FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: **1994-03-17** | Period of Report: **1994-01-31**
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FILER

PARTECH HOLDINGS CORP
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SIC: **7377** Computer rental & leasing

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal quarter ended January 31, 1994   Commission file number 0-14361

PARTECH HOLDINGS CORPORATION
(Exact name of Company as specified in its charter)

Delaware	31-1166419
(State or Other jurisdiction of incorporation or organization)	(I.R.S. Employer I.D. Number)

3366 Riverside Drive, Suite 200, Columbus, Ohio	43221
(Address of principal executive offices)	(Zip Code)

Company's telephone number, including area code: (614) 538-0660

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 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.   Yes   X   No
-----   -----

The Company had 5,629,706 shares of $0.05 par value common stock outstanding as of March 10, 1994.

PARTECH HOLDINGS CORPORATION

FORM 10-Q
For the Fiscal Quarter Ended January 31, 1994

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Part I: Financial Information

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PART I

Item 1. Financial Statements

PARTECH HOLDINGS CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

	January 31, 1994	April 30, 1993
Assets:		
Cash and cash equivalents	$ 322,138	$ 143,164
Accounts receivable - related parties	159,269	108,318
Accounts and commissions receivable (net of allowance for doubtful accounts of $3,148 and $0)	113,098	18,388
Notes receivable - related parties	128,714	129,000
Residuals, notes and accrued interest receivable	795,296	918,843
Equipment notes and accrued interest receivable	60,997,940	87,904,468
Leased property under capital lease, at cost (net of accumulated amortization of $122,486,461 and $141,703,003, respectively)	43,121,931	44,291,407
Net investment in operating leases (net of accumulated depreciation of $3,756,888 and $2,271,639, respectively)	1,949,441	5,293,165
Property and equipment, at cost (net of accumulated depreciation of $326,086 and $263,626, respectively)	628,368	374,962
Cost in excess of net assets acquired (net of accumulated amortization of $1,053,428 and $957,067, respectively)	2,315,715	2,410,775
Investment in partnerships	45,498	45,498
Net investment in direct financing leases	2,194,564	3,330,791
Deferred organization, stock issuance and other financing costs	67,099	27,678
Broadcasting rights	411,326	-
Other assets	80,750	171,305
Total Assets	$ 113,331,147	$ 145,167,762

See accompanying notes to consolidated financial statements.

PARTECH HOLDINGS CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets
(continued)

	January 31, 1994	April 30, 1993
Liabilities:		
Accounts payable and accrued expenses	$ 57,909	$ 90,450
Accounts payable - related parties	33,472	49,220
Note payable - related party	-	625,000
Notes and accrued interest payable	2,367,137	3,514,047
Broadcasting rights payable	411,326	-

Discounted lease rentals and accrued interest payable	45,071,221	49,584,419
Capital lease obligations and accrued interest payable	61,007,448	87,910,364
Accrued officer compensation and interest payable	99,239	215,113
Unearned income	-	10,902
Deferred income taxes	75,000	75,000
Total Liabilities	109,122,752	142,074,515
Stockholders' Equity:		
Preferred stock, $0.01 par value, 1,000,000 shares authorized, none issued and outstanding		
Common stock, $0.05 par value, 50,000,000 shares authorized, 5,636,906 and 2,662,425, respectively, issued	281,845	133,121
Common stock subscribed, $0.05 par value, 400,000 shares subscribed at April 30, 1993	-	20,000
Capital in excess of stated value	7,885,949	5,545,851
Retained deficit	(3,947,811)	(2,515,725)
	4,219,983	3,183,247
Common stock issued and unpaid	-	(90,000)
Treasury stock, at cost	(11,588)	-
Total Stockholders' Equity	4,208,395	3,093,247
Total Liabilities and Stockholders' Equity	$ 113,331,147	$ 145,167,762

</TABLE>

See accompanying notes to consolidated financial statements.

PARTECH HOLDINGS CORPORATION AND SUBSIDIARIES

Statements of Consolidated Operations

<TABLE>
<CAPTION>

<S>	Three Months Ended January 31, 1994 <C>	1993 <C>
Revenues:		
Rental income	$ 6,372,622	$ 8,601,414
Commissions, fees and other income	199,164	164,632
Interest income	1,788,387	3,253,925
Total Revenues	8,360,173	12,019,971
Costs and Expenses:		
Marketing, administrative and other operating expenses	414,103	266,825
Interest expense	2,902,147	4,997,120
Depreciation and amortization of property, equipment and leased property under capital lease	5,285,942	6,867,978
Amortization of cost in excess of net assets acquired and other intangible assets	35,231	30,865
Total Costs and Expenses	8,637,423	12,162,788
Net Loss	$ (277,250)	$ (142,817)
Primary Net Loss Per Share	$ (0.05)	$ (0.05)
Fully Diluted Net Loss Per Share	$ (0.05)	$ (0.05)
Average Number of Common and Common Equivalent Shares:		
Primary	5,634,871	2,650,701
Fully diluted	5,634,871	2,650,701

</TABLE>

See accompanying notes to consolidated financial statements.

PARTECH HOLDINGS CORPORATION AND SUBSIDIARIES

Statements of Consolidated Operations

<TABLE>
<CAPTION>

	Nine Months Ended January 31, 1994	Nine Months Ended January 31, 1993
Revenues:		
Rental income	$ 19,243,763	$ 26,607,757
Commissions, fees and other income	288,821	285,876
Interest income	6,194,753	11,831,240
Total Revenues	25,727,337	38,724,873
Costs and Expenses:		
Marketing, administrative and other operating expenses	1,182,216	616,192
Advisory services	219,665	-
Interest expense - related party	121,011	-
Interest expense	9,105,828	17,406,306
Depreciation and amortization of property, equipment and leased property under capital lease	16,425,042	21,089,418
Amortization of cost in excess of net assets acquired and other intangible assets	105,661	92,595
Total Costs and Expenses	27,159,423	39,204,511
Loss Before Income Taxes and Cumulative Effect of Change in Accounting Principal	(1,432,086)	(479,638)
Income tax benefit	-	(270,000)
Loss Before Cumulative Effect of Change in Accounting Principal	(1,432,086)	(209,638)
Cumulative Effect to May 1, 1992 of Change in Accounting Principal for Income Taxes	-	180,000
Net Loss	$ (1,432,086)	$ (29,638)
Primary Income (Loss) Per Share:		
Income (loss) before cumulative effect of change in accounting principal	$ (0.29)	$ 0.01
Cumulative effect of change in accounting principal	0.00	0.03
Primary Net Income (Loss) Per Share	$ (0.29)	$ 0.04
Fully Diluted Income (Loss) Per Share:		
Income (loss) before cumulative effect of change in accounting principal	$ (0.29)	$ 0.01
Cumulative effect of change in accounting principal	0.00	0.03
Fully Diluted Net Income (Loss) Per Share	$ (0.29)	$ 0.04
Average Number of Common and Common Equivalent Shares:		
Primary	4,924,627	6,888,536
Fully diluted	4,924,627	6,888,668

</TABLE>

See accompanying notes to consolidated financial statements.

PARTECH HOLDINGS CORPORATION AND SUBSIDIARIES

Statements of Consolidated Cash Flows
Increase (Decrease) in Cash and Cash Equivalents

<TABLE>
<CAPTION>

<S>	Nine Months Ended January 31, 1994 <C>	1993 <C>
Cash Flows From Operating Activities:		
Commissions, fees and other receipts	$ 312,457	$ 326,306
Marketing, administrative and other operating payments	(1,215,785)	(889,803)
Interest receipts	33,587	29,622
Interest payments	(187,840)	(25,114)
Net Cash Used for Operating Activities	(1,057,581)	(558,989)
Cash Flows From Investing Activities:		
Payment to officer for loan	-	(10,125)
Investments in non consolidated affiliates	(2,844)	(1,206)
Purchases of property and equipment	(320,910)	(3,880)
Proceeds from the sale of property and equipment	55,327	631
Deferred organization costs	(75,929)	(50,214)
Escrow deposits for radio station acquisitions	(90,000)	-
Net Cash Used for Investing Activities	(434,356)	(64,794)
Cash Flows From Financing Activities:		
Deferred stock, debt issuance and other financing costs	(12,646)	(43,690)
Proceeds from issuance of stock	2,364,981	857,353
Principal payments under bank borrowings	-	(88,125)
Principal payments under other borrowings	-	(74,147)
Principal payments under radio station acquisition financings	(10,889)	-
Principal payments under officer loans	-	(42,000)
Principal payments under related party loans (other than officer loans)	(625,000)	-
Principal payments under capital lease obligations and other financings	(45,535)	(4,147)
Net Cash Provided By Financing Activities	1,670,911	605,244
Net Increase (Decrease) in Cash and Cash Equivalents	178,974	(18,539)
Cash and Cash Equivalents at Beginning of Period	143,164	45,077
Cash and Cash Equivalents at End of Period	$ 322,138	$ 26,538

</TABLE>

See accompanying notes to consolidated financial statements.

PARTECH HOLDINGS CORPORATION AND SUBSIDIARIES

Statements of Consolidated Cash Flows

Reconciliation of Net Loss
to Net Cash Used for Operating Activities

<TABLE>
<CAPTION>

Nine Months Ended January 31,

<S> <C> <C>

	1994	1993
Net loss	$ (1,432,086)	$ (29,638)
Adjustments to reconcile net loss to net cash used for operating activities:		
Expenses and revenues not affecting operating activities:		
Cumulative effect to May 1, 1992 of change in accounting principal for income taxes	-	(180,000)
Depreciation and amortization of equipment, and intangible assets	16,530,703	21,182,013
Deferred costs expensed and amortized	38,127	2,874
Advisory services paid in stock	189,665	-
Employee stock bonus	42,900	-
Rental income	(19,243,763)	(26,607,757)
Leasing interest income	(6,180,819)	(11,815,116)
Leasing interest expense	9,075,970	17,383,831
Changes in assets and liabilities:		
Changes in accrued interest income	19,653	13,498
Changes in accrued interest expense	(36,971)	(2,639)
Changes in notes, accounts and commissions receivable	56,910	31,891
Changes in other assets	(7,925)	(15,927)
Changes in accounts payable and accrued expenses	(116,574)	(252,440)
Income taxes	-	(270,000)
Other	6,629	421
Total Adjustments	374,505	(529,351)
Net Cash Used for Operating Activities	$ (1,057,581)	$ (558,989)

</TABLE>

See accompanying notes to consolidated financial statements.

PARTECH HOLDINGS CORPORATION AND SUBSIDIARIES
Statements of Consolidated Cash Flows
Supplemental Cash Flow Information

Investment in Finance Assets. The Company acquires leased equipment, equipment leases and lease receivables partially by assuming existing financing. Also, the Company may sell or dispose of such assets with a commensurate transfer of any related financing to the transferee. The net decreases in assets and liabilities associated with the acquisition and disposition of such equipment and equipment leases and the related liabilities for the nine months ended January 31, 1994 and 1993 were as follows:

<TABLE>
<CAPTION>

<S> <C> <C>

	Nine Months Ended January 31,	
	1994	1993
Assets:		
Equipment notes and accrued interest receivable	$ -	$ (15,048,231)
Leased property under capital lease (net of accumulated amortization)	12,550,816	(24,281,273)
Net investment in operating leases	(715,565)	7,564,804
Total Assets	$ 11,835,251	$ (31,764,700)
Liabilities:		
Discounted lease rentals and accrued interest payable	$ 11,835,251	$ (16,716,469)
Capital lease obligations and accrued interest payable	-	(15,048,231)
Total Liabilities	$ 11,835,251	$ (31,764,700)

</TABLE>

During the nine months ended January 31, 1994 the Company (1) incurred $59,079 of debt and expended $19,449 in cash for the purchase of fixed assets, (2) entered into a capital lease obligation for $7,670 for new equipment, (3) issued 110,000 shares for $5,500 in cash and incurred $42,900 of compensation expense, (4) recorded broadcasting rights of $413,157 and related broadcasting rights payable of an equivalent amount and (5) reduced common stock issued and unpaid for $90,000, relieved a liability in the amount of $40,000, charged capital in excess of stated value for $38,412 and recorded $11,588 of treasury stock, without receiving or expending cash. During the nine months ended January 31, 1994 the Company purchased assets and liabilities, which included Leased Property Under Capital Lease of $12,550,816 and Discounted Lease Rentals and Accrued Interest Payable of $12,550,816. Also, during the nine months ended January 31, 1994 the Company disposed of Net Investment in Operating Leases of $715,565 (net of $1,142,909 of accumulated depreciation) and Discounted Lease Rentals and Accrued Interest Payable of a commensurate amount. Also during the current nine months leasehold tenancy positions terminated which reduced the gross value of Leased Property Under Capital Lease by $32,936,834 and accumulated amortization by an equivalent amount.

During the nine months ended January 31, 1993 the Company sold assets and liabilities, which at the date of sale included Leased Property Under Capital Lease of $23,530,628 (net of accumulated amortization of $18,887,171), and Discounted Lease Rentals and Accrued Interest Payable of $23,530,628 for a $10,000 reduction of debt. Also, during this same period the Company had additional dispositions of assets and liabilities which included Leased Property Under Capital Lease of $750,645 (net of accumulated amortization of $422,326), Installment Notes and Accrued Interest Receivable of $15,048,231, Discounted Lease Rentals and Accrued Interest Payable of $750,645, and Capital Lease Obligations and Accrued Interest Payable of $15,048,231. Acquisitions during the current period were comprised of Net Investment in Operating Leases of $7,564,804, and Discounted Lease Rentals and Accrued Interest Payable of $7,564,804. During the comparative nine months leasehold tenancy positions terminated which reduced the gross value of Leased Property Under Capital Lease by $47,958,678 and accumulated amortization by a tantamount.

Also, during the nine months ended January 31, 1993, 100,000 warrants were exercised for a $100,000 reduction in accrued compensation. Similarly, during third quarter of fiscal 1993 the Company issued 217,704 shares of $0.05 per share par value common stock to pay $81,056 of debt. Furthermore, during the first three months of fiscal 1993, 90,000 warrants were exercised and 90,000 shares were issued for which the Company has recorded a receivable of $90,000. Additionally, the Company incurred $2,634 of debt pursuant to the purchase of office equipment during the comparative nine months.

See accompanying notes to consolidated financial statements.

PARTECH HOLDINGS CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

1. Consolidated Financial Statements

The consolidated balance sheet as of January 31, 1994, the statements of consolidated operations, for the three and nine months ended January 31, 1994, and the statements of consolidated cash flows, for the nine months ended January 31, 1994, have been prepared by the Company, without audit. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations and cash flows at January 31, 1994, and for all periods presented herein, have been made.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. It is suggested that these consolidated financial statements be read in conjunction with the financial statements and notes thereto included with the Company's April 30, 1993 and 1992, Annual Reports to the Securities and Exchange Commission on Form 10-K.

2. Federal Income Tax

The income tax provision is reported using an asset and liability approach and measuring the change in the tax asset or liability. A deferred tax asset or liability generally arises from changes in differences between financial reporting and tax bases of all assets and liabilities (with exception related to goodwill). A deferred tax asset will result in an income tax benefit (before valuation allowance), conversely a deferred tax liability will result in income tax expense. Previously recorded deferred tax assets and liabilities are adjusted upon any changes in enacted tax rates. Differences between financial reporting and tax bases usually result from differences in timing of income and expense recognition. A valuation allowance is applied to a tax asset for any amount that does not meet certain realizability criteria. A change in the amount of valuation allowance that is applicable to the beginning of the year balance is recognized in income from continuing operations, increases in the valuation allowance are recognized as income tax expense and decreases are recognized as income tax benefit. The valuation allowance at the beginning of the year was $788,200 and increased $330,800.

As of January 31, 1994, the Company and its subsidiaries reported an aggregate cumulative Federal income tax loss carryforward of approximately $25,500,000, expiring through 2009. As of January 31, 1993, the Company and its subsidiaries had aggregate Federal tax net operating loss carryforwards of approximately $22,768,000.

3. Earnings Per Share

For the three and nine months ended January 31, 1994, primary and fully diluted earnings per share amounts, are computed based on 5,634,871 shares and 4,924,627 shares, respectively, the weighted average number of common shares outstanding. The stock purchase rights are not included in primary or fully diluted earnings per share, the rights are anti-dilutive. Included in the weighted average number of common shares outstanding are 615,000 shares issued pursuant to stock sales. During the first quarter of the current fiscal year the Company issued 2,359,481 shares pursuant to warrant exercises. If these shares had been issued at the beginning of the period primary and fully diluted earnings per share would have been ($0.26).

For the three months ended January 31, 1993, primary and fully diluted earnings per share amounts, are computed based on 2,650,701 shares, the weighted average number of common shares outstanding. The stock purchase rights are not included in primary or fully diluted earnings per share for the three months ended January 31, 1993, due to all rights being anti-dilutive.

Primary earnings per share amounts are computed based on the weighted average number of common shares outstanding of 2,408,990 shares for the nine months ended January 31, 1993, and an increased number of shares assuming exercise of stock purchase rights, and the assumed repurchase of shares at an average market price. The primary average number of common and common equivalent shares are 6,888,536 shares for the nine months ended January 31, 1993. For the nine months ended January 31, 1993 fully diluted earnings per share amounts are based on an increased number of shares computed under the same method as primary earnings per share, except the repurchase of shares uses the higher of the average market price during the period or the ending market price, and if actually exercised it uses the average market price on the date of exercise. The fully diluted average number of common and common equivalent shares for the nine months ended January 31, 1993 are 6,888,668 shares.

During the first fiscal quarter of fiscal 1993 the Company issued 1,047,333 shares pursuant to warrant exercises. If these shares had been issued at the beginning of the fiscal year primary and fully diluted earnings per share would not have changed. Also, on November 6, 1992 the Company issued 217,704 shares to pay $81,056 of debt. If these shares had been issued at the beginning of the comparative three months or at the beginning of the comparative nine months primary and fully diluted earnings per share would not have changed. Additionally, on October 27, 1992 the Company issued 14,000 shares pursuant to a debt default agreement, which are included in the weighted average number of common shares outstanding.

4. Warrants

The Company issued an aggregate of 2,360,086 shares pursuant to the exercise of its Class B Warrants at the Temporary Exercise Price of $1.00 during the Temporary Exercise Period. The Temporary Exercise Period expired July 23, 1993 and the offering terminated September 12, 1993.

5. Deferred Organization, Stock Issuance and Other Financing Costs

These costs represent costs associated with the acquisition of broadcast properties and preliminary negotiations of other financings. During the current period the Company has deferred $60,181 of such costs that relate to the acquisition of broadcast properties and has expensed $35,000 of previously deferred costs which relate to abandoned acquisitions. The Company's accounting policy is to capitalize such costs as the cost of an asset purchased or as cost in excess of net assets acquired and amortize them to expense on a straight line basis over the asset's life or 20 years as the case may be, or expense them totally in the period in which the undertaking to which they relate is abandoned or sold. Also, the Company has deferred $6,918 of such costs that relate to preliminary negotiations of other financings. The Company's accounting policy is to capitalize such costs and amortize them over the life of any debt they may relate to or to charge them to capital in excess of stated value if they relate to equity financing. If the financing is terminated the costs are expensed.

The Company charged to capital in excess of stated value deferred offering expenses during current period in the amount of $5,728 which represent costs incurred in connection with its Warrant offering and other stock issuances.

6. Advisory Services

During the nine months ended January 31, 1994 the Company paid $30,000 and issued 505,000 shares of its common stock, valued at $358,832 for advisory services rendered during the previous and current year. The Company expensed

$219,665 during the current year, and $169,167 in fiscal 1993 for which 400,000 shares were recorded as common stock subscribed at April 30, 1993.

7. Construction in Progress

Property and equipment includes $208,400 of construction in progress for the building of a broadcasting tower and transmitting site, which were near completion at January 31, 1994, and the beginning phases of constructing another transmitting site. The costs relate to the change in frequency and power upgrade for the Company's radio station in Shallotte, North Carolina and a station to be located in the Florida Keys.

8. Related Party Transactions

On March 8, 1993 the Company received $500,000 in net proceeds from a total borrowing of $625,000 which was incurred to finance the purchase of WDZD-FM and to provide additional working capital, the difference of $125,000 was recorded as interest expense - related party in fiscal 1993. The loan was to be repaid by May 7, 1993, but was extended to June 7, 1993 for an additional charge of $62,500. The loan thereafter accrued interest at 5% per month. The extension fee and all interest for the current year are recorded as interest expense - related party. All principal, accrued interest and charges in the amount of $746,011 were paid on July 30, 1993. The lender, Funder's Trust 1992-A, is engaged in the business of providing short-term lending for accounts receivable and purchase order financing; the Chief Executive Officer of the Company is a trustee, but not a beneficiary, of this trust.

The Company issued 110,000 shares to officers and directors during the current period for $5,500 and incurred $42,900 of compensation expense. During the nine months ended January 31, 1994 the Company earned $45,000 from partnerships which are partially owned by a nonconsolidated affiliate of which an officer of the Company is a general

partner. The Company has incurred $4,050 for leasing a vehicle from its Chief Executive Officer and has leased such vehicle to the Chief Operating Officer of a subsidiary for $2,450.

9. Stock Option Plans

The following table sets forth: (1) the number of shares of the Company's common stock issuable at January 31, 1994 pursuant to outstanding Options; (2) the exercise price per share; (3) the aggregate exercise price; (4) the expiration dates; and (5) the market values of such shares at January 31, 1994, based on $1.7656 per share, which is the average of the high and low ask and bid prices on the National Association of Securities Dealers Automated Quotation system on January 31, 1994.

<TABLE>
<CAPTION>

Plan	Number of Shares Covered By Outstanding Options	Exercise Price Per Share	Aggregate Exercise Price	Expiration Dates	Market Value at January 31, 1994
<S>	<C>	<C>	<C>	<C>	<C>
Incentive Stock Option Plan	71,428	$ 0.69	$ 49,285	11/18/02	$ 126,113
Incentive Stock Option Plan	250,000 (1)	$ 1.09	$ 272,500	7/15/03	$ 441,400
Stock Option and Stock Appreciation Rights Plan	100,000	$ 0.69	$ 69,000	11/18/02	$ 176,560
Stock Option and Stock Appreciation Rights Plan	500,000 (1)	$ 1.09	$ 545,000	7/15/03	$ 882,800

</TABLE>

(1) On February 23, 1994 160,000 Stock Option and Stock Appreciation Rights Plan options terminated and three months thereafter 90,000 Incentive Stock Option Plan options will terminate.

(2) All Options are currently exercisable, except as noted above, and no Options were exercised during the current period.

10. Other Stock Options

On January 3, 1994 the Company entered into an agreement whereby it may issue up to 48,000 options (8,000 per month), commencing January 1, 1994 and ending June 30, 1994. The options would be exercisable at 100.25% of the closing bid price on the date of issuance. The Company has agreed, if requested between July 1, 1994 and December 31, 1994, to register the options on Form S-8. On January 31, 1994 the Company issued 8,000 options which are each exercisable at

$1.6917.

11. Other Capital Transactions

During fiscal 1993 the Company issued 90,000 shares of its common stock pursuant to the exercise of warrants for which funds were not received. The Company recorded the receivable as common stock issued and unpaid, and brought suit to recover the monies owed. The Company had also recorded a liability for $40,000 for promotional services rendered by the person to whom the shares were issued. On January 6, 1994 the Company settled its law suit and received 7,200 shares of its common stock and relief from its $40,000 liability. The Company has recorded treasury stock, at its cost, in the amount of $11,588 and as charged $38,412 to capital in excess of stated value.

12. Barter Transactions

The Company has recognized $40,409 of barter transaction revenue which is included in commissions, fees and other income and $39,258 of barter transaction expense included in marketing, administrative and other operating expenses. The amount of goods and services which were received or used prior to the transmission of advertising was not material as of the balance sheet date.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Results of Operations

The Company is in the process of acquiring several FM and AM radio stations located in the Southeastern United States. The Company presently operates one FM radio station in Shallotte, North Carolina (serving the Wilmington, North Carolina and Myrtle Beach, South Carolina markets), is in the process of constructing one FM radio station in the Florida Keys, has requests pending before the FCC for transfer of three FM radio stations and one AM radio station all located in Florida, has reached an agreement-in-principle for the purchase of four FM radio stations and one AM station, and has offers pending acceptance for the purchase of one FM radio station. The Company expects that its acquisition activities will extend well into calendar year 1994 and that significant revenues and income will not be realized until all of the stations have been acquired and integrated into a consolidated operation. During the current period the Company has deferred $60,181 of such costs that relate to the acquisition of broadcast properties and has expensed $35,000 of previously deferred costs which relate to abandoned acquisitions.

The frequency change and power upgrade to 25,000 watts for the Company's Shallotte, North Carolina radio station was completed early February, 1994. The sales staff has been increased in order to cover the entire broadcast market. The Company has started to penetrate new and larger advertising markets and expects the station to turn profitable in five to six months.

The Company is continuing to manage its lease portfolios and to acquire lease properties as and when suitable transactions become available and is also pursuing the acquisition and management of FM radio station broadcast properties.

The loss from operations for the nine months ended January 31, 1994 includes $340,676 of one time charges for interest and advisory services. Without these charges, the loss from operations would have been ($1,091,410). The loss from operations includes $230,057 of broadcasting operating expenses in excess of revenues.

Rental income and interest income is a function of the amount of equipment in the Company's Portfolios which may change substantially from year to year based upon the volume of Portfolio acquisitions and dispositions. The Company's net earnings from its Portfolios is minimal until the Operating Leases are completed and the related Discounted Lease Rentals and Accrued Interest Payable are paid. The following tables indicate the comparative results of operations for the three and nine months ended January 31, 1994 and 1993.

Three Months Ended January 31, 1994 Compared to Three Months Ended January 31, 1993

	Three Months Ended January 31, 1994	Three Months Ended January 31, 1993	Amount of Change Dollars	Amount of Change Percentage
Rental income	$ 6,372,622	$ 8,601,414	$ (2,228,792)	(25.9%)
Commissions, fees and other income	$ 199,164	$ 164,632	$ 34,532	21.0%

Interest income	$ 1,788,387	$ 3,253,925	$ (1,465,538)	(45.0%)
Marketing, administrative and other operating expenses	$ 414,103	$ 266,825	$ 147,278	55.2%
Interest expense	$ 2,902,147	$ 4,997,120	$ (2,094,973)	(41.9%)
Depreciation and amortization of equipment	$ 5,285,942	$ 6,867,978	$ (1,582,036)	(23.0%)
Loss before income taxes and extraordinary item	$ (277,250)	$ (142,817)	$ (134,433)	(94.1%)
Net loss	$ (277,250)	$ (142,817)	$ (134,433)	(94.1%)

</TABLE>

<TABLE>
<CAPTION>

Nine Months Ended January 31, 1994 Compared to Nine Months Ended January 31, 1993

	Nine Months Ended January 31,		Amount of Change	
	1994	1993	Dollars	Percentage
<S>	<C>	<C>	<C>	<C>
Rental income	$ 19,243,763	$ 26,607,757	$ (7,363,994)	(27.7%)
Commissions, fees and other income	$ 288,821	$ 285,876	$ 2,945	1.0%
Interest income	$ 6,194,753	$ 11,831,240	$ (5,636,487)	(47.6%)
Marketing, administrative and other operating expenses	$ 1,182,216	$ 616,192	$ 566,024	91.9%
Interest expense	$ 9,226,839	$ 17,406,306	$ (8,179,467)	(47.0%)
Depreciation and amortization of equipment	$ 16,425,042	$ 21,089,418	$ (4,664,376)	(22.1%)
Loss before income taxes and extraordinary item	$ (1,432,086)	$ (479,638)	$ (952,448)	(198.6%)
Net loss	$ (1,432,086)	$ (29,638)	$ (1,402,448)	(4,731.9%)

</TABLE>

The above costs reflect the activity of the Portfolios acquired by the Company. As the number of leases vary, so do the related expenses. As of January 31, 1994 Equipment Notes and Accrued Interest Receivable, Leased Property Under Capital Lease and Net Investment in Operating Leases were $60,997,940, $43,121,931 and $1,949,441, respectively, compared to $87,904,468, $44,291,407 and $5,293,165, respectively, at April 30, 1993. Discounted Lease Rentals and Accrued Interest Payable, and Capital Lease Obligations and Accrued Interest Payable were $45,071,221 and $61,007,448, respectively, compared to $49,584,419 and $87,910,364, respectively, at April 30, 1993. These and the above leasing revenue and expense decreases are due to payments made as to the Company's existing lease receivables and related obligations, which is a normal operating circumstance, and sales of the lease portfolios. Such revenues and expenses, and assets and liabilities are expected to change in future periods from new properties being acquired (resulting in increases), and for payments which will be received and made as to equipment and leases owned or disposed of, as the case may be (resulting in decreases).

As the Company is, in part, in the business of acquiring, managing and selling Portfolio properties, the Company anticipates that it will acquire and will dispose of large amounts of such property in future years. The acquisition and disposition of these properties will result in substantial periodic fluctuations of revenues and expenses and will also result in periodic changes in the Company's assets and liabilities in equivalent proportions.

The Company earns commissions, fees and other income from transactions which fluctuates substantially from one comparable period to the next. The Company believes that its relationship with its lease origination customers remains good, however, none of these companies are presently underwriting business in volumes sufficient to assure that the Company will have access to future suitable Portfolio purchases. The Company will continue to pursue Portfolio acquisitions on suitable terms as and when available, however, there is no assurance that the current economic environment will be easing in the near term sufficiently strong enough for the Company's customers to return to their pre-1991 lease origination volumes.

The Company has recorded in the accompanying income statement as commissions, fees and other income $121,406 of broadcasting advertising revenue, which includes recognition of $40,409 of barter transaction revenue and has recognized $39,258 of barter transaction expense included in marketing, administrative and other operating expenses.

Effective on February 23, 1994, Mark S. Manafo ceased to be a Director, Chief Operating Officer and employee of Partech Communications Group, Inc. ("PCG"), a wholly-owned subsidiary of the Company, and all of PCG's subsidiaries. Mr. Manafo's options to purchase 160,000 shares of Partech's stock terminated on February 23, 1994 and his options to purchase 90,000 shares will terminate three (3) months thereafter.

During the nine months ended January 31, 1994 the Company earned $45,000 from partnerships which are partially owned by a nonconsolidated affiliate of which an officer of the Company is a general partner. The Company has incurred $4,050 for leasing a vehicle from its Chief Executive Officer and has leased such vehicle to the Chief Operating Officer of a subsidiary for $2,450.

Liquidity and Capital Resources

The Company issued an aggregate of 2,360,086 shares pursuant to the exercise of its Class B Warrants at the Temporary Exercise Price of $1.00 during the Temporary Exercise Period. The Temporary Exercise Period expired July 23, 1993 and the offering terminated September 12, 1993. During the current period the Company charged to capital in excess of stated value deferred offering expenses in the amount of $5,728 which represent costs incurred in connection with its Warrant offering and other stock issuances. Also, during the current nine months the Company has deferred $6,918 of costs associated with the preliminary negotiations of other financings. The Company issued 110,000 shares to officers and directors during the current period for $5,500 and incurred $42,900 of compensation expense.

During fiscal 1993 the Company issued 90,000 shares of its common stock pursuant to the exercise of warrants for which funds were not received. The Company recorded the receivable as common stock issued and unpaid, and brought suit to recover the monies owed. The Company had also recorded a liability for $40,000 for promotional services rendered by the person to whom the shares were issued. On January 6, 1994 the Company settled its law suit and received 7,200 shares of its common stock and relief from its $40,000 liability. The Company has recorded treasury stock, at its cost, in the amount of $11,588 and as charged $38,412 to capital in excess of stated value.

On March 8, 1993 the Company received $500,000 in net proceeds from a total borrowing of $625,000 which was incurred to finance the purchase of WDZD-FM and to provide additional working capital, the difference of $125,000 was recorded as interest expense - related party in fiscal 1993. The loan was to be repaid by May 7, 1993, but was extended to June 7, 1993 for an additional charge of $62,500. The loan thereafter accrued interest at 5% per month. The extension fee and all interest for the current year are recorded as interest expense - related party. All principal, accrued interest and charges in the amount of $746,011 were paid on July 30, 1993. The lender, Funder's Trust 1992-A, is engaged in the business of providing short-term lending for accounts receivable and purchase order financing; the Chief Executive Officer of the Company is a trustee, but not a beneficiary, of this trust.

The Company has used a combination of seller financing, sale-leaseback financing and secured bank loans to finance the acquisition of its Portfolio properties; and internally generated cash flow, and bank and equity financing to meet operating needs.

Marketing, administrative and other operating payments were $1,215,785 for the first nine months of fiscal 1994 compared to $889,803 for the previous nine months. The increase is due to the radio station operations being supported and ungraded, and internal costs that cannot be deferred as to radio station acquisitions.

During the nine months ended January 31, 1994 the Company paid $30,000 and issued 505,000 shares of its common stock, valued at $358,832 for advisory services rendered during the previous and current year. The Company expensed $219,665 during the current year, and $169,167 in fiscal 1993 for which 400,000 shares were recorded as common stock subscribed at April 30, 1993. The Company registered the 505,000 shares on a Form S-8.

On January 3, 1994 the Company entered into an agreement for promotional services commencing January 3, 1994 and ending June 30, 1994, whereby it will pay $3,000 per month and it may issue up to 48,000 options (8,000 per month). The options would be exercisable at 100.25% of the closing bid price on the date of issuance. The Company has agreed, if requested between July 1, 1994 and December 31, 1994, to register the options on Form S-8. On January 31, 1994 the Company issued 8,000 options which are each exercisable at $1.6917.

Current working capital assets, which are composed of cash and short-term (one year or less) receivables, increased from $250,282 January 31, 1993, to $542,411 at January 31, 1994. Short-term (one year or less) debt and accounts payable increased from $130,308 at January 31, 1993, to $180,689 at January 31, 1994, for a net increase in working capital of $241,748. As of January 31, 1994 there is positive working capital of $361,722. Subsequent to January 31, 1994 the Company has a lease transactions pending which will yield cash commissions of $60,000. The Company's trade payables at January 31, 1994 were $44,508 compared to $37,390 at January 31, 1993 and $42,554 at April 30, 1993.

In connection with the frequency change and power upgrade for the Company's Shallotte, North Carolina radio station and the beginning phases of constructing another transmitting site to be located in the Florida Keys the Company has incurred, as of January 31, 1994, $208,400 of costs for construction in progress for the building of a broadcasting tower and transmitting sites. Such costs are included in property and equipment. The Company anticipates $167,711 to be incurred to finish the transmitting site to be located in the Florida Keys. The Shallotte, North Carolina construction was completed early February, 1994.

During the current fiscal year the Company received $312,457 in cash from commissions, fees and other receipts, representing $193,328 from current period activities (which includes a $115,000 broker fee for a lease transaction) and $119,129 from receivables; and realized $148,384 from leased equipment residuals, of which $127,314 are included in commissions, fees and other receipts, and $21,070 are included in interest income. At January 31, 1994 the Company had a secured borrowing of $18,306 related to corporate activities and secured borrowings of $187,563 related to the acquisition of broadcast properties. During the nine months ended January 31, 1993 the Company realized $157,159 from leased equipment residuals, of which $130,291 is included in commissions, fees and other receipts, and $26,868 is included in interest income.

The Company will continue to collect its receivables, liquidate debt, convert assets to cash, accumulate cash from asset sales and brokerage fees, remarket its equipment, and pursue new business opportunities where and whenever available. The Company believes that its cash on hand will be sufficient to sustain the Company's operations and its previous radio station purchase borrowings through the end of its current fiscal year. However, in order to consummate further radio station acquisitions and construction additional debt or equity financing will be necessary. The Company is presently negotiating additional debt and equity financing to complete all of its acquisitions and sustain operations beyond its current fiscal year.

PART II

<TABLE>
<CAPTION>

</TABLE>

Item 4. Submission of Matters to a Vote of Security Holders

Partech Holdings Corporation's Annual Meeting of Stockholders was held on January 24, 1994. The Company solicited proxies. Thomas E. Reynolds and Jerald K. Rayl were elected to the Board of Directors. John E. Rayl's term of office as a director continued after the meeting and is to expire November, 1994.

The matters which were voted upon at the Meeting were as follows:

1) The election of two directors, Thomas E. Reynolds and Jerald K. Rayl.

2) Approval of an amendment of the Company's Articles of Incorporation as to foreign ownership of common stock, and foreign directors and officers. This amendment sought to limit ownership of the Company's Common Stock by

a non United States person, government, entity or representative therefor to not more than twenty-five percent (25%) of the total number of shares of the Company's capital stock outstanding. Furthermore the amendment sought to limit the voting or control thereof to twenty-five percent (25%) of the Company's capital stock outstanding by any of the foregoing. Finally, the amendment sought to prohibit any of the foregoing to act as an officer of the Company and require that no more than one-fourth of the Board of Directors can be comprised of the foregoing.

3) Adopt the Company's 1993 Long-Term Incentive Plan. The Plan has 600,000 shares available thereunder and consists of stock, stock options, cash and other types of awards.

4) Ratify Hausser + Taylor as independent certified public accountants.

The following table indicates the results of the voting:

	Item 1 Jerald K. Rayl	Item 1 Thomas E. Reynolds	Item 2	Item 3	Item 4
For	4,451,451	4,484,653	2,278,348	2,070,484	4,474,238
Against/Withheld	55,117	21,955	24,857	199,602	15,289
Abstain	-	-	13,537	26,437	17,081
Broker non-votes	585,257	585,217	2,775,083	2,795,498	585,217

Due to a clerical error some of the votes were not cast. If such clerical error had not occurred the results of voting would have been as follows:

	Item 1 Jerald K. Rayl	Item 1 Thomas E. Reynolds	Item 2	Item 3	Item 4
For	4,689,468	4,722,640	2,528,306	2,319,887	4,703,725
Against/Withheld	55,127	21,955	24,860	200,315	15,289
Abstain	-	-	22,037	34,937	25,581
Broker non-votes	507,285	507,285	2,676,677	2,696,937	507,285

Item 6 (a).

Exhibit 11 (a). Earnings Per Share

Primary and fully diluted earnings per share are computed as follows:

Primary:

	Three Months Ended January 31, 1994	Three Months Ended January 31, 1993
Weighted average number of common shares outstanding	5,634,871	2,650,701
Net loss	$ (277,250)	$ (142,817)
Net loss per common share	$ (0.05)	$ (0.05)

	Nine Months Ended January 31, 1994	Nine Months Ended January 31, 1993
Weighted average number of common shares outstanding	4,924,627	2,408,990
Shares assumed to be issued upon exercising of stock purchase rights in excess of 20% repurchase limitation	-	4,479,546
Average number of common and common equivalent shares	4,924,627	6,888,536
Loss before cumulative effect of change in accounting principal	$(1,432,086)	$ (209,638)

Increase in interest income (net of tax) from assumed investment in certificates of deposit and decrease in interest expense (net of tax) from assumed payment of short-term debt with assumed stock purchase rights' proceeds in excess of 20% repurchase limitation	-	295,665
Adjusted income (loss) before cumulative effect of change in accounting principal	(1,432,086)	86,027
Cumulative effect of change in accounting principal	-	180,000
Adjusted net income (loss)	$(1,432,086)	$ 266,027
Income (loss) before cumulative effect of change in accounting principal	(0.29)	0.01
Cumulative effect of change in accounting principal	0.00	0.03
Net income (loss) per common share	$ (0.29)	$ 0.04

</TABLE>

Fully Diluted:

<TABLE>
<CAPTION>

<S>	Three Months Ended January 31, 1994 <C>	1993 <C>
Weighted average number of common shares outstanding	5,634,871	2,650,701
Net loss	$ (277,250)	$ (142,817)
Net loss per common share	$ (0.05)	$ (0.05)

</TABLE>

<TABLE>
<CAPTION>

<S>	Nine Months Ended January 31, 1994 <C>	1993 <C>
Weighted average number of common shares outstanding	4,924,627	2,408,990
Shares assumed to be issued upon exercising of stock purchase rights in excess of 20% repurchase limitation	-	4,479,678
Average number of common and common equivalent shares	4,924,627	6,888,668
Loss before cumulative effect of change in accounting principal	$(1,432,086)	$ (209,638)
Increase in interest income (net of tax) from assumed investment in certificates of deposit and decrease in interest expense (net of tax) from assumed payment of short-term debt with assumed stock purchase rights' proceeds in excess of 20% repurchase limitation	-	279,621
Adjusted income (loss) before cumulative effect of change in accounting principal	(1,432,086)	69,983
Cumulative effect of change in accounting principal	-	180,000
Adjusted net income (loss)	$(1,432,086)	$ 249,983
Income (loss) before cumulative effect of change in accounting principal	(0.29)	0.01
Cumulative effect of change in accounting principal	0.00	0.03
Net income (loss) per common share	$ (0.29)	$ 0.04

</TABLE>

Notes regarding the calculation of primary and fully diluted earnings per share

are:

For the three and nine months ended January 31, 1994 shares issuable under stock purchase rights, are not included in primary or fully diluted earnings per share since inclusion of the assumed issuable shares is, in all instances, anti-dilutive. Included in the weighted average number of common shares outstanding are 615,000 shares issued pursuant to stock sales. During the current nine months the Company issued 2,359,481 shares pursuant to warrant exercises. If these shares had been issued at the beginning of the period primary and fully diluted earnings per share have been ($0.26).

For the three months ended January 31, 1993 shares issuable under stock purchase rights, are not included in primary or fully diluted earnings per share since inclusion of the assumed issuable shares is, in all instances, anti-dilutive.

Primary earnings per share for the nine months ended January 31, 1993, includes the exercise of stock purchase rights which is assumed at the beginning of the period or at the date of grant, if granted during the period. Pursuant to the modified treasury stock method shares assumed to be issued upon exercising of stock purchase rights represents the number shares issued upon assumed exercise less shares repurchased at the average market price, not to exceed 20% of outstanding shares.

For the nine months ended January 31, 1993 fully diluted earnings per share amounts are based on the increased number of shares that would be issued assuming exercise of stock purchase rights. Fully diluted earnings per share is computed under the aforementioned method as primary earnings per share, except the repurchase of shares uses the higher of the average market price during the period or the ending market price, unless shares were actually issued pursuant to exercises, then the average market price on the day of exercise is used.

During the previous comparative period the Company issued 1,047,333 shares pursuant to warrant exercises. If these shares had been issued at the beginning of the previous fiscal year primary and fully diluted earnings per share would not have changed. Also, on November 6, 1992 the Company issued 217,704 shares to pay $81,056 of debt. If these shares had been issued at the beginning of the previous three months or at the beginning of the previous nine months primary and fully diluted earnings per share would not have changed. Additionally, on October 27, 1992 the Company issued 14,000 shares pursuant to a debt default agreement, which are included in the weighted average number of common shares outstanding for the current three and nine months.

Additional primary and fully diluted earnings per share computations pursuant to Regulation S-K, CFR (S)229.601(b)(11): The following computations are submitted for informational purposes only pursuant to Regulation S-K, although they are contrary to APB 15 (computations for the nine months ended January 31, 1993 do not change from the original computations presented above).

Primary:

<TABLE>
<CAPTION>

	Three Months Ended January 31,	
	1994	1993
<S>	<C>	<C>
Weighted average number of common shares outstanding	$ 5,634,871	$ 2,650,701
Shares assumed to be issued upon exercising of stock purchase rights in excess of 20% repurchase limitation	387,824	3,791,542
Average number of common and common equivalent shares	6,022,695	6,442,243
Net loss	$ (277,250)	$ (142,817)
Increase in interest income (net of tax) from assumed investment in certificates of deposit and decrease in interest expense (net of tax) from assumed payment of short-term debt with assumed stock purchase rights' proceeds in excess of 20% repurchase limitation	-	156,426
Adjusted net loss	$ (277,250)	$ 13,609
Net loss per common share	$ (0.05)	$ 0.00

</TABLE>

Primary (continued):

<TABLE>
<CAPTION>

	Nine Months Ended January 31,	
	1994	1993
<S>	<C>	<C>
Weighted average number of common shares outstanding	4,924,627	2,408,990
Shares assumed to be issued upon exercising of stock purchase rights in excess of 20% repurchase limitation	1,106,307	4,479,546
Average number of common and common equivalent shares	6,030,934	6,888,536
Loss before cumulative effect of change in accounting principal	$(1,432,086)	$ (209,638)
Increase in interest income (net of tax) from assumed investment in certificates of deposit and decrease in interest expense (net of tax) from assumed payment of short-term debt with assumed stock purchase rights' proceeds in excess of 20% repurchase limitation	25,715	295,665
Adjusted income (loss) before cumulative effect of change in accounting principal	(1,406,371)	86,027
Cumulative effect of change in accounting principal	-	180,000
Adjusted net income (loss)	$(1,406,371)	$ 266,027
Income (loss) before cumulative effect of change in accounting principal	(0.23)	0.01
Cumulative effect of change in accounting principal	0.00	0.03
Net income (loss) per common share	$ (0.23)	$ 0.04

</TABLE>

Fully Diluted:

<TABLE>
<CAPTION>

	Three Months Ended January 31,	
	1994	1993
<S>	<C>	<C>
Weighted average number of common shares outstanding	$ 5,634,871	$ 2,650,701
Shares assumed to be issued upon exercising of stock purchase rights in excess of 20% repurchase limitation	405,139	3,791,542
Average number of common and common equivalent shares	6,040,000	6,442,243
Net loss	$ (277,250)	$ (142,817)
Increase in interest income (net of tax) from assumed investment in certificates of deposit and decrease in interest expense (net of tax) from assumed payment of short-term debt with assumed stock purchase rights' proceeds in excess of 20% repurchase limitation	-	156,426
Adjusted net loss	$ (277,250)	$ 13,609
Net loss per common share	$ (0.05)	$ 0.00

</TABLE>

Fully Diluted (continued):

<TABLE>
<CAPTION>

Nine Months Ended January 31,

<S>	1994	1993
Weighted average number of common shares outstanding	4,924,627	2,408,990
Shares assumed to be issued upon exercising of stock purchase rights in excess of 20% repurchase limitation	1,106,307	4,479,678
Average number of common and common equivalent shares	6,030,934	6,888,668
Loss before cumulative effect of change in accounting principal	$(1,432,086)	$ (209,638)
Increase in interest income (net of tax) from assumed investment in certificates of deposit and decrease in interest expense (net of tax) from assumed payment of short-term debt with assumed stock purchase rights' proceeds in excess of 20% repurchase limitation	25,715	279,621
Adjusted income (loss) before cumulative effect of change in accounting principal	(1,406,371)	69,983
Cumulative effect of change in accounting principal	-	180,000
Adjusted net income (loss)	$(1,406,371)	$ 249,983
Income (loss) before cumulative effect of change in accounting principal	(0.23)	0.01
Cumulative effect of change in accounting principal	0.00	0.03
Net income (loss) per common share	$ (0.23)	$ 0.04

</TABLE>

Notes regarding the calculation of primary and fully diluted earnings per share pursuant to Regulation S-K, CFR (S)229.601(b)(11):

Primary earnings per share for the three and nine months ended January 31, 1994, includes the exercise of stock purchase rights which is assumed at the beginning of the period or at the date of grant, if granted during the period. Pursuant to the treasury stock method shares assumed to be issued upon exercising of stock purchase rights represents the number shares issued upon assumed exercise less shares repurchased at the average market price.

For the three and nine months ended January 31, 1994 fully diluted earnings per share amounts are based on the increased number of shares that would be issued assuming exercise of stock purchase rights. Fully diluted earnings per share is computed under the aforementioned method as primary earnings per share, except the repurchase of shares uses the higher of the average market price during the period or the ending market price, unless shares were actually issued pursuant to exercises, then the average market price on the day of exercise is used.

Included in the weighted average number of common shares outstanding are 615,000 shares issued pursuant to stock sales. During the current nine months the Company issued 2,359,481 shares pursuant to warrant exercises. If these shares had been issued at the beginning of the period primary and fully diluted earnings per share have been ($0.23).

Primary earnings per share for the three and nine months ended January 31, 1993, includes the exercise of stock purchase rights which is assumed at the beginning of the period or at the date of grant, if granted during the period. Pursuant to the modified treasury stock method shares assumed to be issued upon exercising of stock purchase rights represents the number shares issued upon assumed exercise less shares repurchased at the average market price, not to exceed 20% of outstanding shares.

For the three and nine months ended January 31, 1993 fully diluted earnings per share amounts are based on the increased number of shares that would be issued assuming exercise of stock purchase rights. Fully diluted earnings per share is computed under the aforementioned method as primary earnings per share, except the repurchase of shares uses the higher of the average market price during the period or the ending market price, unless shares were actually issued pursuant to exercises, then the average market price on the day of exercise is used.

During the previous period the Company issued 1,047,333 shares pursuant to warrant exercises. If these shares had been issued at the beginning of the previous fiscal year primary and fully diluted earnings per share would not have changed. Also, on November 6, 1992 the Company issued 217,704 shares to pay

$81,056 of debt. If these shares had been issued at the beginning of the previous three months or at the beginning of the previous nine months primary and fully diluted earnings per share would not have changed. Additionally, on October 27, 1992 the Company issued 14,000 shares pursuant to a debt default agreement, which are included in the weighted average number of common shares outstanding for the current three and nine months.

Item 6(b). Reports on Form 8-K.

None.

Pursuant to the requirements of the Securities Exchange Act of 1934 the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PARTECH HOLDINGS CORPORATION
(Registrant)

Date: March 16, 1994 By: /s/ JOHN E. RAYL

John E. Rayl
Chief Executive Officer, Treasurer and Director

EXHIBIT 3.3

RESTATED
CERTIFICATE OF INCORPORATION
FOR
PARTECH HOLDINGS CORPORATION

PARTECH HOLDINGS CORPORATION, a Corporation originally incorporated March 25, 1985, organized and existing under and by virtue of the general Corporation Law of the state of Delaware,

DOES HEREBY CERTIFY:

FIRST: That at a meeting of the Board of Directors of Partech Holdings Corporation on January 24, 1994, resolutions were duly adopted setting forth a proposed Restated Certificate of Incorporation of said Corporation, declaring said Restated Certificate to be advisable and calling a meeting of the sole stockholder of said Corporation for consideration thereof. The resolution setting forth the proposed amendment is as follows:

RESOLVED, that the Certificate of Incorporation of this Corporation be restated by changing all of the Articles thereof and filing a Restated Certificate of Incorporation so that said Certificate shall read as follows:

PARTECH HOLDINGS CORPORATION

RESTATED CERTIFICATE OF INCORPORATION

Article First

Name

The name of the Corporation is Partech Holdings Corporation.

Article Second

Registered Office

The address of the registered office of Partech Holdings Corporation (the "Corporation") in the state of Delaware is Corporation Trust Center, 1209 Orange Street, in the city of Wilmington, county of New Castle. The name of its registered agent at such address is The Corporation Trust Company.

Article Third

Purposes

The nature of the business to be conducted or promoted and the purpose of the Corporation are to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

Article Fourth

Capital Stock Classes

The total number of shares of all classes of capital stock which the Corporation has the authority to issue is 51,000,000 shares. The shares are divided into two classes as follows:

1. 1,000,000 shares of preferred stock, par value One Cent ($0.01) per share (Preferred Stock), and

2. 50,000,000 shares of common stock, par value Five Cents ($0.05) per share (Common Stock).

The designations of voting powers, preferences, preemptive rights, options and other special rights and qualifications, limitations or restrictions of the above classes of stock are as follows:

I. Preferred Stock

1. Issuance in Series.

Shares of Preferred Stock may be issued in one or more series at such time or times, and for such consideration or considerations as the Board of Directors may determine. All shares of any one series of Preferred Stock will be identical with each other in all respects, except that shares of one series issued at different times may differ as to dates from which dividends thereon may be cumulative. All series will rank equally and be identical in all respects, except as permitted by the following provisions of paragraph 2 of this Division I.

2. Authority of the Board with Respect to Series.

The Board of Directors is authorized, at any time and from time to time, to provide for the issuance of shares of Preferred Stock in one or more series with such designations, preferences and relative, participating, optional or other special rights and qualifications, limitations or restrictions thereof as are stated and expressed in the resolution or resolutions providing for the issue thereof adopted by the Board of Directors, and if not restricted by this

Certificate of Incorporation or any amendment thereto including, but not limited to, determination of any of the following:

(a) the distinctive serial designation and the number of shares constituting a series;

(b) the dividend rate or rates, whether dividends are cumulative and, if so, from which date, the payment date or dates for dividends, and the participating or other special rights, if any, with respect to dividends;

(c) the voting powers, full or limited, if any, of the shares of the series;

(d) whether the shares are redeemable and, if so, the price or prices at which, and the terms and conditions under which, the shares may be redeemed;

(e) the amount or amounts payable upon the shares in the event of voluntary or involuntary liquidation, dissolution or winding up of the Corporation prior to any payment or distribution of the assets of the Corporation to any class or classes of stock of the Corporation ranking junior to the Preferred Stock;

(f) whether the shares are entitled to the benefit of a sinking or retirement fund to be applied to the purchase or redemption of shares of a series and, if so entitled, the amount of the fund and the manner of its application, including the price or prices at which the shares may be redeemed or purchased through the application of the fund;

(g) whether the shares are convertible into, or exchangeable for, shares of any other class or classes or of any other series of the same or any other class or classes of stock of the Corporation and, if so convertible or exchangeable, the conversion price or prices, or the rates of exchange, and the adjustments thereof, if any, at which the conversion or exchange may be made, and any other terms and conditions of the conversion or exchange; and

(h) any other preferences, privileges and powers and relative participating, optional or other special rights, and qualifications, limitations or restrictions of a series, as the Board of Directors may deem advisable and as are not inconsistent with the provisions of this Certificate of Incorporation.

3. Dividends.

Before any dividends on any class or classes of stock of the Corporation ranking junior to the Preferred Stock may be declared or paid or set apart for payment, the holders of shares of Preferred Stock of each series are entitled to such cash dividends, but only when and as declared by the Board of Directors out of funds legally available therefor, as they may be entitled to in accordance with the resolution or resolutions adopted by the Board of Directors providing for the issue of the series, payable on such dates in each year as may be fixed in the resolution or resolutions. The term "class or classes of stock of the Corporation ranking junior to the Preferred Stock" means the Common Stock and any other class or classes of stock of the Corporation hereafter authorized which rank junior to the Preferred Stock as to dividends or upon liquidation.

4. Reacquired Shares.

Shares of Preferred Stock which have been issued and reacquired in any manner by the Corporation (excluding,

until the Corporation elects to retire them, shares which are held as treasury shares but including shares redeemed, shares purchased and retired and shares which have been converted into shares of Common Stock) will have the status of authorized and unissued shares of Preferred Stock and may be reissued.

5. Voting Rights.

Unless and except to the extent otherwise required by law or provided in the resolution or resolutions of the Board of Directors creating any series of Preferred Stock pursuant to this Division I, the holders of the Preferred Stock shall have no voting power with respect to any matter whatsoever. In no event shall the Preferred Stock be entitled to more than one vote in respect of each share of stock except as may be required by law or by this Certificate of Incorporation.

II. Common Stock

1. Dividends.

Subject to the preferential rights of the Preferred Stock, the holders of the Common Stock are entitled to receive, to the extent permitted by law, such dividends as may be declared from time to time by the Board of Directors.

2. Liquidation.

In the event of the voluntary or involuntary liquidation, dissolution, distribution of assets or winding up of the Corporation, after distribution in full of the preferential amounts, if any, to be distributed to the holders of shares of Preferred Stock, holders of Common Stock shall be entitled to receive all of the remaining assets of the Corporation of whatever kind available for distribution to stockholders ratably in proportion to the number of shares of Common Stock held by them respectively. The Board of Directors may distribute in kind to the holders of Common Stock such remaining assets of the Corporation or may sell, transfer or otherwise dispose of all or any part of such remaining assets to any other Corporation, trust or other entity and receive payment therefor in cash, stock or obligations of such other Corporation, trust or other entity, or any combination thereof, and may sell all or any part of the consideration so received and distribute any balance thereof in kind to holders of Common Stock. The merger or consolidation of the

Corporation into or with any other corporation, or the merger of any other corporation into it, or any purchase or redemption of shares of stock of the Corporation of any class, shall not be deemed to be a dissolution, liquidation or winding up of the Corporation for the purpose of this paragraph.

3. Voting Rights.

Except as may be otherwise required by law or this Certificate of Incorporation, each holder of Common Stock has one vote in respect of each share of stock held by him of record on the books of the Corporation on all matters voted upon by the stockholders. The shareholder shall not have cumulative voting rights.

III. Stock Rights and Options

The Board of Directors, in their discretion and without the approval of the shareholders, may from time to time create and issue, rights or options entitling the holders thereof to purchase shares of stock of any class or classes from the Corporation subject to the limitations set forth below. Such rights or options are to be evidenced by or in such instrument or instruments as shall be approved by the Board of Directors.

The Directors shall approve the terms upon which, including the time (which may be limited or unlimited in duration) within which, and the price at which any such shares may be purchased from the Corporation upon the exercise of any such right or option. In no event shall the total rights or options effect more than 50% of the authorized shares, nor can they be at prices less than 10% of the sales or bid price averaged over the 30 day period immediately prior to the sale. Rights or options may be granted at such less favorable terms as shall be stated in a resolution adopted by the Board of Directors providing for the creation and issuance of such rights or options. In the absence of actual fraud in the transaction, the judgement of the Board of Directors as the consideration for the issuance of such rights or options and the sufficiency thereof shall be conclusive.

In case the shares of stock of the Corporation to be issued upon the exercise of such rights or options shall be shares having a par value, the price to be received therefor shall not be less than the par value thereof. In case the shares of stock to be issued shall be shares of stock without par value, the consideration therefor shall be determined in the manner provided in Section 153 of the Delaware General Corporation Law.

IV. Other Provisions

1. Preemptive Rights.

No stockholder of either preferred or common shares shall have any preemptive right to subscribe to an additional issue of stock of any class or series or to any stock rights, options, warrants, debentures or other securities of the Corporation convertible into such stock.

2. Changes in Authorized Capital Stock.

Subject to the protective conditions and restriction of any outstanding Preferred Stock, any amendment to this Certificate of Incorporation which increases or decreases the authorized capital stock of any class or classes may be adopted by the affirmative vote of the holders of a majority of the outstanding shares of the voting stock of the Corporation.

Article Fifth

Board of Directors

1. Powers of the Board.

In furtherance and not in limitation of the powers conferred by statute, the Board of Directors by a majority vote of the entire Board is expressly authorized:

(a) to make, alter or repeal the Bylaws of the Corporation and to revise, alter, amend or repeal the Certificate of Incorporation subject only to approval by stockholders, if expressly required by statute;

(b) to authorize and cause to be executed mortgages and liens upon part or all of the real and personal property of the Corporation;

(c) to set apart out of any of the funds of the Corporation available for dividends a reserve or reserves for any proper purpose as the Board of Directors, in its sole discretion may determine and to abolish any reserve in the manner in which it was created;

(d) to designate an Executive Committee of the Corporation;

(e) unless a majority vote of the stockholders is required by law, to sell, lease or exchange all or substantially all of the property and assets of the Corporation, including its goodwill and its corporate franchises, upon such terms and conditions and for such consideration, which may consist in whole or in part of money or property including shares of stock in, and/or other securities of, any other corporation or corporations, as the Board of Directors shall deem expedient and for the best interests of the Corporation;

(f) to authorize and issue bonds and debentures and to determine the terms and conditions, interest rates, discount rates, conversion rates, redemption schedules, duration and all other matters relating to or arising out of the issuances of bonds and debentures, whether or not convertible to common stock, provided that such conversion of bonds or debentures to stock when added to the issued and outstanding stock and treasury stock does not exceed the authorized shares of the Corporation.

2. Terms and Number of Board Members.

The number of members of the Board of Directors will be fixed from time to time by the Board of Directors, but (subject to vacancies) in no event may there be less than two Directors nor more than eleven. Each director shall serve until the next annual meeting of stockholders or until his successor is elected. Election of Directors need not be by written ballot.

If any vacancy occurs in the Board of Directors during a term, the remaining Directors, by affirmative vote of a majority thereof, may elect a director to fill the vacancy until the next annual meeting of stockholders.

3. Cumulative Voting.

At all elections of Directors of the Corporation, each stockholder entitled generally to vote for the election of

Directors shall be entitled to vote one vote for each share owned by the stockholder for each position. The stockholder shall not have rights for cumulative voting.

4. Board Action By Consent.

Any Corporate action upon which a vote of Board members is required or permitted may be taken without a meeting or a formal vote of the Board with the written consent of the Board members. Such action may be taken by the written consent of no less than a majority of all the Directors. In no case shall the written consent be by less than the minimum percent of the Directors vote required by statute for the proposed corporate action. Prompt notice must be given to all Board members of the result of the vote on any action taken without a meeting.

Article Sixth

Records

The books of the Corporation may be kept (subject to any provisions contained in the statutes of the State of Delaware) outside the state of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the Bylaws of the Corporation.

Article Seventh

Certain Contracts

No contract or transaction between the Corporation and one or more of its Directors or officers, or between the Corporation and any other Corporation, partnership, association, or other organization in which one or more of its Directors or officers are Directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in a meeting of the Board or committee thereof which authorizes the contract or transaction, or solely because his or their votes are counted for such purpose. It is understood that some of the business conducted by the Corporation and its subsidiaries involve the officers and others including subsidiaries and affiliates serving as general partners, limited partners, trustees, or in joint ventures. Such acts or action is permitted if:

1. The material facts as to the Director's or officer's interest and as to the contract or transaction are disclosed or are known to the Board of Directors or the committee, and the Board of Directors or committee in good faith authorizes the contract or transaction by a vote sufficient for such purpose; or, if required

2. The material facts as to his interest and as to the contract or transaction are disclosed or are known to stockholders entitled to vote thereon, and the contract or transaction is specifically approved in a good faith by vote of the stockholders; or

3. The contract or transaction is fair as to the Corporation as of the time it is authorized, approved or ratified, by the Board of Directors, a committee thereof, or the stockholders. Interested Directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes the contract or transaction.

Article Eighth

Indemnification

The following provisions are included for the purpose of ensuring that control and management of the Corporation remains with loyal citizens of the United States and/or corporations formed under the laws of the United States or any of the states of the United States, as required by the Communications Act of 1934, as the same may be amended from time to time:

(a) The Corporation shall not issue to (i) a person who is a citizen of a country other than the United States; (ii) any entity organized under the laws of a government other than the government of the United States or any state, territory, or possession of the United States; (iii) a government other than the government of the Untied States or of any state, territory, or possession of the United States; or (iv) a representative of, or an individual or entity controlled by, any of the foregoing (individually, an "Alien"; collectively, "Aliens") in excess of 25% of the total number of shares of capital stock of the Corporation outstanding at any time and shall not permit the transfer on the books of the Corporation of any capital stock to any Alien that

would result in the total number of shares of such capital stock held by Aliens to exceed such 25% limit.

(b) No Alien or Aliens shall be entitled to vote or direct or control the vote of more than 25% of (i) the total number of shares of capital stock of the Corporation outstanding and entitled to vote at any time and from time to time, or (ii) the total voting power of all shares of capital stock of the Corporation outstanding and entitled to vote at any time and from time to time.

(c) No Alien shall be qualified to act as an officer of the Corporation, and no more than one-fourth of the total number of directors of the Corporation at any time and from time to time may be Alien.

(d) The Board of Directors of the Corporation shall have all powers necessary to implement the provisions of this ARTICLE EIGHTH.

1. The Corporation, its subsidiaries and affiliates shall jointly and severally indemnify and hold any person harmless if any person was or is threatened to be made a party to any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative by reason of the fact that the person is or was a Director or officer of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, or other enterprise. The Corporation shall indemnify and hold the person harmless and undertakes to pay the current costs until resolved against expenses (including attorneys' fees) judgements, fines, and amounts paid in settlements actually incurred by the person in connection with such action, suit, or proceeding and, with respect to any criminal action or proceeding.

2. The Corporation shall indemnify any person, if the person was or is threatened to be made a party to any threatened, pending, or completed action or suit by or in the right of or in the name of the Corporation to procure a judgement in its favor by reason of the fact that the person is or was a Director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees) actually incurred by the person in connection with the defense or settlement of such negotiation action or suit.

3. Expenses incurred by any person in defending a civil or criminal action, suit or proceeding shall be paid by the Corporation upon

request in advance of the final disposition of such action, suit or proceeding.

4. The indemnification provided hereby shall not be deemed exclusive of all rights to which any person may be entitled under any Bylaw, agreement, vote of stockholders or disinterested Directors or otherwise, both as to action in any person's official capacity and as to action in another capacity while holding such office, and shall continue to any person as a person who has ceased to be a Director, officer or agent as to claims arising during or as a result of the service to the Corporation and shall inure to the benefit of the person's heirs, executors and administrators.

5. The Corporation may, purchase and maintain insurance on behalf of each Director and officer while serving as a Director or officer of the Corporation or while serving at the request of the Corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against any person and incurred by any person in any such capacity, or arising out of the status as such.

6. References to the Corporation shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, and employees or agents so that any person who is or was a director, officer, employee or agent of such constituent corporation, or who is or was serving at the request of such constituent corporation as a director or officer, of another corporation, partnership, joint venture, trust, or other enterprise, shall stand in the same position with respect to the resulting or surviving corporation as the person would have with respect to such constituent corporation as if its separate existence had continued.

7. References to "fines" shall include any excise taxes and penalties assessed to any person with respect to any function; and references to "serving at the request of the Corporation" shall include any service as a director or officer of the corporation which imposes duties on, or involves services by the person. This indemnity shall cover each person for all responsibilities for the Corporation as a Director or officer or as a

representative including periods on or prior to the effective date of this Agreement.

The above right of indemnity shall extend to a person whether or not the Corporation would have the power to indemnify the person against such liability under Delaware Corporation law and may not be altered, amended, or rescinded except by Court order or the advance written consent of the person.

Article Ninth

Stockholder Action by Consent

Any action of the Corporation upon which a vote of stockholders is required or permitted may be taken without a meeting or vote of stockholders with the written consent of stockholders having not less than one-third of the shares entitled to vote at a stockholder meeting; provided, that in no case shall the written consent be by holders having less than the minimum percent of the vote required by statute for the proposed corporate action and provided that prompt notice be given to all stockholders of the result of the vote authorizing the taking of corporate action without a meeting.

Article Tenth

Amendment

The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

This Restated Certificate of Incorporation was duly proposed by the Board of Directors and adopted by the sole stockholder in pursuance with Sections 242 and 245 of the General Corporation Law of the state of Delaware.

The capital of said Corporation will not be reduced under or by reason of this Restated Certificate of Incorporation.

IN WITNESS WHEREOF, said PARTECH HOLDINGS CORPORATION has caused this certificate to be signed by John E. Rayl its President, and Thomas E. Reynolds, its Secretary, this 25th day of January, 1994.

PARTECH HOLDINGS CORPORATION

By: /s/ JOHN E. RAYL

John E. Rayl, President

Attest: /s/ THOMAS E. REYNOLDS

Thomas E. Reynolds, Secretary

(Seal)