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U.S. Department of Justice

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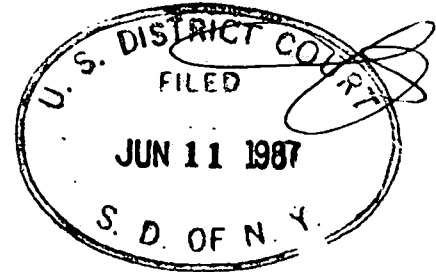
United States Attorney
Southern District of New York

One Saint Andrew's Plaza
New York, New York 10007

Harvey L. Pitt, Esq.
Fried, Frank, Harris, Shriver
& Jacobson
1001 Pennsylvania Avenue, N.W.
Suite 800
Washington, D.C. 20004

Theodore A. Levine, Esq.
Wilmer, Cutler & Pickering
2445 M Street, N.W.
Washington, D.C. 20037

87 CR. 378 (MEL)



Re: Client

Dear Messrs. Pitt and Levine:

On the understandings specified below, the United States will accept a guilty plea from your client prior to July 31, 1987 to one count of conspiracy in violation of Title 18, United States Code, Section 371, carrying a maximum penalty of five years imprisonment and a \$250,000 fine. If he fully complies with these understandings your client will not be prosecuted for any participation or involvement, direct or indirect, during the period from January 1, 1980 through the date of this Agreement, (1) in any activities by, through, or on behalf of any of the entities listed on Schedule I attached hereto or in connection, directly, or indirectly with any securities traded by such entities or your client; or (2) in any conduct in connection with any inquiry or investigation conducted or being conducted by the Securities and Exchange Commission (SEC). In addition, if your client fully complies with these understandings, no testimony or other information (including the fact of any production of documents) given by your client (or any information directly or indirectly derived from such testimony or other information) will be used against him in any other criminal prosecution.

The understandings are that your client shall truthfully disclose all information with respect to the activities of himself and others concerning all matters about which this Office and the SEC, assisted in such manner as this Office shall determine by federal criminal investigative agencies, may inquire. In addition, your client will testify at all proceedings within the United States at which this Office may request his testimony.

Harvey L. Pitt, Esq.
Theodore A. Levine, Esq.

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It is further understood that prior to sentencing your client will amend all his previously filed federal tax returns to the extent required by law and pay such taxes, interest and penalties as are due and owing thereon, provided however that in the event specific items are controverted in good faith, your client will pay any taxes, interest and penalties due and owing on such controverted specific items promptly upon final determination by appropriate authorities or at any such time as will be agreed upon with appropriate authorities.

It is further understood that your client has, in contemplation of the execution of this Agreement, entered into an agreement with the SEC (SEC Agreement), attached hereto as Schedule II, and will, as a condition of this Agreement, comply with his obligations under the SEC Agreement in the manner and under the circumstances set forth in the SEC Agreement.

It is further understood that your client shall make himself available for whatever debriefings may be required by this Office, shall produce any and all documents in his custody or control, domestic and foreign, which are requested, including records relating to his personal income, and shall assist in analyzing documents when requested.*

It is further understood that the sentence to be imposed upon your client is within the sole discretion of the sentencing Judge. This Office cannot and does not make any promise or representation as to what sentence your client will

* It is understood that except for any grand jury testimony, all interviews, documents, and analyses are to be furnished by your client voluntarily and not pursuant to grand jury process.

Harvey L. Pitt, Esq.
Theodore A. Levine, Esq.

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receive; nor will it recommend any sentence to the sentencing Judge. This Office will inform the sentencing Judge and the Probation Department of (1) this Agreement; (2) the nature and extent of your client's activities and the extent to which such activities were not known to this Office before the date of this Agreement; and (3) the full nature and extent of your client's cooperation with this Office. In addition, this Office retains the right to present to the sentencing Judge and Probation Department, either orally or in writing, any and all facts and arguments relevant to sentencing. It is further understood that this Agreement in no way affects or limits this Office's right to respond to and take positions on post-sentencing motions or requests for information which relate to parole or reduction or modification of sentence.

Subject to the provisions of this paragraph, this Agreement will be effective immediately upon its execution by this Office and your client. It is understood that this Office will request the United States Attorney's Offices for the Central District of California and the District of Columbia to become parties to this Agreement prior to December 31, 1986. If for any reason, either the United States Attorney for the Central District of California or the United States Attorney for the District of Columbia do not execute this Agreement prior to December 31, 1986, your client may rescind this Agreement. In the event of such rescission, this Office may prosecute your client for any applicable crime, but in any such prosecution no testimony or other information (including the fact of any production of documents) given by your client (or any information directly or indirectly derived from such testimony or other information) will be used against your client in any such criminal prosecution, except for purposes of impeachment.

Harvey L. Pitt, Esq.
Theodore A. Levine, Esq.

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It is further understood that, except as specifically stated above, this Agreement is limited to the United States Attorney's Office for the Southern District of New York, and the United States Attorney's Offices for the District of Columbia and the Central District of California, and cannot bind other federal, state or local prosecuting authorities, although this Office will bring the cooperation of your client to the attention of other foreign or domestic prosecuting or government offices, if so requested.

It is further understood that your client must at all times give complete, truthful, and accurate information and testimony.

~~It is also~~ understood that your client will cooperate with the SEC to endeavor to maintain the assets of his present businesses and avoiding a default under any instrument or security pertaining to any of those businesses and that your client's cooperation with the SEC in this process will not result in any criminal proceedings against him. Your client agrees not to commit any other crimes whatsoever. Should your client commit any further such crimes, or should it be determined by this Office that your client has intentionally failed to give complete, truthful, or accurate information and testimony, or has otherwise violated any provision of this Agreement, your client shall thereafter be subject to prosecution for any federal criminal violation of which this Office has knowledge, including but not limited to, perjury and obstruction of justice. Any such prosecutions may be premised upon any information provided by your client, and such information may be used against him.

In the event that this Office should conclude that your client has violated any provision of this Agreement, this Office shall give your client notice that he is in violation of this Agreement and shall afford your client and counsel an opportunity to respond.

Harvey L. Pitt, Esq.
Theodore A. Levine, Esq.

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It is agreed that, in the event that it is determined that your client has intentionally violated any provision of this Agreement (i) all statements made by your client to this Office or other law enforcement agents, or any testimony given by your client before a grand jury or other tribunal, whether prior to or subsequent to this Agreement, or any leads from such statements or testimony, shall be admissible in evidence in any and all criminal proceedings hereafter brought against your client; and (ii) your client shall assert no claim under the United States Constitution, any statute, Rule ~~11(e)-(6)~~ of the Federal Rules of Criminal Procedure, Rule 410 of the Federal Rules of Evidence or any other federal rule, that statements made by him prior to or subsequent to this Agreement, or any leads therefrom, should be suppressed. It is the intent of this Agreement to waive any and all rights in the foregoing limited respects.

No additional promises, agreements and conditions have been entered into other than those set forth in this letter and none will be entered into unless in writing and signed by all parties.

Very truly yours,

RUDOLPH W. GIULIANI
United States Attorney
Southern District of New York

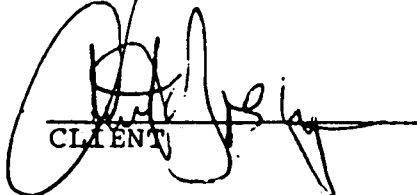
By: Charles M. Carberry
CHARLES M. CARBERRY
Assistant United States Attorney

APPROVED:

Howard Wilson
HOWARD WILSON
Chief, Criminal Division

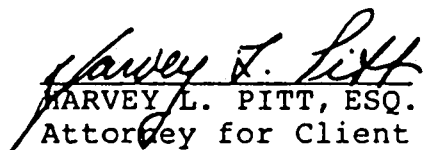
Harvey L. Pitt, Esq.
Theodore A. Levine, Esq.

AGREED AND CONSENTED TO:

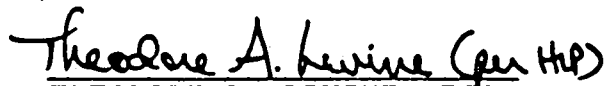

CLIENT

15/
JOSEPH E. DIGENOVA
United States Attorney
District of Columbia

APPROVED:


HARVEY L. PITT, ESQ.
Attorney for Client

By: _____


THEODORE A. LEVINE, ESQ.
Attorney for Client

ROBERT C. BONNER
United States Attorney
Central District of California

By: 15/ _____