

SECURITIES AND EXCHANGE COMMISSION

FORM S-3/A

Registration statement for specified transactions by certain issuers [amend]

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FILER

NATIONAL PATENT DEVELOPMENT CORP

CIK: **70415** | IRS No.: **131926739** | State of Incorporation: **DE** | Fiscal Year End: **1231**
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SIC: **8200** Educational services

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As filed with the Securities and Exchange Commission
on January 4, 1994

Registration Statement No. 33-71698

SECURITIES AND EXCHANGE COMMISSION
AMENDMENT NO. 2 TO
FORM S-3
REGISTRATION STATEMENT
Under
THE SECURITIES ACT OF 1933

NATIONAL PATENT DEVELOPMENT CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	13-1926739
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

9 West 57th Street
Suite 4170
New York, New York 10019
(212) 826-8500
(Address, including zip code, and telephone number,
including area code, of registrant's principal
executive offices)

Lawrence M. Gordon, Esquire
9 West 57th Street
Suite 4170
New York, New York 10019
(212) 230-9513
(Name, address, including zip code, and
telephone number, including area code,
of agent for service)

Approximate date of commencement of proposed sale to the
public: From time to time after the effective date of this
Registration Statement.

If the only securities being registered on this Form are
being offered pursuant to dividend or interest reinvestment

plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.X

Subject to completion, dated January 4, 1994

PROSPECTUS

NATIONAL PATENT DEVELOPMENT CORPORATION

1,724,176 SHARES OF COMMON STOCK

PAR VALUE \$.01 PER SHARE

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION NOR HAS THE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

INVESTORS SHOULD CONSIDER THE INFORMATION UNDER "RISK FACTORS" IN CONNECTION WITH THEIR INVESTMENT DECISION.

This Prospectus relates to an aggregate of 1,724,176 shares of common stock, par value \$.01 per share (the "Common Stock"), of National Patent Development Corporation, a Delaware corporation (the "Company"). Of the 1,724,176 shares offered hereby, 700,000 are being offered by the Company and 1,024,176 by certain shareholders of the Company (the "Selling Shareholders") from time to time. On January 3, 1994 the closing price of the

Common Stock on the American Stock Exchange, Inc. ("AMEX") was \$4.1875. See "Selling Securities Holders."

To the extent required, the number of shares being sold by the Company, the purchase price, the public offering price, the proceeds to the Company and the other terms of the offering of the Common Stock by the Company will be set forth in a Prospectus Supplement to be delivered at the time of any such offering.

The Common Stock to be sold by the Company may be sold directly by the Company or through agents, underwriters or dealers designated from time to time. If any agents of the Company or any underwriters are involved in the sale of the Common Stock by the Company in respect of which this Prospectus is being delivered, the names of such agents or underwriters and any applicable discounts or commissions with respect to such Common Stock will also be set forth in a Prospectus Supplement, to the extent required. See "Plan of Distribution".

It is presently anticipated that all of the above referred to shares of Common Stock will be offered from time to time by the Selling Shareholders in one or more transactions on the American Stock Exchange, Inc. or the Pacific Stock Exchange, Inc., in privately negotiated transactions or otherwise, at fixed prices that may be changed, at market prices prevailing at the time of the sale, at prices related to such prevailing market prices, or at negotiated prices. It is anticipated that broker-

dealers participating in sales of the Common Stock will receive ordinary and customary brokerage commissions. See "Plan of Distribution".

The Company will receive none of the proceeds from the sale of the shares of Common Stock by the Selling Securities Holders but will receive proceeds from the sale of shares offered by the Company, see "Use of Proceeds".

All expenses incurred by the Company in connection with the preparation of this Prospectus, estimated to be \$14,300, are being borne by the Company.

	Price to Public	Underwriting Discounts and Commissions	Proceeds to Selling Securities to Company Holders	Proceeds to Selling Securities to Company Holders
Per Share	\$4.1875	-	\$2,931,250	\$4,288,737
Total				

The date of this Prospectus is January , 1994.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SECURITIES OFFERED HEREBY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH TRANSACTIONS MAY BE EFFECTED ON THE AMERICAN OR PACIFIC STOCK EXCHANGES OR OTHERWISE. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

AVAILABLE INFORMATION

This Prospectus omits certain of the information contained in the Registration Statement relating to the Common Stock which is on file with the Commission. The Company is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports, proxy statements, and other information with the Commission. Such Registration Statement, reports, proxy statements, and other information can be inspected and copied at the public reference facilities of the Commission at Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C., and at its regional offices located at 75 Park Place, New York, New York; and 5757 Wilshire Boulevard, Los Angeles, California. Copies of such material can be obtained at prescribed rates from the Public Reference Section of the Commission at Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. Such material can also be inspected at the American Stock Exchange, Inc., 86 Trinity Place, New York, New York, and at the Pacific Stock Exchange, Inc., 301 Pine Street, San Francisco, California, on which Exchanges the Company's Common Stock is listed.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents filed with the Commission are incorporated by reference into this Prospectus:

1. Amendment No. 2 and Amendment No. 3 to the Company's Annual Report on Form 10-K/A for the year ended December 31, 1992.
2. The Company's Proxy Statement for the Annual Meeting of Stockholders on June 16, 1993.
3. The Company's Quarterly Report on Form 10-Q for the

quarter ended March 31, 1993.

4. The Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 1993.
5. Amendment No. 1 and Amendment No. 2 to the Company's Quarterly Report on Form 10-Q/A for the quarter ended September 30, 1993.
6. The Company's Form 8-K filed on July 12, 1993.

All documents subsequently filed with the Commission by the Company pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this Prospectus and prior to the termination of the offering, shall be deemed to be incorporated by reference into this Prospectus from the date of filing of such documents.

Any person receiving a copy of this Prospectus may obtain without charge, upon written or oral request, a copy of any of the documents incorporated by reference herein, except for exhibits to such documents (unless such exhibits are specifically incorporated by reference into the documents which this Prospectus incorporates). Requests should be directed to: Corporate Secretary, National Patent Development Corporation, 9 West 57th Street, New York, New York 10019, (212) 826-8500.

RISK FACTORS

Investors should consider, among other items, the following factors in connection with a decision to purchase the Common Stock offered hereby.

1. **Liquidity-Financial Condition.** The Company believes that it has sufficient cash, cash equivalents and marketable securities and borrowing availability under existing and potential lines of credit to satisfy its cash requirements until

the first scheduled maturity of its Swiss Franc denominated indebtedness on March 1, 1995. However, in order for the Company to meet its long-term cash needs, which include the repayment of \$19,734,000 of Swiss Franc denominated indebtedness scheduled to mature in 1995 and \$8,322,000 of Swiss Franc denominated indebtedness which is scheduled to mature in 1996, the Company must obtain additional funds. The Company has reduced and is continuing to reduce its long-term debt through the issuance of equity securities in exchange for long-term debt (including the shares registered in this offering), and is also exploring new credit arrangements on an ongoing basis. However, there is no assurance that the Company will be able to obtain any new credit arrangements.

At September 30, 1993, the Company (National Patent Development Corporation and its majority owned subsidiaries), had cash, cash equivalents and marketable securities totaling \$10,608,000. Of these amounts, approximately \$8,680,000 is held by the parent company and is available for the general corporate purposes of the parent.

2. Recent Historical Operating Losses, Retained Earnings Deficit. Since 1987, the Company has experienced losses before income taxes, discontinued operations and extraordinary items. These losses were the result of operating losses at certain of its subsidiaries, which were not wholly offset by

operating profits from certain of its other subsidiaries. The Company's current strategy is to consolidate certain related operating businesses and to improve their operating results, while continuing to make investments in new ventures or make selected divestitures based on market conditions. However, at this time the Company has not taken any significant steps to consolidate its operating businesses.

For the year ended December 31, 1992, the Company's

loss from operations before income taxes and extraordinary items was \$13,178,000, as compared to income of \$1,157,000 for the year ended December 31, 1991. The Company incurred a loss before income taxes and extraordinary items of \$1,160,000 and \$6,007,000 for the quarter and nine months ended September 30, 1993, as compared with a loss of \$7,168,000 and \$12,325,000 for the corresponding periods of 1992. As of September 30, 1993, the Company had stockholders' equity of \$65,824,000 and a retained earnings deficit of \$37,368,000. Losses in future years may adversely affect the Company's ability to service its debt.

3. Holding Company, Dependence on Subsidiaries. The Company is primarily a holding company, which is a legal entity separate and distinct from its various operating subsidiaries. As a holding company, the Company is dependent upon management fees, dividends and other payments or advances from operating subsidiaries as its principal source of cash to service outstanding debt. The ability of the Company to obtain cash from an operating subsidiary depends upon, among other factors, the operating results of the subsidiary, restrictions on payments to the Company imposed by creditors of the subsidiary, restrictions on payments to the Company imposed by other agreements governing the subsidiary and the degree of dilution of dividend payments resulting from public ownership of equity securities of the subsidiary.

As of September 30, 1993 there is currently at the holding company level approximately \$8,680,000 of cash, cash equivalents and marketable securities. GTS Duratek, Inc, ("Duratek"), under its Revolving Line of Credit, is prohibited from making any payments to the Company. GPS Technologies, Inc. ("GPS"), under the terms of its Amended and Restated Revolving Credit and Term Loan and Security Agreement, may only pay the Company an amount equal to 80% of the amount GPS would have paid in federal income taxes if it filed its federal income tax return on a stand-alone basis. However, GPS may be prohibited from distributing approximately \$1.2 million of management fees and tax sharing payments to the Company in 1994 if GPS were to be in violation of certain covenants in its bank agreements.

The rights of the Company and its creditors to participate in the assets of any of the Company's subsidiaries upon bankruptcy or liquidation of a subsidiary are subject to the

prior claims of the subsidiary's creditors except to the extent the Company may itself be a creditor with recognized claims against the subsidiary, however, the Company's claims may be subordinate to the claims of any secured creditors of the subsidiary. See "The Company".

4. Currency Fluctuations. On September 30, 1993 the value of the Swiss Franc to the US dollar was approximately 1.425 to 1. At September 30, 1993, the Company had an aggregate of SFr. 36,095,000 (\$25,330,000) of Swiss Franc denominated indebtedness outstanding, of which SFr. 33,988,000 (\$23,851,000) represents principal amount outstanding and SFr. 2,107,000 (\$1,479,000) represents interest accrued thereon. See "Recent Developments" for a more complete discussion of the Company's recent Exchange Offer. Foreign currency valuation fluctuations may adversely affect the results of operations and financial condition of the Company. In order to protect itself against foreign currency valuation fluctuations, the Company has at times swapped or hedged a portion of its obligations denominated in Swiss Francs, however, at September 30, 1993, the Company had not swapped or hedged any of its Swiss Franc obligations. If the value of the Swiss Franc to the U.S. dollar increases, the Company will recognize transaction losses on its Swiss Franc obligations. There can be no assurance that the Company will be able in the future to swap or hedge obligations denominated in foreign currencies at prices acceptable to the Company, or at all. The Company will review its policy as to hedging on a continuing basis. On December 22, 1993 the value of the Swiss Franc to the U.S. dollar was approximately 1.4367 to 1.

THE COMPANY

The Company is primarily a holding company, which is a legal entity separate and distinct from its various operating subsidiaries. The Company's operations consist of five operating business segments: Physical Science, Distribution, Health Care, Optical Plastics and Electronics.

The Company's Physical Science Group consists of (i) GPS Technologies, Inc. ("GPS"), an approximately 92% owned subsidiary, and (ii) GTS Duratek, Inc. ("Duratek"), an approximately 70% owned subsidiary.

GPS, formerly named General Physics Services Corp., and its two operating subsidiaries provide a wide range of training, engineering and technical services, computer simulation services and analytical laboratory services to various commercial industries and the United States government.

Duratek's operations consist of two operating groups: (1) "Environmental Services" engaged in cleanup of water and other liquids containing radioactive and/or hazardous (mixed

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waste) contaminants and in-furnace vitrification for long-term stabilization of such waste; and (2) "Consulting and Staff Augmentation" services. Duratek provides services for various utility, industry, government and commercial clients.

In addition, the Company currently owns an approximately 28% investment in General Physics Corporation, which provides a wide range of personnel training and technical support services to the domestic commercial nuclear power industry and to the United States Department of Energy, as well as environmental engineering, training and support services to governmental and commercial clients.

The Company's Distribution Group, incorporated under the name Five Star Group, Inc. ("Five Star"), is engaged in the wholesale distribution of paint sundry items, such as interior and exterior stains, brushes, rollers, caulking compounds and hardware supplies.

The Company's Health Care Group consists of its approximately 38% investment in its former subsidiary, Interferon Sciences, Inc. ("ISI"). ISI is a biopharmaceutical company engaged in the manufacture and sale of ALFERON N Injection and the research and development of other alpha interferon-based products for the treatment of viral diseases, cancers and diseases of the immune system.

The Company's Optical Plastics Group, through its wholly-owned subsidiary MXL Industries, Inc. manufactures molded and coated optical products.

The Company's Electronics Group, through its subsidiary Eastern Electronics Mfg. Corporation is engaged in contract manufacturing, such as printed circuit board assembly for the electronics industry.

The Company, a Delaware corporation, was incorporated in 1959, and its headquarters are located at 9 West 57th Street, New York, New York 10019. Its telephone number is (212) 826-8500.

RECENT DEVELOPMENTS

EXCHANGE OFFER

On August 19, 1993 the Company completed an Exchange Offer (the "Exchange Offer") for its Swiss Franc denominated 8% Bonds Due March 1, 1995, 6% Convertible Bonds due March 7, 1995, 5 3/4% Convertible Bonds due May 9, 1995, 5 5/8% Convertible Bonds due March 18, 1996 (collectively, the "Old Swiss Franc Bonds") and 7% Dual Currency Convertible Bonds due March 18, 1996 (the "Old U.S. Dollar Bonds" and collectively with the Old Swiss Franc Bonds, the "Old Bonds").

On the Expiration Date, the Company accepted the following amount of Old Bonds for exchange: SFr. 3,640,000 of the 6% Bonds due March 7, 1995, SFr. 1,125,000 of the 5 3/4% Bonds due May 9, 1995, SFr. 2,765,000 of the 5 5/8% Bonds due March 18, 1996, SFr. 16,761,000 of the 8% Bonds due March 1, 1995 and \$882,000 of the 7% Bonds due March 18, 1996.

Under the terms of the Exchange Offer, the Company issued the following amounts of consideration to the exchanging

bondholders (a) 1,385,586 shares of Common Stock valued at \$5,582,000, (b) 667,134 shares of ISI Common Stock valued at \$2,536,000, (c) 667,134 shares of Duratek Common Stock valued at \$2,536,000, (d) \$3,340,080 principal amount of 5% U.S. Dollar denominated Convertible Bonds of the Company due August 31, 1999 which will be convertible into 767,833 shares of the Common Stock, and (e) \$1,099,368 in cash. The Company recorded an original issue discount on the New Bonds of 10% based upon exchange values estimated by the Swiss exchange agent.

As a result of the Exchange Offer, the Company realized a gain of \$3,795,000 from the issuance of the ISI and Duratek Common Stock and an extraordinary gain from the early extinguishment of debt of \$1,227,000. The Company's interest expense on its long-term debt will be reduced by approximately \$2,000,000 per year. In addition, as a result of the inclusion of a portion of the Company's shares of common stock of ISI as part of the consideration in the Exchange Offer, the Company currently owns less than 50% of ISI, and therefore now accounts for the results of ISI on the equity basis.

MARKET PRICES OF COMMON STOCK AND DIVIDENDS

The Company's Common Stock, \$.01 par value, is traded on the American Stock Exchange, Inc. and the Pacific Stock Exchange, Inc. The following tables present its high and low market prices during the periods indicated as reported by the American Stock Exchange, Inc.

	Quarter	High	Low
1993	First	3 5/8	2 1/2
	Second	4 1/8	2 1/2
	Third	3 3/4	2 7/8
	Fourth	5 3/4	3 7/16
1992	First	5 5/8	4 1/8
	Second	4 5/8	3 3/8
	Third	3 3/4	2 13/16
	Fourth	3 1/4	2 1/16
1991	First	4 1/2	2 1/8
	Second	5 1/2	3 7/8

Third	5 3/8	3 1/4
Fourth	6 1/4	4 3/8

On January 3, 1994, the closing price of the Common Stock on the American Stock Exchange was \$4.1875.

In March 1989, the Company decided to discontinue payment of its quarterly dividend because the Board of Directors believed that the resources available for the quarterly dividend would be better invested in operations and the reduction of long-term debt.

USE OF PROCEEDS

The Company will receive none of the proceeds from the sale of the Common Stock offered by the Selling Securities Holders. The Company will use the proceeds from the sale of the shares of Common Stock offered by the Company to retire a portion of its long-term indebtedness, including a portion of its 8% Bonds due March 1, 1995, 6% Convertible Bonds due March 7, 1995, 5 3/4% Convertible Bonds due May 9, 1995, 5 5/8 Convertible Bonds due March 18, 1996 and 7% Dual Currency Bonds due March 18, 1996. The amount of bonds to be retired of each class will depend upon the availability of such bonds based upon the then current market price.

PLAN OF DISTRIBUTION

The distribution of the Common Stock by the Selling Securities Holders may be effected from time to time in one or more transactions on AMEX or the Pacific Stock Exchange, Inc., in privately-negotiated transactions or otherwise, at fixed prices that may be changed, at market prices prevailing at the time of sale, at prices related to such prevailing market prices, or at negotiated prices.

The Selling Shareholders and any underwriters, broker-dealers or agents that act in connection with the sale of the shares of Common Stock hereunder may be deemed to be "underwriters" as that term is defined in the Securities Act of 1933, as amended (the "Securities Act"), and any commissions received by them and profit on any resale of the shares as

principal might be deemed to be underwriting discounts and commissions under the Securities Act.

It is anticipated that broker-dealers participating in sales of the Common Stock will receive ordinary and customary brokerage commissions.

The Company may offer the Common Stock in any of three ways: (i) through underwriters or dealers; (ii) directly to a

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limited number of purchasers or to a single purchaser; or (iii) through agents. To the extent required, any Prospectus Supplement with respect to shares of the Common Stock will set forth the terms of the offering and the proceeds to the Company from the sale thereof, any underwriting discounts and other items constituting underwriters' compensation, any public offering price, and any discounts or concessions allowed or reallocated or paid to dealers. Any public offering price and any discounts or concessions allowed or reallocated or paid to dealers may be changed from time to time.

If underwriters are utilized, the Common Stock being sold to them will be acquired by the underwriters for their own account and may be resold from time to time in one or transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale. The Common Stock may be offered to the public either through underwriting syndicates represented by one or more managing underwriters or directly by one or more firms acting as underwriters. To the extent required, the underwriter or underwriters with respect to the Common Stock being offered by the Company will be named in the Prospectus Supplement relating to such offering and, if an underwriting syndicate is used, the managing underwriter or underwriters will be set forth on the cover page of such Prospectus Supplement. Any underwriting agreement will provide that the obligations of the underwriters

are subject to certain conditions precedent, and that the underwriters will be obligated to purchase all of the Common Stock to which such underwriting agreement relates if any is purchased. The Company will agree to indemnify any underwriters against certain civil liabilities, including liabilities under the Securities Act.

The Common Stock may be sold directly by the Company or through agents designated by the Company from time to time. To the extent required any agent involved in the offer or sale of the Common Stock in respect of which this Prospectus is delivered will be set forth in the Prospectus Supplement. Unless otherwise indicated in the Prospectus Supplement, any such agent will be acting on a best efforts basis for the period of its appointment.

The Company will pay all of the expenses of this offering.

The shares of Common Stock are listed on AMEX and the Pacific Stock Exchange, Inc. The Common Stock offered hereby by the Company and the Selling Securities Holder when issued, will be listed, subject to notice of issuance, on said Exchanges.

SELLING SECURITIES HOLDERS

The Registration Statement, of which this Prospectus is a part, relates to an aggregate of 1,724,176 shares of Common Stock to be sold by the Company and certain other Selling Securities Holders set forth below from time to time.

The following table sets forth the name of the Selling Securities Holders, their relationship with the Company

and certain information supplied by them regarding their beneficial ownership of the Common Stock as of January 3, 1994. The securities to be offered and the securities to be beneficially owned by such Selling Securities Holders after completion of the offering are also set forth below. None of the Selling Securities Holders set forth in the table below will beneficially own more than one percent of the outstanding Common Stock after the sale of the Common Stock offered hereby. Other than as described below, none of the Selling Securities Holders has had any position, office or other material relationship within the past three years with the Company or any of its affiliates.

SELLING SECURITIES HOLDER	PERCENTAGE OF COMMON STOCK OWNED PRIOR TO THE OFFERING	SHARES OF	
		COMMON STOCK OWNED PRIOR THE OFFERING	COMMON STOCK OWNED AFTER THE OFFERING
Ryder International Corporation(1)	*	68,581	-10-
Arnhold and S. Bleichroeder, Inc.(2)	2%	375,000	-0-
Hermes Imperial Investments, L.P.(3)	3.1%	580,605	-0-

(1) Ryder International Corporation ("Ryder") will receive 68,571 Shares of Common Stock pursuant to the terms of a Settlement Agreement dated April 23, 1987 between Ryder and the Company.

(2) On October 29, 1993, Arnhold and S. Bleichroeder, Inc. ("Bleichroeder") entered into an agreement pursuant to which it will receive 375,000 shares of Common Stock as payment for certain Swiss Bonds of the Company owned by Bleichroeder.

(3) On November 1, 1993, Hermes Imperial Investments, LP ("Hermes") entered into an agreement pursuant to which it

will receive 580,605 shares of Common Stock as payment for certain Swiss bonds of the Company owned by Hermes. Hermes Imperial Investments, LP is a Delaware limited partnership, the General Partner of which is Hermes Capital Group, Ltd. and the limited partner of which is Bank Imperial Moscow.

* Less than one percent.

DESCRIPTION OF CAPITAL STOCK

Common and Class B Stock

As of December 22, 1993, the Company had outstanding two classes of common stock: 18,615,833 shares of Common Stock, par value \$.01 per share, entitled to one vote per share on all matters, and 250,000 shares of Class B Capital Stock, par value \$.01 per share ("Class B Stock"), entitled to ten votes per share on all matters, without distinction between classes except when approval of a majority of each class is required by statute. The Class B Stock is convertible at any time into shares of Common Stock on a share for share basis.

Since the Common Stock and Class B Stock do not have cumulative voting rights, the holders of shares having more than 50% of the voting power, if they choose to do so, may elect all the directors of the Company and the holders of the remaining shares would not be able to elect any directors.

The holders of Common Stock and Class B Stock are entitled to share equally in any dividends (other than stock dividends) that may be declared, and if any stock dividends are declared, they are to be declared and paid at the same rate on each class of stock in the shares of such class. In the event of liquidation, dissolution or winding up of the Company, the holders of the Common Stock and the Class B Stock are entitled to share equally in the corporate assets available for distribution to stockholders. None of the shares of either class has any preemptive or redemption rights or sinking fund provisions applicable to it, and all the presently outstanding shares are fully paid and non-assessable.

Certain of the Company's borrowing agreements and indentures contain restrictions on dividends and on the

repurchase by the Company of its Common Stock or Class B Stock. On March 22, 1989 the Board of Directors of the Company determined that the Company would omit its regular dividend commencing with the first quarter ended March 31, 1989.

Preferred Stock

The Company is authorized to issue 10,000,000 shares, par value \$.01 per share, of preferred stock. There are

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presently no shares of Preferred Stock issued. To the extent that any shares of Preferred Stock may be issued, such Preferred Stock may (i) have priority over Common Stock with respect to dividends and the assets of the Company upon liquidation; (ii) have significant voting power; (iii) provide for representation of the holders of the Preferred Stock on the Company's Board of Directors upon the occurrence of certain events; and (iv) require the approval of the holders of the Preferred Stock for the taking of certain corporate actions, such as mergers.

Transfer Agent and Registrar

Harris Trust Company of New York is the transfer agent and registrar for the Common Stock.

LEGAL OPINION

Andrea D. Kantor, Esq., Associate General Counsel of the Company, has passed upon the legality of the Common Stock of the Company being offered hereby. Ms. Kantor has options to purchase 17,500 shares of Common Stock under the Company's Non-Qualified Stock Option Plan, 16,500 of which are currently exercisable.

EXPERTS

The audited consolidated financial statements and schedules of the Company as of December 31, 1992 and 1991, and for each of the years in the three-year period ended December 31, 1992, incorporated by reference herein and elsewhere in the Registration Statement, have been incorporated by reference herein and in the Registration Statement in reliance upon the reports of KPMG Peat Marwick, independent certified public accountants, incorporated by reference herein, and upon the authority of said firm as experts in auditing and accounting.

MISCELLANEOUS

No person has been authorized to give any information or to make any representations, other than as set forth in this Prospectus, in connection with the offer contained in this Prospectus, and, if given or made, such information or representation must not be relied upon as having been authorized by the Company.

Neither the delivery of this Prospectus nor any sale made hereunder shall, under any circumstances, create an implication that there has been no change in the affairs of the Company since the date hereof. This Prospectus does not constitute an offer to sell or solicitation of an offer to buy any of these securities to any person in any jurisdiction in which such offer or solicitation may not lawfully be made and does not constitute an offer of any securities other than those to which it relates.

REGISTRATION STATEMENT

The Company has filed with the Commission a Registration Statement on Form S-3 under the Securities Act of which this Prospectus is a part. This Prospectus does not contain all of the information set forth in the Registration Statement and its exhibits, certain parts of which are omitted in accordance with the Rules and Regulations of the Commission, and to all of which reference is made. For further information pertaining to the securities hereby offered and to the Company, reference is made to the Registration Statement, including exhibits incorporated therein by reference or filed as part

thereof, copies of which may be obtained from the Commission's principal office in Washington, D.C. at prescribed rates, or, under certain circumstances, from the Company.

PART II

INFORMATION NOT REQUIRED IN THE PROSPECTUS

Item 14. Other Expenses of Issuance and Distribution.

The expenses payable by the Registrant in connection with the issuance and distribution of the securities being registered (other than underwriting discounts and commissions, of which there are none) are as follows:

SEC Registration Fee	\$	2,800
Accounting Fees and Expenses	\$	10,000
Miscellaneous Expenses	\$	1,500
TOTAL:	\$	14,300

Item 15. Indemnification of Directors and Officers.

Section 145 of the Delaware General Corporation Law, as amended, grants each corporation organized thereunder certain powers to indemnify its officers and directors against liability for certain of their acts. Article ELEVEN of the Company's Restated Certificate of Incorporation and Article III, Section 15 of the by-laws of the Company, provide that the Company shall, to the full extent permitted by law or to the extent that a court of

competent jurisdiction shall deem proper or permissible under the circumstances, whichever is greater, indemnify all directors, officers, incorporators, employees, or agents of the Company.

In addition, Section 102 of the Delaware General Corporation Law permits corporations, through provisions in their certificates of incorporation, to limit the monetary liability of directors. Article TWELVE of the Company's Restated Certificate of Incorporation provides that no director of the Company shall be liable to the Company or any of its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Company or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the Delaware General Corporation Law (relating to the liability of directors for unlawful payment of dividends or unlawful stock purchase or redemption), or (iv) for any transaction from which the director derived an improper benefit.

The Company has purchased Director's and Officers' Liability Insurance, including a Company Reimbursement Policy. Subject to the policy conditions, the insurance provides coverage for amounts payable by the Company to its directors and officers pursuant to the Company's by-laws.

Item 16. Exhibits

- 4.1 Specimen Common Stock Certificate (filed as Exhibit 4.5 to the Company's Registration Statement (Registration No. 33-15700), and incorporated by reference herein.
- 4.2 Amendment to Restated Certificate of Incorporation (filed as Exhibit 3.2 to the Company's Annual Report on Form 10-K for the year ended December 31, 1987 and

- incorporated by reference herein.
- 4.3 Amended By-Laws of the Company (filed as Exhibit 3.3 to the Company's Annual Report on Form 10-K for the year ended December 31, 1986) and incorporated by reference herein.
- 5.1 Opinion of Andrea D. Kantor, Esq.**
- 24.1 Consent of KPMG Peat Marwick.*

*Filed herewith.

**Previously filed.

Item 17. Undertakings.

The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to section 13(a) or section 15(d) of the Securities Exchange Act of 1934, that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

The undersigned registrant hereby undertakes to file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement (i) to include any prospectus required by section 10(a)(3) of the Securities Act of 1933; (ii) to reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement; and (iii) to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change in such information in the registration statement.

Provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by the registrant pursuant to

section 13 or section 15(d) of the Securities Exchange Act of 1934.

The undersigned registrant hereby undertakes that, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

The undersigned registrant hereby undertakes to remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers or persons controlling the registrant pursuant to the foregoing provisions, the registrant has been informed that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Amendment No. 2 to the Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of New York, and the State of New York, on this 3rd day of January 1994.

NATIONAL PATENT DEVELOPMENT
CORPORATION
(Registrant)

BY: /s/ Jerome I. Feldman
Jerome I. Feldman
President and
Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 2 to the Registration Statement has been signed by the following persons in their capacities on January 3,

1994.

SIGNATURES

TITLE

/s/ Jerome I. Feldman
Jerome I. Feldman

President and Chief Executive
Officer and Director
(Principal Executive Officer)

/s/ Scott N. Greenberg
Scott N. Greenberg

Vice President, Chief Financial
Officer and Director (Principal
Financial and Accounting Officer)

/s/ Martin M. Pollak
Martin M. Pollak

Executive Vice President and
Treasurer and Director

/s/ Ogden R. Reid
Ogden R. Reid

Director

EXHIBIT 24.1

CONSENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

The Board of Directors
National Patent Development Corporation

We consent to the use of our reports incorporated herein by reference and to the reference to our firm under the heading "Experts" in the Prospectus.

KPMG PEAT MARWICK

New York, New York
January 3, 1994

