Dear Sir,

I am one of the original shareholders of [Company Name] and have been with the company since [Start Date]. I have always been a strong proponent of the company's values and strategies. However, I have been closely following the recent developments in the [Industry/Market] sector and believe that we need to take urgent action to remain competitive.

Why can't we offer options to original shareholders (other than [Current Owners]) to sell their shares for the next 36 months? Please consider this option seriously and take the necessary steps to ensure the longevity of our company. I appreciate your attention to these concerns and your commitment to the success of [Company Name].

Finally, thank you for your dedication and time spent on these important matters. Your guidance and leadership are highly valued.

Sincerely,
[Your Name]

Tel: 301-770-0250
Affix
Corp. Trust & Agency Services
(MAC EXCHANGE)
Memo from Max Newmark

Mr. Rohatyn

"I still think it's deplorable." Mr. Rohatyn said of the Comptroller's statement.

I heard you on TV say—

"Note Holders" — they will have to live a long time to see their monies —

That really is a deplorable statement to make.

Max Newmark
Dear Sir,

I bought, New York City, P. A. note 12/23/74 at interest rate of 9 1/2%. So you realize there was the sense of pressure to exchange these notes for Am. A. Bonds due 7/1/86 at paying only 8 1/2%. I have decided to exchange. Now I find there is new exchange. How do I find you are new exchange? Mac Bonds paying 9 3/4% interest. Do you think that is fair?

In this week's mail I received literature to the effect that if I did not exchange the bonds I still hold the note exchange the bonds. I have there? Could get the 9 3/4% bonds. Do not hear there? Could get the 9 3/4% bonds. I hear there? Could get the 9 3/4% bonds. I hear there?

Can it be done without litigation? I would appreciate a prompt answer. Sincerely,

[Signature]
2 March 1977

Mrs. Kathryn Holman
Los Arbolitos - Apt. 40
8450 Atlanta Avenue
Huntington Beach, California 92646

Dear Mrs. Holman:

Thank you for your letter of February 11, 1977. We appreciate your concern with regard to payment of your $10,000 Note of the City of New York bearing a maturity date of December 11, 1975. I am sorry that your previous letters have gone unanswered, but our records indicate that this the first correspondence which we have received from you.

The note which you hold is an obligation of the City of New York, and not of the Municipal Assistance Corporation, which is an independent public benefit corporation. However, I will outline for you the method which is now being established for payment of such City obligations.

Pursuant to an order entered recently by the New York State Court of Appeals, the New York State Supreme Court for New York County is presently in the process of setting up a procedure by which individuals of City notes, such as yourself, can establish their respective claims for payment. We are informed that in the near future application forms for such claims will be available from that court. For your information, the 30 day period within which the City
must pay any such notes, to which you refer, does not begin to run until a particular claim is established before the court and judgment is entered by the court. For your further information, and the necessary claim application forms, you should contact Justice James Gibson, who has been designated to handle this matter, at the Supreme Court of the State of New York for New York County, 60 Centre Street, New York, New York 10007. The telephone number for the clerk's office of that court is 212/374-8359.

We hope that this information will be of help to you.

Sincerely,

[Signature]

Stephen J. Weinstein
Deputy Executive Director

SJW/mp
Jan. 29, 1977

Mr. Felix Rohatyn,
Chairman, Municipal Assistance Corp.
2 World Trade Center
New York, N.Y.

Dear Mr. Rohatyn:

I was one of those who purchased the short-term New York City notes and suffered the traumatic experience of seeing the City slide close to the brink of bankruptcy. When note-holders were given the option of holding on to their notes in hopes of early re-payment or trading them in for the MAC bonds, my first impulse was to retain the notes. I specifically purchased short-term notes because I needed and wanted return of the investment in a short period of time. Heavy medical expenses since then made it more important than ever for me to secure full payment of these notes.

I changed my mind, however, because of statements you and your associates made—the gist of these statements was that the right thing for noteholders to do was to exchange them for the MAC bonds, that it would be very helpful to the financial condition of both the City and the State if we made the exchange, etc. As per your request, I reluctantly went ahead and made the exchange.(for 15 yr bonds)

Since then, as you know, the Appeals court ruled in favor of the Flushing Bank which had sued to get immediate payment of the notes. You said at the time it would be unfair to penalize the people who did the "right thing" by making the exchange for the MAC bonds and that they should be paid off in full at the same time as those who did not make the exchange. Following your statement, however, there have been any number of stories in the press about the note-holders getting their money but no further comment from you or anybody else about MAC bondholders getting their money at the same time.

As I mentioned, heavy medical expenses make it important for me to secure repayment of my investment at the earliest possible date. Can you advise me therefore, if there is any plan for repayment to those of us who did the "right thing" along with those who did the "wrong" thing?

Sincerely yours,

Martin Abramson

Member, American Society of Journalists and Authors, Inc.
Dear Mr. Kolter:

Forgive the poor writing skills. I'm still getting used to the pen.

Firstly: The people of New Jersey are in your debt forever.

Secondly: I owe you 10 doses of Benadryl.

Thirdly: We are for the people.

Lastly: We are for the people.

Thank you for your support and encouragement.

In your service,

[Signature]

1/24/77

Ol. Zollan Moss
311 Central Park West - Apt. 6 GG
New York, N.Y. 10024
We so heartily agree with you to have some kind of overseeing N.Y.C.'s fiscal affairs. I wrote to our Honorable Mayor, why the people of N.Y. never again to trust their Elected Officials' who put us in trouble to begin with.

Trusting Wagner, Lindsay and who else would come after being to sell our souls to the Unions for Vote to be re-elected, no thank you.

I also own 90 Mac bonds converted to 870 1986 and would only buy again any city GO or Mac bonds if I knew to see my money again and not on the words of 'Elected Officials'.

With Lord's blessing on you

[Signature]
VICTOR G. HERMAN, PH. D.
49 WEST 96TH STREET
NEW YORK, N. Y. 10025


The Honorable Felix Rohatyn,
Chairman - M.A.C.
% Lazard Freres & Cie.
1 Rockefeller Plaza - 32nd Floor
New York, N.Y. 10020

My dear Mr. Rohatyn:

Re: New Fiscal Oversight Body.

I read with great interest your suggestions in connection with an oversight body, which would also include private citizens; I wonder, whether you would consider me as a member of this body.

I am 67 years old, holding a Ph.D. degree in Engineering and live in New York since 1939. I belong to civic groups such as Community Council, Block Association, Block watchers, and belong to several Engineering- and Professional organizations. I served many times on Jury Duty and Grand Jury in Manhattan County. I speak 5 languages.

I was born in Prague, Czechoslovakia, went to public school, high school and college and my first job was with the Skoda Works of Czechoslovakia, the largest enterprise at that time in Europe. I advanced quickly and joined the export department and was assigned to Teheran, Iran, to be in charge of the representation of Skoda there and at the same time control the offices in Iraq, Syria, Lebanon. In 1939, the Skoda Works sent me to the USA to open an office in San Francisco, but the war broke out and I lost my job. I joined the "Allied Mission in the USA" and became chief inspector of the Munitions Department of the Allied Mission. I also worked for the US Dept. of War, Dept. of the Navy, "Survey of Foreign Experts", etc. and on the wall I have framed a "One Dollar Check" given to me by the US Army. In 1946 I started on my own and am in business for myself for 30 years in the Engineering field. Recently, at the invitation of the Youth Board of the City of New York I spoke at the Lawyers Association at 14 Vesey Street, NYC. I may be able to analyze technical projects and try to suggest steps to avoid waste and inefficiency.

I feel, that I owe the country which extended its hospitality to me and to the city where I live for 38 years my gratitude; if you feel, that I would qualify for the board I would be proud and grateful to serve and reciprocate for the many good things which I enjoyed in the USA and in New York.

Thank you for giving my letter your kind attention. With best wishes I am,

Yours very truly,

Victor George Herman

VGH:1t
January 25, 1977

Mr. Felix G. Rohatyn
Lazard, Freres & Co.
1 Rockefeller Plaza
New York, New York

Dear Mr. Rohatyn:

In connection with the recent decision of the New York Court of Appeals that the moratorium of payment of the New York City notes was invalid, you said, as I recall it, in an interview, that the City would not only pay off the note holders who did not exchange their notes for M.A.C. bonds, but would also pay off those note holders who had exchanged their notes for M.A.C. bonds.

Since that date, I have seen nothing further from you on this subject and I would appreciate if you would let me know whether this was still your position and that of the City.

Very truly yours,

Leo Sheiner

[Signature]

[Signature]
January 12, 1977

BY HAND

Mr. Eugene Keilin
Executive Director
Municipal Assistance Corporation
Two World Trade Center
Room 4540
New York, New York 10047

Dear Gene:

I enclose a revised draft of a form of letter from MAC to those MAC bondholders who received their bonds in exchange for City notes pursuant to one of MAC's exchange offers. As you will see, there is a bracketed sentence on Page 2 that, if included, would make the letter a much more affirmative statement. We all should consider whether it is appropriate to include such a sentence. In that connection, I will try to talk with Jack Tamagni on Thursday to get his views as to whether such a statement is appropriate and, if so, whether it can be attributed to MAC's "financial advisors."

In addition, I enclose a draft press release with respect to the Boston stock exchange stock transfer tax case decided on Wednesday by the United States Supreme Court. I am also trying to get a hold of a copy of the press release issued on Wednesday by the State Tax Commission. If I receive it in time, I will enclose it with this letter; if not, I will send it to you as soon as I have it.

I understand that you are checking with Felix as to whether the 30 day extension to respond to Richenthal's remittitur in the Flushing II case reflects the proper time request. If you think we need more time, you will let me know.

Best regards.

Sincerely,

[Signature]

Allen L. Thomas

Enclosures

cc: Stephen J. Weinstein
Proposed letter to persons who participated in exchange offer and who have written to the Corporation after Flushing II decision.

Dear:

This is in response to your letter of , in which you requested our advice as to whether the recent Court of Appeals decision in the Flushing National Bank case affects the Municipal Assistance Corporation which you received in exchange for notes of The City of New York.

By an order signed February 8, 1977, formally termed a "remittitum", the New York Court of Appeals directed the Supreme Court, New York County, to grant relief to certain present holders of City Notes within a specified timetable. The remittitur made no provision for former note holders like yourself, who exchanged such notes for the Corporation's bonds. Therefore, the decision in Flushing National Bank does not directly affect the Corporation's bonds. However, for the reasons set forth below, it is our firm and, we believe, reasonable belief, that the decision will indirectly affect such bonds in a beneficial way.

As you are undoubtedly aware from reading newspaper accounts, the City and the Corporation are currently working together to devise a plan which would provide the City with funds to repay note holders in accordance with the timetable set forth in the Court's remittitur and which would establish a framework for a long-term solution to the financial crisis that has plagued the City over the last several years. At this time the development of such a plan must be our primary concern, both under the terms of the remittitur and because the development of such a plan would represent a substantial step towards the restoration of
investor confidence in the City, which is a goal toward which we have been working since the creation of the Corporation over a year and a half ago.

As you probably know, the market value of the Corporation's bonds has traditionally reflected the level of investor confidence in the City itself. The development of a sound plan for repayment of City notes should improve the City's financial condition and restore investor confidence in the City, which should, in turn, cause the market value of your bond(s) to rise. Therefore, even though a final plan for repayment of City Notes may not incorporate specific provisions for repayment of your bond(s) prior to maturity, the development of such a plan should enable you to sell your bond(s), if you so desire, at or near par. If the market does not develop in accordance with the foregoing analysis, the Board of Directors of the Corporation will review the feasibility of making any specific provisions for repayment of your bond(s).

Please be assured that the Board of Directors of the Corporation is very appreciative of your cooperation while the Corporation and the City are attempting to develop a plan to end the City's financial crisis and will do everything in its power toward achieving equitable treatment for you.

Love and bonds,
Editorial #76-212
REPLY TO A RECENT WPIX EDITORIAL ON THE DEBT MORATORIUM
BY SAMUEL H. SCHWALB, SPEAKING AS A PRIVATE CITIZEN

December 20, 1976

I wish to disagree with WPIX's editorial which held that the Appellate Court's decision declaring the moratorium on payment of city bonds unconstitutional, is the turning point in our city's dismal economy and the people's reaffirmation of faith in our city.

The inept political hacks who have brought our city from being the market place of the world to a seven day a week fleamarket and to its present state of bankruptcy have alienated the people of this city who invested their life's savings hoping to cash in their bonds and retire. The city administration told them bluntly that they would have to wait up to ten years to get their money. These were bonds which the city's financial "wizards" and banks told them were the safest and surest investment. It is this same city administration that keeps telling us that it is doing everything possible to keep business from leaving the city, when what it has done and continues to do is drive big and small business out of the city, and most small businesses out of business via a conglomeration of obnoxious and stifling taxes which together with a quotaed parking ticket vendetta has driven a billion and a half dollars worth of annual business to other nearby states because people who bring their cars into the city do not have sufficient time in the half hour or hour allotted to buy the merchandise they want to.

New York City has become a city of slogans, one of the most ludicrous being, "New York is a crazy town, but you can't get bored to death in it," but you can get mugged, slugged, held up and killed to death in it.

In view of the aforementioned, and there is much more, there is no turning point yet or faith in or for our city.
Mr. Felix G. Rohatyn
Chairman, MAC
Two World Trade Center
New York, New York 10047

December 9, 1976

My dear Mr. Rohatyn:

As one who had traded New York City RANs for MAC bonds, I was happy to see in the days immediately following the Court of Appeals decision your statements that those of us who had traded RANs and BANs for MAC bonds should be treated at least as well as those who had fought the moratorium. Thus, the New York Times of November 22, 1976 said:

"Now that the court had ruled that notes must be paid off, someone wondered about those who had agreed to the trade.
Their interests should be protected, Mr. Rohatyn said. 'I don't want those people, the people who did the right thing, to come out worse off,' he said."

I have not seen anything lately about our not coming "out worse off" because we "did the right thing." Can you tell me whether it is still the intention to treat us as well as those who fought the moratorium, or what other plans there are for us.

Thank you very much.

Sincerely yours,

[Signature]
163 Washington Ave.,
Fort Lee, New Jersey 07024
Dec. 10, 1976

Mr. Felix G. Rohatyn, Chairman,
Municipal Assistance Corp. for the City of N.Y.,
2 World Trade Center,
N.Y., N.Y.

Dear Sir;

Being a holder of Series 4 MAC bonds which I exchanged for 1 year City notes in March 1976, I appreciate your statements as reported in the N.Y. Times Nov. 22, 1976 quote:
"the solution of paying off the debt now as ordered by the State Court of Appeals should also insure that holders of $600 million in City notes who had traded them for MAC bonds be treated at least as well as those who hold the $1 billion that were the subject of the lawsuit. Their interests should be protected. I dont want those people who did the right thing to come out worse off"

The Court ruling stated "Those responsible have made an expedient selection of the temporary note holders to bear an extraordinary burden". There are many such holders like myself retired and disabled.

Being in need of the principal, I am willing to return to MAC corporation 2% of the interest paid to me thus far, between the 8% for the MAC bonds and the 6% paid to City note holders.

I beg of you to include me in the repayment plan now being negotiated.

Very truly yours,

Morris Drechsler

Morris Drechsler

PS: In the N.Y. Times 11/18/76, the real truth was disclosed that the major N.Y.City banks were aware in 1974 of the City's coming fiscal crisis and "dumped" billions in City's securities without telling prospective buyers of the crisis they knew was imminent. One of these banks is Chase Manhattan Bank who sold me the City notes.
Leonard L. Press
52 Riverside Drive, New York, N.Y. 10024

December 9, 1976

Felix Roubenkov, Esq.
Chamber
Municipal Assistance Corporation
2 World Trade Center
New York, N.Y. 10027

Dear Mr. Roubenkov:

When I retired ten years ago, my bank and financial advisors said that the New York City water and sewer rates were low and would not increase until I put my retirement plans in order. I took the money I received from my profit-sharing and terminal plans, paid my taxes and invested in New York City.

A few months later I faced disaster. The rate process enraged on my property and the interest on these instruments. It looked like the City was taking advantage of the Constitutionality of the Constitution. An o'federal
Judge (stated positively) that the Constitutionality is sound and legal. The Judges of the lower courts ruled on it, also.

As the laws are the lifeblood of the City and the government, New York will take away the interest and principal back in one year and then so will all taxes you have paid. The country is about to pay back what we owe.

The mere idea that a whole college should be able to have a long life experience if they meet some that are taken paid off will lead up to every dark future for people in a year.

Then the appeals for national self-help. We must act together to help one another and in some help ourselves as we live to the future and the authorities, the legislators, the judges, governors and financial experts.

We asked. The response was yes. The next step was to have ever invested in New York. The second was to listen to them who should love them that the Constitution was unconstitutional.

Finally, I would like to be here. There it is put on the campaign to have more letters come for Dr. Johnson over near event of municipal...such as I have heard from you and the plans to include more help for you...you helped the City in time of strague...we can't keep up with the demand for..the
...drives on the, to keep us our opinions and our beliefs and has been only shown in 1974 in our discussion in our courts...they will be put for...it even though the
lower court 'judges' next will be still cut and constitutional.
I am bitter Mr. Kalinsky. I worked a long time for my retirement and I paid my way every year and I wanted to help my city. But now I wonder whether or not I even feel all these years. Maybe I should pick up that is left of the ribbon in the gown and go elsewhere.

I welcome your advice and support. I know I am not alone. Forty percent of the private sector have support for LBD's. Those are nine of us. And we'll really like some words of comfort and encouragement so that we don't feel that we were fools to have believed that we were told by our leaders, judges, and state and not see what's holding that now turned out to be a very empty bag on one that is not another than the same as you the like to help for us.

I would welcome your reply and I am (hopefully) at theotten,
December 9, 1976

Mr. Felix A. Rohatyn
Chairman, Municipal Assistance Corporation
Two World Trade Center
New York, New York 10047

Dear Mr. Rohatyn:

In light of the recent decision of the New York Court of Appeals dealing with note moratorium, would you please advise me whether the note holders who converted their City obligations to MAC bonds will be eligible for payment under the scheme presently being worked out between the First National Bank and the City of New York.

I first would you briefly outline the position of these bondholders. My interest in this matter is not academically since I am a MAC bondholder who at the suggestion of Congdon traded in my City notes.

Yours,
Carl Saks
December 8, 1976

Mr. Felix Rohatyn
One Rockefeller Plaza
New York, NY 10020

Dear Mr. Rohatyn:

Enclosed please find copies of correspondence; namely, Mrs. Katz's letter of January 12 and your reply of January 16, 1976.

In view of the recent court ruling by the New York State courts negating New York City's actions, I would appreciate your advising our current position in this matter and what our rights might be.

Sincerely,

Maurice N. Katz

MNK/mj
Encs.
Mr. Maurice N. Katz
172 Shaker Rd.
Longmeadow, Mass. 01106

Dear Mr. Katz:

I am in receipt of your letter of January 12, 1976. For your information, I would refer you to the section of the Exchange Offer Official Statement entitled "Rights of the Noteholders" (pages 11-12), which was most carefully reviewed by counsel to the Municipal Assistance Corporation.

Thank you for your letter.

Very truly yours,

[Signature]
January 12, 1976

Lazard Frere
44 Wall Street
New York, New York 10005

Attention: Mr. Felix Rohatyn

Subject: City of New York Revenue Anticipation Note For $100,000 - No. RC 17023 Due January 12, 1976

Dear Sir:

Enclosed please find a photocopy of the above note.

Unfortunately, due to the default of the City of New York, I was forced to make a decision as to exchanging this for a Big Mac Bond. Reluctantly, I have taken the latter course.

However, I would like to go on record that by this forced decision I will not be prejudiced in collecting on the Revenue Anticipation Note if the Courts should decide that the City of New York must honor the maturity date of this note.

Sincerely,

Lynn Katz

LK/dh
Enc.
from the desk of               December 1, 1976
Prof. Phillip Tavlin

Memorial Christian Corporation
of the City of New York,
2 World Trade Center
New York, N.Y. 10047

Dear Sir,

Some recent newspaper reports have stated that the courts have made decisions which may in some way affect the bonds which I transferred to your office.

Please advise me if the decision in any way permit early redemption of your bonds which I now hold.

Sincerely,

[Signature]

637 B Heritage Village
Southbury, CT 06488

DEC-6 1976
Dear Mr. Platypus,

I hope this letter finds you well. My husband and I are holding nearly a quarter million dollars in Big Mac bonds. We bought these because of the money situation in New York when the moratorium was declared.

Now, will we also be treated as the current city-watch holders? We deserve the same treatment as we only bought the Big Mac bonds because of the money situation you might say we were forced to change as the Big Mac bonanzas could easily have been turned to longer — what say city citizens have in this entire mess?

If it is a tragic situation, please be kind enough to extend me the courtesy (1976)
af a reply.
Looking forward to some word
soon, please!

Very truly yours,
(Mrs) Cleomena Rosen
360 East 72 St
NY C 2803
May 27th, 1927
Mr. Felix Kohlmeier
Clarence Municipal Assistance Corp
2 World Trade Center
My My 10047

Important
November 30, 1976

Municipal Assistance Corporation
Two World Trade Center (Room 4540)
New York, New York 10047

Attention: Felix Rohatyn

Dear Sir:

In 1975 I purchased two $25,000.00 New York City Revenue Anticipation Notes bearing Certificate Nos. RY45760 and 46765, bearing interest at the rate of 9.5%. After default on these $50,000.00 Revenue Anticipation Notes on December 11, 1975 the redemption was extended by law for a period of three years and the interest rate was reduced to 6%. The rumor encouraged by financial circles was that the three year extension of the redemption period would be extended once again and possibly several times before the Notes would ever be paid. The only option available to me at that time was to convert my Notes to Big MAC's bearing 8% and a fixed redemption date, or else to face the 6% interest with an unknown redemption date.

With such an option available to me and my then existing financial situation, I had no choice but to convert my Revenue Anticipation Notes to Big MAC's. This conversion was done in July of 1976.

Now it appears that my option should have been redemption in full with continuation of interest computed at the 9.5% rate. At least, that is the interpretation that I give to the recent Court of Appeals decision.

If my interpretation of the Court of Appeals decision was correct, my preference is to receive full redemption plus interest from December 11, 1975 at 9.5%. Therefore, I ask that you advise me where I may surrender my Municipal Acceptance Corporation Bonds in the sum of $50,000.00 and receive return of my Revenue Anticipation Notes with
the above serial numbers, so that I can redeem them in full.

Very truly yours,

Leonard Cooper

cc: United States Trust Company of N.Y.
P.O. Box 20
Peck Slip Station
New York, N.Y. 10038
Mr. Felix G. Rohatyn  
Lazard Freres & Co.  
1 Rockefeller Plaza  
New York, N. Y. 10020

Dear Mr. Rohatyn:

Amidst all the hue and cry about the Court of Appeals decision in favor of Flushing National Bank's attack on the moratorium, I have seen no mention made of one group of public investors of whom I am an insignificant member.

I refer to those holders of New York City RAN'S who tendered in the initial voluntary exchange for MAC bonds when that appeared to be the best course to take in the interests, not only of those holders, but of the future of the City of New York as well. What, if anything, is proposed to be done with a view to making us whole?

If the notes which were not exchanged are to be paid in full with interest at their original rate, might it not be feasible to offer us the opportunity to re-exchange our MAC bonds for our original notes? I imagine that some of us might even be willing to continue to hold the MAC bonds and keep their tax free yield for the long term, but many non-institutional holders really do need their money well before 1986.

Very truly yours,

JBR:ew
Hon. Felix J. Rohatyn, Chairman
Municipal Assistance Corporation
2 World Trade Center
New York, N.Y. 10047

Dear Mr. Rohatyn:

I am astounded and outraged by the incredible decision of five members of the New York Court of Appeals, and the callous indifference in the tone and text of the majority opinion toward 20 million citizens of the State of New York. These occupants of the State's highest ivory tower in one fell swoop have wrought the following miracles:

1. They have altered all accepted English dictionaries, by restricting the term "emergency" to "nuclear decimation", or "quarters atomized in a nuclear Armageddon." Thus, that our City, State and Nation, with the expressed concern of almost all the rest of the world, considered the New York City fiscal crisis an emergency of gargantuan proportions, was cavalierly cast aside by them as no public emergency.

2. They have shattered the agonizing, heroic efforts of National, State and City officials, in close collaboration with respected non political citizens, to painfully piece together a structure for the City's financial survival, which had just begun to bring a glimmer of light, into the dismal abyss of failure, with potential consequences around the world too awful to even contemplate.

3. They have brought to the brink of uncertainty the safety of hundreds of millions of dollars of pension funds which constitute the sole source of economic salvation for hundreds of thousands of civil servants now retired or to be retired in the future.

4. They have attempted to exercise jurisdiction over executive and legislative determinations by dangling before these constitutionally independent agencies of government, in obscurely disguised language almost dictatorial steps to resolve (outside their decision) the basic note indebtedness, which was ostensibly the core of the lawsuit.

5. They have brushed aside as meaningless, the carefully considered judgment of learned judges of the Supreme Court of New York and of the Appellate Division. If these lower court conclusions are so inconsequential, it follows that we, the citizens of this State, who cannot afford the astronomical legal fees paid by one Jack Farber to reach the "Tower", must settle for inadequate justice meted out with questionable competency.

6. They seem to have delivered their decision in an iron clad vise
of finality which brooks no appeal. This seems like an arrogant power play designed to prevent a request to ask the highest judicial body in our land to pass on the question. A constitutional question is involved and 5 judges in one of the 50 states should not necessarily be the last word. This is also a decision which can affect the economic destinies of all the other states and the thousands of municipalities struggling for survival in a time of nation wide efforts to overcome economic woes.

It is my opinion that these consequences should not go unchallenged. I urge M.A.C. to appeal to the U.S. Supreme Court for a reversal. The New York decision should not be accepted as final and the opinion of the 5 elected civil servants should be studied by our highest court under challenge as a disservice to those they purport to serve, and an unconstitutional arrogation of legislative and executive functions by a body whose function is purely judicial.

It seems also imperative that a careful study be made by Federal Banking Agencies of the operations of the little plaintiff bank. It is a national bank, reportedly 95% owned by one individual. Many questions seem to be apparent about that bank’s operations. What were the circumstances which justified so large a holding of New York City notes carrying over 9% tax free interest? How large a portion was that total to its total assets? What was the condition of its other investments? What kind of risks were involved in such investments and were they justifiable under governing rules and regulations? How do depositors feel about the alleged imposition of huge legal fees on the bank, allegedly paid by the 95% stockholder? Finally, how would the bank withstand a call on its faith and credit if the depositors descended upon it in large numbers to withdraw their funds and place them in another bank not under the absolute control of one man?

I, too, was a holder of the City’s notes. I elected to exchange them for MAC bonds, due in 10 years. I suffered no loss, and helped my City as it requested in a time of need. What gain could accrue to Farber and his bank by not doing the same? 8% is an unusually high yield today for tax exempt bonds. Obviously, his need for sensational returns renders 8% tax exempts inadequate. The Banking Department owes its duty to bank depositors. It should therefore not swallow the honeyed claims of rallying around the cry of “full faith” asserted by this plaintiff and his lawyers. Lest the depositors be confronted soon by the inevitable crash that follows ultra high-risk growth at the hands of an uncontrolled 95% National bank owner, bank examiners should be forewarned to exercise ultra careful scrutiny of its (his) operations.

Respectfully,

MURRAY H. GERSHON

MHG/d
November 23, 1976

Dear Mr. Robertson,

When I read your concern about those holders of the Big Mac bonds, who had turned in their 1-year certificates, thinking that they were coming to the assistance of New York City, and accepting a Bond, for a much longer period. I thought, "How nice that at least one person really thinks about us, most of whom are retired and certainly cannot look forward to earning enough money to overcome the loss we anticipate by our action."

I am therefore writing to ask you "what in your opinion will be done for those of us, who found ourselves in a position of having accepted 'paper' resulting in less returns of bonds and certainly a reduction in our principal."

Somewhere I remember reading many years ago an excerpt from the United States Supreme Court
in a decision holding that the police
must have a valid search warrant
before they may search a person and
that any evidence they may turn
up as a result of the illegal search
cannot be used against the person
they searched; that the fruit from
a poisoned tree cannot be eaten.
(or words to that effect)

Similarly, if the city
of New York's action in deferring
off 1 year noted to 3 years and
the court having determined that
such action is unconstitutional and
the city must pay according to the term
of the 1 year certificate, surely it
must follow that any action taken there-
A substitute the 1 year certificates
Can be allowed to this above question and
the issuance of any MAC bonds should
be deemed revocable in an illegal act.

Do you think that since you
have indicated you are aware about three
of us who now hold MAC bonds,
that we should have the right to determine
as of they were never issued and go back
the status of holders of 1 year
In order that we may be placed in the same position as those who refused to come to the aid of the city, and who now can receive full pay, I submit this statement.

I thank you for any courtesy you may extend to me by your reply.

Very respectfully yours,
Mary Halsey
Oct 20, 1976

Emergency Financial Control Board
World Trade Center
NYC
Attn Mr. Robatyn

Dear Sir:

One area the City Council could save many millions of dollars is in the thethe Health Insurance Plan (HIP) for its retired and currently employed city workers. I believe all its functions could be absorbed by the Health + Hospital Corporation. HIP is and was a good idea, but with the city hospitals today giving quality in-patient and out-patient care, I think HIP has outlived its usefulness.
and is a total waste of money. I have been a member of H H P for over 30 years. Also, my wife is a cancer patient in the out patient department at Bellevue. So, I have a little knowledge of health services.

Respectfully,

Dr. Kolmogorov
20 E 93rd St
New York 10028
August 4, 1976

Mrs. Samuel Eisenstat
350 Central Park West
New York, New York 10025

Dear Mrs. Eisenstat:

Mr. Robatyn has asked me to respond to your recent letter with regard to payment of your City Notes currently in moratorium.

Please be advised that the Corporation is and has been considering various proposals by which, if implemented, would make available a limited amount of money for the repayment in cash of outstanding City Notes, or the redemption of certain bonds of the Corporation, if such bonds were issued in exchange for City Notes pursuant to the two exchange offers. Only persons of limited means who demonstrate substantial need amounting to extreme financial hardship would qualify to have any portion of the City Notes or such bonds of the Corporation paid in cash.

We are all aware of the serious consequences of the current fiscal crisis and the circumstances of Noteholders who are of retirement age or with special problems. There are problems to be worked out before the proposal described above can be legally implemented. Much planning remains to be done with regard to this matter and to the entire matter of fiscal security for our City. It is being dealt with. Hopefully, resolution will come soon and to your best advantage.

Sincerely yours,

Judith Chazen
Assistant to the Executive Director
Mrs. Samuel Eisenstat  
350 Central Park West  
New York, New York 10025  

July 21, 1976

To Whom It May Concern:  

I have $10,000.00 in $500 bonds. I converted them to "Big Macs" —

Now a widow with 20 in -  

Come — supporting a crippled mother 84 years old — I need the interest on the bonds — I need the $10,000 in. How you want my money another five years —

Read them what? Another 5 — 0 — 10 — I am struggling to pay my bills — stuck in an apartment job's been de-controlled past 20 years —
August 20, 1976

Mr. Reynolds Herz
808 West End Avenue
New York, New York 10025

Dear Mr. Herz:

Assemblyman Blumenthal's office has asked us to respond to your recent inquiry with regard to payment of your City Notes currently in moratorium.

Please be advised that the Corporation is and has been considering various proposals by which, if implemented, it would make available a limited amount of money for the repayment in cash of outstanding City Notes, or the redemption of certain bonds of the Corporation, if such bonds were issued in exchange for City Notes pursuant to the two exchange offers. Only persons of limited means who demonstrate substantial need amounting to extreme financial hardship would qualify to have any portion of the City Notes or such bonds of the Corporation paid in cash.

We are all aware of the serious consequences of the current fiscal crisis and the circumstances of Noteholders who are of retirement age or with special problems. There are problems to be worked out before the proposal described above can be legally implemented. Much planning remains to be done with regard to this matter and to the entire matter of fiscal security for our City. It is being dealt with. Hopefully, resolution will come soon and to your best advantage.

Sincerely yours,

Judith Chazen
Assistant to the Executive Director
August 4, 1976

Mrs. H. Bennett
303 West 66th Street
New York, New York 10023

Dear Mrs. Bennett:

Mr. Rohatyn has asked me to respond to your recent letter with regard to payment of your City Notes currently in moratorium.

Please be advised that the Corporation is and has been considering various proposals by which, if implemented, would make available a limited amount of money for the repayment in cash of outstanding City Notes, or the redemption of certain bonds of the Corporation, if such bonds were issued in exchange for City Notes pursuant to the two exchange offers. Only persons of limited means who demonstrate substantial need amounting to extreme financial hardship would qualify to have any portion of the City Notes or such bonds of the Corporation paid in cash.

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Sincerely yours,

Judith Chazen
Assistant to the Executive Director
Dear Sir:

On June 1, 1976, I handed in $100,000 of my C notes in exchange for MAC Bonds. I don't know if I did the right thing or the wrong thing. All I do know is the following:

I am a New Yorker born and bred. My husband and I have struggled all our lives to support ourselves, as well as three grown sons. Through hard work, frugal living, some luck, and finally managed to accumulate a nest egg and, we were I preparing to retire this past January and to relax and enjoy life at long last.

We were among those whose faith and trust had now been complete — so we bought $150,000 of the bonds on Jan 1, 1976 and another $100,000 due to mature in March. We were never to see the full amount due. We were never to see that we would not get our money back or the interest due as promised and God forgive whom, if anyone, of how much we got back.

My husband took it very hard and, in December, he had a heart attack and passed away. There is no doubt in my mind that the worry over this money killed him.

Now, like I am, alone, disabled, better off with my pension plan as much as my husband had and with no promise to repay me. in 1970 after I am buried as well as my husband.

Isn't there anything that can be done for people like me? I am not in as good a position whose only solvency was their faith in the future of New York? How do I support myself from now on? Do I support the old members of my husband's family, whom I am still the only source of income?

Sincerely yours,

[Signature]

Copy to: Mayor Byrne
August 2, 1976

United States Senate

Mrs. H. Bennett
303 West 66th Street
New York, New York 10023

Respectfully referred to:

Mr. Herbert Elish
Executive Director
Municipal Assistance Corporation
Two World Trade Center
New York, New York 10047

Because of the desire of this office to be responsive to all inquiries and communications, your consideration of the attached is requested. Your findings and views, in duplicate form, along with return of the enclosure, will be appreciated by Jacob K. Javits.

Please reply to: SENATOR JACOB K. JAVITS
NEW YORK OFFICE
110 EAST 45TH STREET
NEW YORK, N. Y. 10017
Dear Sir:

On June 21, 1976, I handed in $100,000.00 of New York stock. I
MAC Bonds. I don't know if I did the right thing or the wrong
All I do know is the following:

I am a New Yorker born and bred. My husband and I have
struggled all our lives to support ourselves as well as this great
my parents through hard work, frugal living, some luck.

We were among those whose faith and credit in heart
was complete—so were those who dozed off.

The day was Jan. 1976 and another $50,000 due to mature in March. We
were foreclosed—smacking time last august when we were foreclosed
the fact that we would not get our money back on the promised
are promised and, God forbid, when, if ever, or how much will
my husband took it very hard and, in November, he
heart attack and passed away. There is no doubt in my

Now how I am alone, miserable, bitter, widowed
ended almost as much as my husband is and with all
promises to pay me in 1976 after I was buried as well as
husband.

Don't there anything that can be done for people
my position whose only solvency was their faith in

Yours truly,

[Signature]

Address to: Major Erames
August 4, 1976

Mr. Bernard Weissman
2410 Kings Highway
Brooklyn, New York 11229

Dear Mr. Weissman:

Mr. Rohatyn has asked me to respond to your recent letter with regard to payment of your City Notes currently in moratorium.

Please be advised that the Corporation is and has been considering various proposals by which, if implemented, would make available a limited amount of money for the repayment in cash of outstanding City Notes, or the redemption of certain bonds of the Corporation, if such bonds were issued in exchange for City Notes pursuant to the two exchange offers. Only persons of limited means who demonstrate substantial need amounting to extreme financial hardship would qualify to have any portion of the City Notes or such bonds of the Corporation paid in cash.

We are all aware of the serious consequences of the current fiscal crisis and the circumstances of Noteholders who are of retirement age or with special problems. There are problems to be worked out before the proposal described above can be legally implemented. Much planning remains to be done with regard to this matter and to the entire matter of fiscal security for our City. It is being dealt with. Hopefully, resolution will come soon and to your best advantage.

Sincerely yours,

Judith Chazen
Assistant to the Executive Director
Municipal Assistance Corporation
For The City Of New York
New York, N.Y.

2410 Kings Highway
Brooklyn, N.Y. 11229

August 1, 1976

To Whom It May Concern;

On January 1975 I bought a one year 9.4% City Note for $10,000, maturity date January 12, 1976.

I am married and have two children. I am a factory worker by leather goods which is seasonal work. My wife works part time as a sales lady.

I bought the Note to supplement my income and to help my children with their education. The $10,000 (NOTE) is a result of long savings from me and my wife. Unfortunately I don't have any other savings to speak of.

My son 19 years of age will start this September his third year in Brooklyn College. My daughter 17 years of age, is entering College this September. With the implementation of tuition in the City Colleges I am faced with financial hardship.

Considering the Note is only $10,000 (a big sum for me, but very little for the City) I believe the M.A.C. could find the money to repay the Note in which I relied so much in 1976.

I hope to hear from you soon.

Very truly yours,

Bernard Weissman

2410 Kings Highway
Brooklyn, N.Y. 11229
August 4, 1976

Mrs. Sylvia Gorman  
69-15 166 Street  
Flushing, New York 11365

Dear Mrs. Gorman:

Mr. Rohatyn has asked me to respond to your recent letter with regard to payment of your City Notes currently in moratorium.

Please be advised that the Corporation is and has been considering various proposals by which, if implemented, would make available a limited amount of money for the repayment in cash of outstanding City Notes, or the redemption of certain bonds of the Corporation, if such bonds were issued in exchange for City Notes pursuant to the two exchange offers. Only persons of limited means who demonstrate substantial need amounting to extreme financial hardship would qualify to have any portion of the City Notes or such bonds of the Corporation paid in cash.

We are all aware of the serious consequences of the current fiscal crisis and the circumstances of Noteholders who are of retirement age or with special problems. There are problems to be worked out before the proposal described above can be legally implemented. Much planning remains to be done with regard to this matter and to the entire matter of fiscal security for our City. It is being dealt with. Hopefully, resolution will come soon and to your best advantage.

Sincerely yours,

Judith Chazen  
Assistant to the Executive Director
69-15 166 Street
Flushing, N.Y. 11365

July 23, 1976

Mr. Felix Rehatyn
Municipal Assistance Corporation

Dear Mr. Rehatyn:

After reading your comments in the New York Times of July 22nd, regarding the municipal bond holders, I felt it was time to become one of the vocal, rather than silent "irrational" victims.

Let me introduce myself. My husband and I are part of the working middle class. I went to work in Manhattan for years, at the risk of leaving "key children" going to and from school alone, in order to earn some money. When we had saved $30,000, which we felt would be college money for our daughters, we bought, through the Flushing National Bank, a "safe" investment, "N.Y.C. Municipal Bonds." We innocently and in good faith, did this, secure in the knowledge that we would have the money just when we needed it for college costs. This plan of course had now gone up in political smoke.

Perhaps somewhere in your education you concentrated too much on economics and neglected the human factors of life. Who are you to automatically presume that all the bond holders can wait 10 or 15 years for their money.

When you state that the City has no money, you sound "irrational", since a City that can constantly find money for all kinds of salary increases and everything else they want to finance, can certainly return the money of all small bond holders without going into bankruptcy.

Furthermore, it seems to me that if the courts rule that a legal contract can be set aside at the whim of politicians, then no contract can be considered a legal and binding one, including the MAC bonds.

It would seem to me that your time could be better spent in seeking a way to repay the honest, hard-working people, instead of ranting and malingering them.

Very truly yours,

(Sylvia Gorman)

(Mrs.) Sylvia Gorman

Print to:
NY Times
Mayor Bame
Flushing National Bank
July 29, 1976

To: Menachem Shayovich

From: Judith Chazan

Subject: Letter from Rabbi Dov Rapaport

We have written with personally heavy hearts to all the "Rabbi Rapaport" letterwriters. I enclose copy of page 15 of our last exchange offer prospectus which explains why, at the moment, it is impossible for MAC or any other sincerely concerned agency of the City or State government to do anything. All possibilities are being explored - there are many legal and fiscal obstacles to overcome.

You might wish to know, for background, that Rabbi Rapaport and the many other persons writing to us are responded to but that their fear and anger makes it impossible for them to deal with the response and that they therefore continue to write over and over again - same questions, same responses, same anger, same sarcasm.
Mr Herbert Elish
Executive Director
Municipal Assistance Corp.
New York, N.Y. 10044

Dear Sir;

I was amazed to read in today's New York Times Mr Rhatyn saying: "The Moody's action had a devastating impact on noteholders, leaving them totally confused."

As a private noteholder I would like to attest to the fact that our confusion was not caused by Moody's whose decision came to us as no surprise. We are rather confused by the awful helplessness we are subjected to due to the cynical and indifferent attitude shown toward us since the onaction of the Moratorium.

Enclosed is the copy of my letter I wrote recently to Mr Rhatyn, whom I do admire very much. Please pay attention and read it. It will be appreciated.

Thank you,

/Dov Rapaport/
June 16, 1976

Mr. Felix G. Rohatyn, Chairman
Municipal Assistance Corporation
Two World Trade Center
New York, N.Y. 10047

Dear Mr. Rohatyn;

It is honestly difficult for me to comprehend how you people have the nerve to come to us, City note-holders, with the new exchange offer and unashamedly tell us in your accompanying Prospectus that "The Corporation (M.A.C.) has no taxing power. The 1976 Bonds do not constitute an enforceable obligation, or a debt, of either the State or the City and neither the State nor the City shall be liable thereon. Neither the faith and credit nor the taxing power of the State or the City is pledged to the payment of principal or of interest on the 1976 Bonds".

Why then should one surrender his City notes in which we read just the opposite. In our City notes there is the following sentence: "and that for the punctual payment of the principal and interest of this Revenue Anticipation Note, as the same become due and payable, the faith and credit of the City are hereby irrevocably pledged".

You cannot expect us to give up this "irrevocable pledge" for an empty piece of paper. If it will not happen in my lifetime, let my children and grand-children carry on and wave this document at the gates of this great City of ours demanding the honoring of a written pledge.

Believe me, Mr. Chairman, this time too, I'm writing to you with a heavy heart. On the one hand, I watch with admiration your selfless devotion to the plight of our City. On the other hand, there is a much felt cynicism in dealing with those who put their trust in the City by investing their life-savings in City notes. Because, you should have realized right then at the "marvelous beginning" when Judge Simon Rifkind brought up the idea of a "debt-moratorium" with his delicate reasoning that a moratorium would not be the same as default, you should have remembered then that not all the note-holders are dining at the Oak Room in the Plaza Hotel, owning a hotel in Las Vegas and holding $450,000 in New York City notes, like the man who came over to your table with his suggestion to set up a new and extended schedule. You should have beared in mind at that moment that there are thousands of individual note holders; elderly people on whom to force "extensions" is inhuman and ridiculous; there are individuals with a tragic burden of a grave illness, like my wheelchair-ridden wife, to whom "moratorium" means a touch of brutality.
Mr. Rohatyn - Page Two

You, Mr. Chairman, at that time, when you were working hard on your monumental structure to put together the billions to save the City which came successfully through by your genius in bringing together powerful elements, at the mention of the "moratorium", you, the man of compassion who once ran from Hitler, was supposed to detect the human tragedies involved.

Judge Simon H. Rifkind, chief-counselor to M.A.C., may argue day-after-day that the contract has not been broken and that the moratorium is not a default. It is not necessarily Mr. Rifkind's legal trickery that counts, what is important in the long run, is to know how people involved feel about it. And they feel they were cheated out of their money, by bankers and brokers, and to them the difference between the moratorium and default is very slim.

Today, the main concern for every investor is the Moratorium Act. If the State can change the terms of New York City notes, presumably it can change the terms of other notes and bonds issued within the State. Great legal experts have differed from Mr. Rifkind's conception. Mr. Vern Countryman, a Harvard Law professor stated categorically that "there is a default if the City doesn't meet its obligations when they come due". In addition to this, Mr. Brenton W. Harrles, president of Standard & Poor's Corporation, told a joint House-Senate economic subcommittee that because of the moratorium legislation the City's chances of re-entering the capital bond market are bleak. Mr. Harrles added that only a certain percentage of the private note holders elected to make the exchange. He asked "what about those note holders who are out there hanging in the wind? There is no provision in the three-year moratorium plan for their notes to be repaid". In conclusion he said: "I submit to this committee that this legislation must not continue on the books".

On March 3, 1976, The New York Times carried a statement attributed to you, Mr. Rohatyn, made on the occasion that you revealed that. M.A.C. was considering a second exchange. You said that any holder of these City notes "would have to have a very long life expectancy if he is to get his notes redeemed". With all due respect, does your statement not illustrate the cynicism surrounding the treatment of these private note holders? And isn't your statement contradicting the assurance expressed by your office in a letter to me, dated December 11, 1975, where it is said: "Obviously, we at M.A.C. and Mr. Rohatyn as its Chairman of the Board, would not participate in the issuance of the bonds if we did not believe that payment of principal could be made after the three year moratorium".

Recently there was an outcry when it was reported in the press that M.A.C. is studying ways to help finance the planned Convention-Center and that M.A.C. "seem to focus on the possibility of restructuring the terms of existing M.A.C. obligations for longer durations". The critic calmed down when it was announced that no private bond holder of M.A.C. has been involved in this and that the restructuring plan was restricted to certain banks, pension funds
and sinking funds. According to Mr. Rifkind the M.A.C. bonds held by the public are not changed and M.A.C. does not propose to request any change.

A very basic question arises in connection with this. Why was this same distinction not applied when the original Moratorium Act was negotiated? The deep feeling of bitterness that prevails among the private noteholders could have been avoided. There are too many personal tragedies involved here. Everybody was called in and consulted, the bankers, the unions, but not us. We were and still are the forgotten element in this process. Ordinary, average people politically to weak. We were an easy prey. It was a disgrace, indeed, that people at the top took advantage of us.

We live with our tragedy. My wife's condition remains the same: severely brain damaged and paralyzed, and her money is tied down in city notes thanks to an arbitrary and inhuman act called Moratorium.

I trust in God and I pray that this outrageous injustice called Moratorium Act will be wiped off the books. I know it will happen because no man with a conscience can live long with this act of violence.

Thank you,

Sincerely,

/(Rabbi Dov Rapaport/)
November 17, 1975

The Hon. Felix G. Rohatyn, Chairman
Municipal Assistance Corporation
Executive Office of the Governor of
the State of New York
55th Street and Sixth Avenue
New York, N. Y.

Dear Sir:

The profound announcement by your Chief Counsel, Mr. Rifkind that the City is not in default or guilty of "any kind of breach of contract" when it does not meet its obligations when due (and I assume this applies to renewals of the moratorium), poses some interesting possibilities.

Could it be that the adoption by the City of the Watergate lexicon ("At this point in time" the full faith and credit of the City is 'inoperative'"), will give rise to an immediate pardon from Washington?

On a more immediate note, can you now tell Mr. Rifkind that you are imposing a three-year moratorium on the payment of his legal fees and still feel secure in the knowledge that you are not in default of any contractual obligation to him? He can hardly be heard to complain, at least no more than the many thousands of small noteholders who are brash enough to believe that, in principle, the obligations owing to them are no less sacred than those owing to employees, consultants, utilities, vendors, etc., but not fortunate enough to be able to say "no ticket no laundry".

And now (surprisingly) that a respected, perceptive and innovative investment banker like you has apparently succumbed to the Alice in Wonderland language of the politicians and no longer calls a spade a spade, or a default a default, there should be no limit to the semantic remedial actions which can be taken to cure the financial woes of the City. Moreover, you need no longer have any qualms about this City (or any other) having access to the credit market in light of the newly established principle that all notes, whether or not paid when due, will be "default-free" and hence, in no danger of "likely to default" ratings by the credit agencies. As a holder of the City's notes (and bonds), I feel much comforted by this prospect.

Sincerely,

Sol Pottish

SP:ac
cc: Editor of "The New York Times"