As filed with the Securities and Exchange Commission on February 14, 1969. Subject to Amendment.

Registration No. 2- 31727

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D. C. 20549

FORM S-1

REGISTRATION STATEMENT

Under

THE SECURITIES ACT OF 1933

AGS Computers, Inc.

(Exact Name of Registrant as Specified in Charter)

21 East 40th Street
New York, New York 10016
(Address of Principal Executive Office)

LAWRENCE J. SCHOENBERG, President
AGS Computers, Inc.
21 East 40th Street
New York, New York 10016
(Name and Address of Agent for Service)

Copies to:

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Approximate date of commencement of sale to the public:
As soon as practicable after the Registration Statement becomes effective.

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities Being Registered	Amount Being Registered	Proposed Offering Price Per Unit	Proposed Maximum Aggregate Offering Price**	Amount of Registration Fee
Common Stock, par value $.10 per share	105,000 shs.	$3.50	$367,500.00	$ 73.50
Common Stock Purchase Warrants	Warrants to purchase 15,000 shares of Common Stock	—	—	
Common Stock, par value $.10 per share	15,000 shs.*	$4.00	$ 60,000.00	$ 12.00
		(Minimum) Total	....	$100.00

* Reserved for issuance of Warrants. Plus an indeterminate number of additional shares issuable on the operation of certain anti-dilution provisions.

** Estimated solely for the purposes of calculating registration fee.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

INTRODUCTORY STATEMENT

The Company

AGS Computers, Inc. (the "Company") of 21 East 40th Street, New York, New York 10016, was incorporated in New York on January 4, 1967. Its business is to sell computer programming services and systems (i.e. "software", as opposed to the actual equipment which is termed "hardware") to users and potential users and manufacturers of computers. Such activities include development of computer programs and systems to accomplish specific objectives desired by a client, modification of existing systems and programs and evaluation of computers and related equipment. The Company has also developed and sold, and proposes to attempt to continue to develop and market proprietary programs. See "Proprietary Programs".

Speculative Aspects of this Offering

Prospective investors should consider carefully, among other factors, the following:

1. The Company does not manufacture or distribute any product; income is derived principally from rendering services pursuant to contracts which are terminable without cost or penalty (other than for work completed) at the option of the client.

2. The Company started operations in January, 1967 and is in its early stages of development.

3. In the year ended December 31, 1968, three of the Company's thirty-five customers accounted for approximately 52% of its gross revenues, and no other client accounted for more than 5% of the Company's gross revenues.

4. The Company presently competes with numerous larger and better established companies as well as many smaller ones and is a minor factor in the industry.

5. The profitability of the Company depends to a large degree on the reputation and abilities of its management and personnel, not only to perform existing contracts profitably but to obtain additional and profitable contracts from potential users of its services and to enable the Company to continue to hire and retain qualified personnel. Such persons, due to the expansion of the industry and their specialized competence, are in great demand.

6. The Company has never paid any dividends and does not intend to pay dividends in the foreseeable future.

7. There is no present market for the Company's shares and there is no assurance that such a market will develop after this offering.

Dilution

On sale of the 100,000 shares offered, the public shareholders will own approximately 23% of the outstanding Common Stock for which they will have paid $350,000, or $3.50 per share. Messrs. Lawrence J. Schoenberg, Joseph Abrams and Peter G. Graf(1), who may be deemed promoters of the Company and comprise all of its officers and three of its four directors (see "Management"), will own or control in the aggregate 297,000 shares, or approximately 68% of the outstanding Common Stock, for which they paid $17,825 cash, including contributions to capital aggregating $10,325 (see "Certain Transactions"), or approximately $.06 per share. In addition, twenty other persons will own an aggregate of 37,500 shares, or approximately 9% of such outstanding Common Stock, for which they paid $75,000 cash, or $2.00 per share. See "Certain Transactions".

(1) Mr. Graf's shares are held of record by Jografco, Inc., of which Mr. Graf owns all of the outstanding shares.

As of December 31, 1968, the outstanding 334,500 shares of Common Stock had a book value of approximately $.29 per share. On consummation of the offering, the book value of such shares will increase to approximately $.87 per share. As a result, the Company's present shareholders, including Messrs. Schoenberg, Abrams and Graf, will have an immediate increase in the book value of the shares held by them of approximately $.58 per share, or an aggregate of $194,010, and the individuals purchasing the shares offered hereby will suffer an immediate dilution of approximately $2.63 per share, or an aggregate of $263,000.

There are reserved for issuance an aggregate of 35,000 shares of Common Stock, or approximately 8% of the shares outstanding, assuming consummation of the within offering, including 20,000 shares under a Stock Option Plan and an aggregate of 15,000 shares reserved for issuance pursuant to the exercise of Warrants to be issued to the Underwriter and to counsel for the Company. Exercise of such options or Warrants following the within offering would result in dilution of the interests of the then existing stockholders to the extent such Stock Options or Warrants are exercised. The Warrants will be exercisable at $3.85 per share after one year from the date hereof. See "Rights to Purchase Common Stock".

For the life of the Stock Options and Warrants described above, the holders are given at no cost the opportunity to profit from a rise in the market price for the Common Stock with a resulting dilution in the interest of the then existing stockholders of the Company. The Company presently has no need for additional working capital in excess of the amount to be realized under the present offering. However, for the life of the Stock Options and Warrants, the Company might be deprived of favorable opportunities to procure additional equity capital, if it should be needed, for the purposes of its business. At any time when the holders of the Stock Options and Warrants might be expected to exercise them, the Company would, in all likelihood, be able to obtain equity capital, if then needed, by public sale of a new offering on terms more favorable than those provided by the Stock Options and Warrants.

APPLICATION OF PROCEEDS

The net proceeds to be received by the Company from the sale of the shares offered hereby will be approximately $282,000, after deducting expenses noted on the Cover Page, and will be utilized approximately as follows:

(a) $60,000 to develop or purchase and modify new proprietary software systems and programs.

(b) $15,000 for leasehold improvements and furnishings for a second or larger office in New York City.

(c) $50,000 to expand the marketing and sales activities of the Company through the hiring of additional sales personnel.

(d) $50,000 to establish a division to process data for clients which are too small to economically justify the purchase or lease of their own computer equipment. The computer time will be obtained by contracting for excess computer time from other sources.

(e) The balance of approximately $107,000 will be added to working capital.

To the extent that any of the proceeds are not promptly expended following the completion of this offering, they will be invested in certificates of deposit of banking institutions or direct obligations of the United States Government, or such other short term investments as the Board of Directors may deem appropriate.

There can, of course, be no assurance that the Company will be successful in developing any of the projects described above, or that, if developed, they will produce significant revenues or profits.