



BANYAN CAPITAL MANAGEMENT

November 3, 1995

Dear Client:

I am pleased to inform you of a couple of policy changes we will be putting in place January 1, 1996, and which will affect you very positively.

Assets under management have continued to grow since I started Banyan Capital Management in 1987. Beginning with \$1 million in assets, we have nearly tripled our number of clients and now have over \$15 million in assets under management.

Because of our desire to better serve all of our clients, we've decided to limit the number and size of new clients we accept. To accomplish that, we will be establishing a \$500,000 minimum on new accounts. As an existing client, this will not affect you, and you may add additional capital as you wish. Should you be aware of any friends or acquaintances, however, who may have been considering Banyan as their investment counsel, you may want to let them know about this change. We are willing to take new clients under the current \$250,000 minimum, **but up through year-end only**.

Concurrent with this change, we are also changing the fee schedule on equity/balanced accounts. **This will be to the benefit of all clients being billed under that schedule.** The new fee schedule will be simpler, and is shown below along with the old schedule:

New Equity/Balanced Schedule

1.00% First \$1 Million
.75% Above \$1 Million
.75% Next \$1 Million
.50% Above \$2 Million

Old Equity/Balanced Schedule

1.25% First \$250,000
1.00% Next \$750,000

The mutual fund and fixed-income fee schedules will not change.

I am delighted to be able to reduce the fee charged for management of equity/balanced accounts, which includes 87% of the total assets under our care.

Thank you very much for your past loyalty. I trust we will continue to prosper together.

Sincerely,

Gary L. Watkins
President