

Drexel Burnham Lambert

Exhibit A

Drexel Burnham Lambert Incorporated
60 Broad Street
New York, NY 10004-2367
212 480-6000

September 7, 1988

Dear Customer:

We want to comment on the SEC's civil suit against Drexel Burnham and four of our employees.

We believe, based on information available to us, that the charges filed by the SEC are wrong. After an examination of 1.5 million pages of documentation and interviews of scores of Drexel Burnham employees, we continue to believe that neither Drexel Burnham nor any of our employees named in this matter have engaged in any wrongdoing. We expect to be vindicated.

A thorough examination of the SEC complaint shows that the charges rely almost entirely on accusations by convicted felon Ivan Boesky. The most telling aspect of this action is that, after an almost two year investigation which we understand to be the most exhaustive in SEC history, the SEC essentially has charged nothing beyond what Boesky alleged in 1986 when he was bargaining for leniency. The two non-Boesky-related charges are speculative and are not supported by the evidence.

The linchpin in the complaint is Boesky's payment of a \$5.3 million fee to Drexel Burnham in March 1986. The evidence indicates that this fee was payment for normal corporate finance, research and other advisory services furnished to the Boesky organization prior to March 1986.

Indeed, Ivan Boesky's allegations must be viewed in the context in which they were made: Boesky was desperate to settle with the SEC and to minimize his own punishment by accusing others. We are particularly eager to confront Ivan Boesky in the fair and open forum of a court to demonstrate that his charges are false.

It is important to recognize, however, that the filing of these charges by the SEC does not necessarily represent the only front upon which Drexel Burnham and our employees may ultimately need to fight to prove our innocence. The U.S. Attorney, as you are aware, has been conducting his own investigation which has yet to be resolved. In addition, various Congressional committees continue to pursue their own studies.

We at Drexel Burnham have been operating successfully in a difficult environment since Ivan Boesky's criminal actions publicly surfaced in November 1986. We are grateful to you for your loyalty during this period and we will continue to provide you with services of the highest quality.

The firm has total assets in excess of \$30 billion, total capital of approximately \$2.2 billion and excess regulatory capital of approximately \$1.1 billion. The SEC complaint does not quantify the amount of monetary relief it seeks; however, it appears that the total amount is in the range of \$100 million. Although we expect full vindication in court, the firm has provided generous reserves for any contingency. In addition to the firm's substantial capital base, your securities are insured for up to \$500,000 by SIPC, a non-profit, membership corporation, funded by its member securities broker dealers. Further, we have insured each account for up to \$10 million.

Drexel Burnham has provided more capital to America's industrial companies in the 1980s than any other investment bank, creating new jobs and improving the competitiveness of America's industry. The 10,000 employees of Drexel Burnham remain committed to financing America's future.

Sincerely yours,

Robert E. Linton
Chairman of the Board

Frederick H. Joseph
Vice Chairman and
Chief Executive Officer