 to 1996 for the respective three and six month periods. This increase in revenues is a result of several factors. In the three and six month periods ended June 30, 1996 the Company published 13 and 27 directories, respectively, compared to 9 and 12 for the same periods in 1995. An increase in the average revenues per directory was a second factor. A third factor was the 1996 revenues from the publication of a bar association newsletter and the Company's Internet operations, neither of which had revenues in 1995.

For the three and six months ended June 30, 1996 salaries and commissions were 40% and 37% of revenues as compared to 36% and 45% for the same periods a year earlier. In early July of this year, the Company opened a sales office in Orlando, Florida. Since nearly all employees in that office are new

MANAGEMENT'S DISCUSSION AND ANALYSIS

hires, the revenues produced by these new hires is initially lower and the ratio of salary expense to revenues may be expected to be negatively impacted in the latter half of 1996. The addition of this sales office is considered necessary for the Company to be able to adequately sell advertising for an increasing number of directories which the Company expects to publish. The Company believes it may be able to improve sales and in-house production efficiencies through certain industry-specific computer-based systems and is currently evaluating investments in such.

The Company's costs to print directories, which includes primarily materials, printing, and binding, were 13% of revenues in the three and six month periods ended June 30, 1995. For the same respective periods in 1996, these costs rose to 15% and 14%. In order to meet publication deadlines during the second half of 1996, the Company has had to contract some of the production to sources which had the productive capacity but which were more expensive. The Company expects that materials and printing costs for the balance of 1996 will be higher than 1995's level of 13% of directory revenues.

Operating costs other than materials and printing, salaries and commissions, and depreciation increased to $371,183 (40% of revenues) for the three months ended June 30, 1996 from $63,336 (13% of revenues) for the same period in 1995. The most significant factor in the increase in these operating costs were adjustments to the Company's estimates for bad debt allowances and its recognition of pre-payment discounts taken. During the quarter ended September 30, 1996 the Company discovered that the computer-based custom database system upon which the Company has relied for tracking sales and receivables had included as part of the receivables total at June 30, 1996 approximately $42,000 in pre-payment discounts earned and taken. Of this amount, approximately $8,000 belonged in the quarter ended June 30, 1996 and the remaining $34,000 related to prior periods. The Company also discovered $126,000 of pre-payment discounts taken which were unearned, which had been reported as part of the receivables total, and which did not appear as due on an account-by-account basis by the computer-based custom database system. While management considers that the unearned discounts are owed to the Company, due to the aging of many of these accounts and because management believes that enforcing collection at this time may result in a reduction of future renewal revenues significantly in excess of the potential cash receipts, the Company has provided for a full reserve of these amounts at this time. Primarily for the reasons cited above, the Company increased its allowance for doubtful accounts. Operating costs as defined above included bad debt expense of $154,000 for the most recent quarter; this is 41% of the total of these operating costs for the period. This discovery is the reason the Company decided to amend this Form 10-QSB for the period ended June 30, 1996. The Company believes all adjustments necessary are being made in this amended quarterly report and the report filed on November 19 for the quarter ended September 30, 1996. In response to these matters, the Company has implemented a number of actions to detect unearned discounts and problem receivables much earlier so that timely corrective action can be taken to reduce future reserve requirements.

Many of the costs which the Company has incurred and will incur in the second half of this year will not result in an immediately proportionate growth in revenue. This is due to the time between the expenditure and the recognition of revenues from publications advertising which results from that expenditure. There is a minimum of several months, for example, between the time a salesperson is hired and any sales of advertising by that person will be recognized as revenue upon the shipment of a directory containing that advertising.

MANAGEMENT'S DISCUSSION AND ANALYSIS

During the second half of 1996, there generally has been a decrease in the time between the commencement of advertising sales and the date of publication. The primary factors which have caused this are an increasing backlog in the number of directories to be published, the publication dates which are sometimes mandated by a bar association, and the Company's desire to realize growth in revenues through an increase in the number of directories published. When the time between the commencement of advertising sales and directory publication is reduced, there often is a trade-off between maximizing the time for the selling of advertising and leaving adequate time to produce the directory by the date scheduled. As a result, the Company has sometimes curtailed revenues for a directory in the interest of meeting the publication date; in these cases, the relatively fixed production costs are higher as a percentage of the curtailed revenues.

Another factor which has affected the Company's expenses when expressed as a percentage of revenues is the negative impact upon revenues when a publication dates slip from one reporting period (quarter) into the next. This has happened when a bar association for whatever reason does not complete its submission and proofing of association data in the non-advertising section of the directory on a timely basis; it also has happened when the Company's in-house or outsourced production resources have been unable to meet production times in order to meet intended deadlines. As a result, the Company has found it more difficult in the latter half of 1996 to complete publications in the intended period; accordingly, meeting future revenue objectives on a quarter-by-quarter basis has become more difficult to predict. Whenever future revenues for a quarter are negatively impacted either through curtailment of sales in order to meet deadlines or through being unable to recognize the revenues in the intended period, expenses as a percentage of revenues for that period can be expected to be higher.

The Company may incur a loss for the year ended December 31, 1996. Results of operations for the quarter then ended are uncertain and will be affected by proofing turn-around times by the bar associations, limited selling times due to publication deadlines, and the impact of holiday schedules upon the production capacity of the Company's third-party printers and other suppliers. The Company maintains a strong backlog of contracts; in fact, this strong backlog contributes to the Company's difficulty in increasing revenues per directory due to scheduled deadlines.

Deferred revenue, which represents amounts received from advertisers prior to shipment of the related directories, decreased $187,147 from $270,257 at December 31, 1995 to $83,110 at June 30, 1996. This was the result of the Company's increased contract base which required sales of advertising to continue later into the period and closer to the actual publication date. Directories in progress, which represents costs accumulated for directories unpublished at the end of the period, decreased $61,485 from $87,618 at December 31, 1995 to $26,133 at June 30, 1996 for the same reason.

In March, 1996 the Company borrowed $300,000 through the private placement of units consisting of an aggregate $300,000 principal amount of Bridge Notes and an aggregate of 30,000 shares of common stock. The amount of the Bridge Notes was reduced and shareholders' equity increased by $77,778, representing the original issue discount based on an estimated fair value of $3.50 per share of common stock. This resulted in a charge as interest expense of $57,778 and $77,778 for the three and six months ended June 30, 1996. In addition, the Company retired the Bridge Notes in late May of this year and paid $4,932 in accrued interest.

MANAGEMENT'S DISCUSSION AND ANALYSIS

LIQUIDITY AND CAPITAL RESOURCES

On May 17, 1996 the Company's common stock commenced trading on the NASDAQ National Market System under the symbol PCNA. This initial public offering raised $6,325,000 in gross proceeds from the sale of 1,150,000 shares at $5.50 per share. Net proceeds to the Company after paying all related costs of the offering were approximately $4,900,000.

From the net proceeds the Company paid approximately $305,000 to retire the Bridge Notes and accrued interest from its private placement made in March, 1996. At June 30, 1996 the Company had investments of approximately $4,000,000 in U.S. Treasury securities and approximately $1,045,000 in cash and cash equivalents.

Net cash provided by operations was $171,766 for the six months ended June 30, 1996 compared to $233,062 for the same period a year earlier. The most significant reasons for the decrease in 1996 from 1995 was the decrease in deferred revenue and the increase in accounts receivable in 1996 compared to 1995. The decrease in deferred revenue was explained above under Results of Operations. Accounts receivable increased in 1996 due to a higher level of revenues and due to a greater portion of the related shipments occurring late in the period.

At June 30, 1996 the Company had no debt other than $268,307 of notes payable to existing shareholders for S Corporation earnings not previously declared as dividends during 1995. These notes and accrued interest of $6,763 were paid in July of this year.

The Company has received a loan commitment and is scheduled to close in December, 1996 on a mortgage not to exceed $800,000 for the land and building which it purchased in September of this year.

The Company has no commitments at this time to acquire a material amount of capital assets.

Based on current cash and investment balances and the Company's anticipated results of future operations, the Company believes that it has sufficient cash resources to fund its operations for the next twelve months or more.

FORWARD-LOOKING STATEMENTS

The statements made above relating to the increased number of directories which the Company expects to publish, the Company's ability to improve sales and in-house production efficiencies through industry-specific computer-based systems, anticipated materials and printing costs for the balance of 1996, the Company's ability to reduce future reserve requirements for bad debt as a result of actions being taken, the Company's ability to meet publication schedules and plan revenues on a quarterly basis, the increase in anticipated expenses as a percentage of revenues, the Company's results of operations for the quarter and year ended December 31, 1996, and the closing of mortgage financing are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the

Securities Exchange Act of 1934. The results anticipated by any or all of these forward-looking statements may not occur. Important factors that may cause actual results to differ materially from the forward-looking statements include the following: (1) the Company's ability to find a suitable computer-based system; (2) the Company's ability to successfully install and implement a computer-based system; (3) unanticipated increases in third-party printing costs as a result of increases in labor or paper costs; (4) the Company's ability to continue to sell sufficient advertising per directory published in order to maintain the same

MANAGEMENT'S DISCUSSION AND ANALYSIS

percentages of materials and printing costs to directory revenues; (5) unplanned postponement of the shipment of directories due to factors over which the Company has no control; (6) unanticipated changes in the financial markets, contract issues, or environmental concerns that affect mortgage financing; and (7) unanticipated cancellation by bar associations of existing contracts to publish directories.

PART II - OTHER INFORMATION

ITEM 5. Other Information

Not applicable.

ITEM 6. Exhibits and Reports on Form 8-K

a. Exhibits

1. Exhibit 11 - Statement re computation of per share earnings

2. Exhibit 27 - Financial Data Schedule

b. No reports on Form 8-K were filed during the quarter ended June 30, 1996.

In accordance with the requirements of the Securities Exchange Act of 1934, the registrant caused this report to be signed on its behalf on December 30, 1996 by the undersigned, thereunto duly authorized.

THE PUBLISHING COMPANY OF NORTH AMERICA, INC.

/s/ Peter S. Balise

President (Chief Executive Officer)

/s/ James M. Koller

Chief Financial Officer (Principal Financial and Accounting Officer)

EXHIBITS

ITEM 6. Exhibits and Reports on Form 8-K

a. Exhibits

1. Exhibit 11 - Statement re computation of per share earnings

<TABLE>
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Primary	Three months ended June 30, 1996	Six months ended June 30, 1996
<S>	<C>	<C>
Average shares outstanding	3,513,945	3,236,017
Net effect of dilutive stock options based on the treasury stock method using the average market price	12,077	6,038
Total	3,526,022	3,242,055
Net income (loss)	$(7,448)	$82,489

Per share amount	$0.00	$0.03
Fully-diluted		
Average shares outstanding	3,513,945	3,236,017
Net effect of dilutive stock options based on the treasury stock method using the market price at end of period	12,564	6,282
Total	3,526,509	3,242,299
Net income (loss)	$(7,448)	$82,489
Per share amount	$0.00	$0.03

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE COMPANY'S UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 1996 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.
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