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MAY 24 1995

DMD

CAPITAL CITIES/ABC, INC.

77 WEST 66TH STREET • NEW YORK, NEW YORK 10023-6298

ALAN N. BRAVERMAN
VICE PRESIDENT AND GENERAL COUNSEL

456-7896
AREA CODE 212

May 23, 1995

Daniel W. Donahue
Senior Vice President and
Deputy General Counsel - Litigation
R.J. Reynolds Tobacco Company
Winston-Salem, NC 27102

Dear Dan:

I attach a copy of the fully executed standstill agreement. You have asked me to note two points in this cover letter:

1. We have agreed that under paragraph 1 of the Agreement either party will be free to exhaust its available appellate options with regard to the remand motion.
2. You have my assurance that ABC does not intend to conduct discovery against RJR in the Philip Morris lawsuit, other than discovery (some of which has already been initiated) that is related to our defense to the claims made by Philip Morris in that action.

Very truly yours,



ANB:mcn

Enclosure

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