

March 5, 1992

Honorable Milton Pollack
Senior Judge
United States District Court for
the Southern District of New York
U.S. Courthouse, Foley Square
New York, New York 10007

Dear Judge Pollack:

As Your Honor was advised on March 3, 1992, the Board of Directors of the Federal Deposit Insurance Corporation voted to reject the proposed global settlement of litigation relating to Michael Milken and others because it did not provide for adequate or sufficient information upon which the Board could base an informed judgment.

The reasons for the Board's rejection were that (a) no provision had been made for disclosure to the Court of the respective contributions by all settling individuals; (b) summary financial disclosure by all individuals named as defendants in the FDIC/RTC complaints was not required; (c) no provision was made for access to such information and financial disclosure by a designee of the FDIC Board; (d) the proposal did not provide for a review of such information by the FDIC to determine whether the contributions to be made by each of the named defendants is reasonable in relation to contributions made by all other settling defendants, considering their alleged civil responsibility; and (e) no provision was made for the right of the FDIC and the RTC, acting jointly, to terminate their participation in the proposed settlement if those criteria were not satisfied.

The Board remains hopeful that the above concerns can be addressed.

By Order of the Board of Directors:

Yours very truly,



Hoyle L. Robinson
Executive Secretary

cc: Honorable Albert V. Casey