

[21980001]



Recognition also said it obtained a commitment from Chemical Bank and Bank of Boston to convert an estimated \$ 18 million in bank debt to a new , 24-month secured term loan to be repaid through the sale of certain assets .

[21980014]

In August , Recognition said it was in violation of certain terms of its debt agreements with bank lenders because of a \$ 3.9 million loss for the third quarter ended July 31 .

[21980015]

The company attributed the loss to declining revenue and litigation costs relating to criminal charges against the company and two former executives , William G. Moore Jr. and Robert W. Reedy .

[21980016]

The former executives were indicted last October on charges of fraud , theft and conspiracy related to efforts by the company to win \$ 400 million in Postal Service contracts .

[21980017]

Recognition Equipment said it expected to put the agreement with Prospect to a vote of its stockholders at a special meeting in January .

[21980018]

In New York Stock Exchange composite trading , Recognition rose 87.5 cents to \$ 6.625 .

[21980019]

Prospect slipped 25 cents to \$ 10.50 in national over-the-counter trading .