

MEMORANDUM

TO: REF REVIEW ATTORNEYS AND LEGAL ASSISTANTS

FROM: NANCY KRAMER  
MARY SABATINI DiSTEPHAN *MSD*

RE: Sponsor Disclosure Concerning No- buy Pledges

DATE: 7/23/85

Sponsors have been attempting to include language in red herrings, black books and amendments cautioning tenants about the advisability of entering into no-buy pledge agreements. In many instances these "disclosures" give inaccurate advice about the enforceability of such pledges.

It is our policy not to allow any such explanations of no-buy pledges or their consequences in sponsor's filings. They are self-serving statements which often do not constitute the full and fair disclosure required by § 352-e of the General Business Law.

NK:ac