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JAMES MATTHEWS  
EXECUTIVE SECRETARY

ARIZONA CORPORATION COMMISSION

SECURITIES DIVISION  
(602) 542-4242

September 7, 1990

Steven L. Wasserman, Esq.  
Spengler, Carlson, Gubar, Brodsky & Frischling  
520 Madison Avenue  
New York, New York 10022

RE: First Capital Holdings Corp.

Dear Mr. Wasserman:

On the basis of the facts set forth in your letter of August 14, 1990, and in reliance upon your opinion as counsel, the Securities Division will not recommend enforcement action for violation of the Securities Act of Arizona should the transaction take place as set forth in your letter.

As this position is premised upon the facts set forth in your letter, it should not be relied on for any other set of facts or by any other person. Please also note that this position applies only to the registration requirements of the Act; the anti-fraud provisions of the Act continue to be applicable.

We have attached a photocopy of your letter. By doing this we are able to avoid having to recite or summarize the facts set forth therein.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Dee Ridell Harris".

DEE RIDDELL HARRIS  
Director of Securities

DRH:KR:wjw

Attachment

SPENGLER CARLSON GUBAR BRODSKY & FRISCHLING

520 MADISON AVENUE, NEW YORK, N. Y. 10022

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FREDRIC L. ALTSCHULER  
EDWARD BRODSKY  
ROBERT S. CARLSON  
JEFFREY B. COBB  
EDMOND M. COLLIER  
JAMES R. DEVITA  
WALTER M. EPSTEIN  
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GREGORY KATZ  
TALBERT I. NAVIA  
SUSAN J. PENRY-WILLIAMS  
BRUCE A. RICH  
AUDREY A. ROHAN  
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CABLE "ROCKSCOURT"  
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TELEX 12-7596  
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TELECOPIER  
(212) 935-8084  
(212) 935-8085

August 14, 1990

FEDERAL EXPRESS

Lynn Naefach, Esq.  
Corporation Commission  
Securities Division  
1200 West Washington Street  
Phoenix, Arizona 85007

Re: First Capital Holdings Corp.  
Request for "no-action"  
Request for expedited review

Dear Ms. Naefach:

On behalf of First Capital Holdings Corp. ("First Capital"), a corporation formed under the laws of the State of Nevada, and in connection with First Capital's distribution of Warrants (the "Warrants") to purchase its New York Stock Exchange listed Common Stock (the "Common Stock") pursuant to the terms and conditions of the judicially approved settlement (the "Settlement") of the securities class action entitled Granat v. First Capital Holdings Corp. Case No. 87-08291 RB (JRX), United States District Court, Central District of California, we respectfully request that the Corporation Commission (the "Commission") take "no action" with respect to First Capital's reliance upon §44-1844(2) of the Securities Act of Arizona (the "Act") in connection therewith.

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Lynn Naefach, Esq.  
August 14, 1990  
Page Two

In furtherance of our request, we submit the following:

1. The Common Stock and the Warrants are both exempt securities under §44-1843(7) of the Act inasmuch as the Common Stock is fully-listed on the New York Stock Exchange;

2. The Common Stock will be registered with the Securities and Exchange Commission (a copy of the Registration Statement on Form S-3 is enclosed herewith);

3. In issuing an interpretive response to a request for "no-action" involving a distribution of warrants in settlement of a very similar class action, Douglas Mays, the Kansas Securities Commissioner noted that unlike the Securities Act of 1933 [but like Arizona law], Kansas law does not provide a transactional exemption for securities issued under a court approved settlement, but Kansas does have an exemption for securities transactions by certain persons who are under direct court supervision, K.S.A. §17-1262(e) [which closely follows the language and, presumptively, the intent of the transactional exemption at §44-1844(2) of the Act]. Mr. Mays stated, "While not directly applicable to the [subject] situation, this provision does show recognition in this state of the value of having a court oversee and evaluate securities transactions." Mr. Mays stated further that the court approved settlement "is very similar to the transaction covered under this exemption." and confirmed that he would not take enforcement action (see Sec. Reg. & L. Rep. (BNA), No. 31, p. 1141 (copy enclosed)); and

4. At this time it is not possible to determine the exact number of Arizona residents involved (the final determination can only be made on August 17, 1990), however, as of August 7, 1990, there were only 8 Arizona residents of the 1,275 claimants (nationwide) who filed the requisite proof of claim forms.

Based upon the foregoing, we respectfully request that the Commission take "no-action" with respect to First Capital's distribution of the Warrants in accordance with the terms and conditions of the Settlement in reliance upon the exemptive provisions of §44-1844(2) of the Act. First Capital is aware that in the event this request is granted, the "anti-fraud" provisions of the Act will remain in full force and effect.

Lynn Naefach, Esq.  
August 14, 1990  
Page Three

It is our view that the grant of this request will expedite the execution of the terms of the Settlement which are designed to preserve and protect the interests of all claimants.


Please note that provided our request receives favorable treatment, it is intended that the filing requisite for the perfection of the exemption at R14-4-101 will be made promptly in connection with the sale of the Common Stock underlying the Warrants.

Inasmuch as the Registration Statement relating to the Common Stock was filed with the SEC on August 8, 1990, and no or minimal review is expected, we anticipate the Registration Statement to be declared effective almost immediately. We therefore respectfully request an expedited review of this filing; and, with regard thereto, should you have any question or require additional information, please telephone, collect, the undersigned at (212) 935-5000.

Please find enclosed herewith a check in the amount of \$250 in payment of the requisite fee.

Kindly acknowledge receipt hereof by appropriately endorsing and returning the enclosed copy of this letter in the self-addressed envelope provided for such purpose.

Very truly yours,

  
Michael V. Bonacorsa  
Senior Legal Assistant

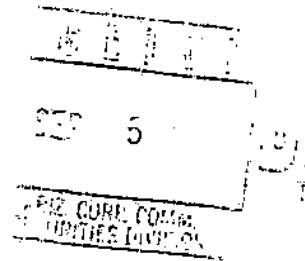
cc: Steven L. Wasserman, Esq.

5454b/18-20

*Res'd - 8/15/90  
WILL BE RETURNED  
W/EN. FOR  
\$250  
CP  
8/15/90*

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September 5, 1990

VIA FAX  
ORIGINAL VIA FEDERAL EXPRESS

Katrina Rogers, Esq.  
Corporation Commission  
Securities Division  
1200 West Washington Street  
Phoenix, Arizona 85007

Re: First Capital Holdings Corp.  
Request for "no-action"  
Request for expedited review

Dear Ms. Rogers:

On behalf of First Capital Holdings Corp. ("First Capital"), a corporation formed under the laws of the State of Nevada, and in connection with First Capital's distribution of Warrants (the "Warrants") to purchase its New York Stock Exchange listed Common Stock (the "Common Stock") pursuant to the terms and conditions of the judicially approved settlement (the "Settlement") of the securities class action entitled Granat v. First Capital Holdings Corp. Case No. 87-08291 RB (JRJ), United States District Court, Central District of California, we respectfully request that the Corporation Commission (the "Commission") take "no action" with respect to First Capital's reliance upon §44-1844(2) of the Securities Act of Arizona (the "Act") in connection therewith.

Katrina Rogers, Esq.  
September 5, 1990  
Page Two

In furtherance of our request, we submit the following:

1. The Common Stock and the Warrants are both exempt securities under §44-1843(7) of the Act inasmuch as the Common Stock is fully-listed on the New York Stock Exchange;
2. The Common Stock will be registered with the Securities and Exchange Commission (a copy of the Registration Statement on Form S-3 is enclosed herewith);
3. In issuing an interpretive response to a request for "no-action" involving a distribution of warrants in settlement of a very similar class action, Douglas Mays, the Kansas Securities Commissioner noted that unlike the Securities Act of 1933 [but like Arizona law], Kansas law does not provide a transactional exemption for securities issued under a court approved settlement, but Kansas does have an exemption for securities transactions by certain persons who are under direct court supervision, K.S.A. §17-1262(e) [which closely follows the language and, presumptively, the intent of the transactional exemption at §44-1844(2) of the Act]. Mr. Mays stated, "While not directly applicable to the [subject] situation, this provision does show recognition in this state of the value of having a court oversee and evaluate securities transactions." Mr. Mays stated further that the court approved settlement "is very similar to the transaction covered under this exemption." and confirmed that he would not take enforcement action (see Sec. Reg. & L. Rep. (BNA), No. 31, p. 1141 (copy previously filed with your office)); and
4. At this time it is not possible to determine the exact number of Arizona residents involved, however, as of August 7, 1990, there were only 8 Arizona residents of the 1,275 claimants (nationwide) who filed the requisite proof of claim forms; the last day for filing such forms being August 17, 1990.

It is our opinion that the subject transaction, while not contemplated under Arizona securities law, should be granted exempt status based upon the facts as presented above.

Based upon the foregoing, we respectfully request that the Commission take "no-action" with respect to First Capital's distribution of the Warrants in accordance with the terms and conditions of the Settlement in reliance upon the exemptive provisions of §44-1844(2) of the Act. First Capital is aware that in the event this request is granted, the "anti-fraud" provisions of the Act will remain in full force and effect.

Katrina Rogers, Esq.  
September 5, 1990  
Page Three

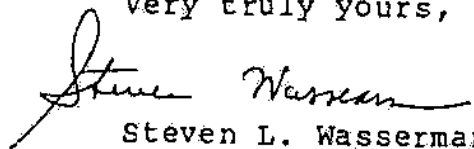
It is our view that the grant of this request will expedite the execution of the terms of the Settlement which are designed to preserve and protect the interests of all claimants.

Please note that provided our request receives favorable treatment, it is intended that the filing requisite for the perfection of the exemption at R14-4-101 will be made promptly in connection with the sale of the Common Stock underlying the Warrants.

Please note that the requisite fee was filed with your office under the cover of our letter of August 14, 1990.

Kindly acknowledge receipt hereof by appropriately endorsing and returning the enclosed copy of this letter in the self-addressed envelope provided for such purpose.

Very truly yours,

  
Steven L. Wasserman

cc: Michael V. Bonacorsa, Senior Legal Assistant

5454b/18-20