

PAGE 476
001 903/002
CRL/FOCUS: PUTRPT
CREDIT SERVICES, MA B0 S32CRS

RUN DATE: 08/30/91

DIVISION: CONTROLLED LOAN
NBHE-BOSTON
PUT REPORT: OBLIGOR STATUS AS OF 4/30/91

OBLIGOR INFORMATION

OBLIGOR NAME: BAIN & CO IINC-DISS
OFFICER: J PATRICK ONEILL (CPO)
RISK RATING: 9
EXPOSURE: 40,643,236
OBLIGOR NUMBER: 1097-9565
COST CENTER: 61853

LOAN AND COMMITMENT INFORMATION

CMT #	CMT R/R	CHT AMOUNT	UNUSED AMOUNT	EXP DATE	OBLIG #	OBLIG R/R	MAT DATE	CUST PRIN	BANK PRIN	PARTY BALANCE
0		0	0		100214	9		13,000,000	13,000,000	0
					100230	9	08/31/90	14,265,500	14,265,500	0
					100248		02/26/91	0	-3,202,868	3,202,868
					100255		02/26/91	3,202,868	3,202,868	0

014 896

4609 17

PAGE 476

001 003/002
CML/FOCUS: PUTRPT
CREDIT SERVICES, MA 00 532CRS

DIVISION: CONTROLLED LOAN

MBNE-BOSTON

PUT REPORT: OBLIGOR STATUS AS OF 4/30/91

966

OBLIGOR INFORMATION

OBLIGOR NAME: BAIN & CO INC-DISS

OFFICER: J PATRICK ONEILL (CFO)

OBLIGOR NUMBER: 1097-9565

RISK RATING: 9

EXPOSURE: 40,685,236

COST CENTER: 61853

LOAN AND COMMITMENT INFORMATION

CMT #	CMT R/R	CMT AMOUNT	UNUSED AMOUNT	EXP DATE	OBLGN \$	OBLGN R/R	MAT DATE	CUST PRIN	BANK PRIN	PARTI BALANCE
0		0	0		100214	9		13,000,000	13,000,000	0
					20230	9	08/31/90	14,285,500	14,285,500	0
					00238		02/26/91	0	3,202,868	3,202,868
					100235		02/26/91	3,202,868	3,202,868	0

409 17

100-101-01
OCT 10 1967

0114297

4309 17

PAGE 477

001 003/002
CXL/FOCUS PUTRPT
CREDIT SERVICES, HA BO 532CRS

DIVISION: CONTROLLED LOAN

00
00
00
OBLIGOR NAME: BATH & CO INC-DISB
RISK RATING: 9

RMNE-BOSTON

PUT REPORT: OBLIGOR STATUS AS OF 4/30/91

RUN DATE: 08/30/91

[O B L I G O R I N F O R M A T I O N]

OFFICER: J PATRICK ONEILL (CP90)
EXPOSURE: 40,643,236

OBLIGOR NUMBER: 1097-9565

COST CENTER: 61853

[L O A N A N D C O M M I T M E N T I N F O R M A T I O N]

CMT # 18
R/R
CMT AMOUNT 0
UNUSED AMOUNT 0

EXP DATE OBLGN # OBLGN R/R MAT DATE

100131 9 08/31/90
100156 9 0

BANK PRIN

-13,000,000
-14,452,000

PARTI BALANCE

13,000,000
14,452,000

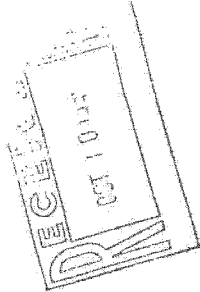
CUST PRIN

0
0

-166,500

30,656,368

T O T A L S 30,488,368
OFFICER COMMENTS: (INDICATE THE NATURE AND DATE OF ANY PERMITTED AND/OR NON-PERMITTED AMENDMENTS)



0114899

4-00 17

4309 17

0114895

RECOLL Management Corporation
 STRATEGY AND STATUS REPORT
 As of Date: 9-30-91

Date Prepared: 10-4-91

(1) OBLIGOR DATA

Obligor Name: Bain & Co., Inc. Obligor No. 1097-9565 RECOLL Officer Christopher M. Sotir
 Officer Code: CNS
 Telephone: 573-2432

City and State: Boston, MA

Credit Type: Project Finance
 Communications
 C&I
 Asset Based
 Real Estate
 Land Hotel
 Single Family Retail
 Multi Family Industrial
 Office Other

Obligor Line of Business: Management Consulting SIC Code: 8742

RECOLL Legal Counsel: Robert Gargill, Esq. - Choate, Hall & Stewart 617-227-5020 Obligor Principals: Colin F. Anderson, President
William W. Bain, Jr.

(2) DETAILED OBLIGATION DATA (\$000's)

Obligation #	Legal Commitment Balance	Unfunded Balance Available	Legal Principal Balance	Total Charge-offs (Net of Recoveries)	Net Book Principal Balance	Interest and Fees Due Not Paid
100263	10,385	0	10,385	10,385	0	136
100289	14,281	0	14,281	10,115	3,820	187
100305	5,929	0	5,929	0	5,929	0
TOTALS		0	30,595	20,500	9,749	323

Obligation #	Legally Recoverable Expenses	Interest Rate	Days Past Due	Maturity Date	Loan Put Date
100263	0	5%	0	3-31-99	7-12-91
100289	0	5%	0	3-31-99	7-12-91
100305	0	0%	0	3-31-99	7-12-91
TOTAL	0				

(3) RELATED DEBT HELD BY RECOLL

Obligor Name	Obligor #	Obligation #	Legal Principal Balance	Total Legal Claim (P + I + E)
None				
OBLIGOR TOTALS				

Total Relationship Aggregate Legal Balance - 30,595

(4) PARTICIPATIONS

OBLIGATION NO. 100263

(b)(4)

BANK NAME

 RECOLL/FDIC

Commitment

 10,385

Net Book
 Principal
 Balance

NA
 NA
 NA
 0

As of Date %
 Share

28%

(b)(4)

(b)(4)

(b)(4)

TOTALS

NA

100%

Brief Description of Voting Rights:

Voting rights are complex and require different levels of consensus amongst the participants depending upon the issue at hand. In general, a 51% vote of the participants is required to modify or alter the agreement.

Does RECOLL have its own note? YES

Is there a Participation Agreement? YES

OBLIGATION NO. 100289

BANK NAME	Commitment	Net Book Principal Balance	As of Date % Share
(b)(4)	(b)(4)	NA	(b)(4)
RECOLL/FDIC	14,281	3,820	34%
TOTALS	(b)(4)	NA	100%

Brief Description of Voting Rights:

Voting rights are complex and require different levels of consensus amongst the participants depending upon the issue at hand. In general, a 51% vote of the participants is required to modify or alter the agreement.

Does RECOLL have its own note? YES Is there a Participation Agreement? YES

OBLIGATION NO. 100305

BANK NAME	AGENT	Commitment	Net Book Principal Balance	As of Date % Share
(b)(4)		(b)(4)	NA	(b)(4)
RECOLL/FDIC		5,929	5,929	33%
(b)(4)		(b)(4)	NA	(b)(4)
TOTALS		(b)(4)	NA	100%

Brief Description of Voting Rights:

Voting rights are complex and require different levels of consensus amongst the participants depending upon the issue at hand. In general, a 51% vote of the participants is required to modify or alter the agreement.

Does RECOLL have its own note? YES Is there a Participation Agreement? YES

(6) GUARANTOR ANALYSIS

<u>NAME</u>	<u>Statement Date</u>	<u>Relationship</u>	<u>Assets (List)</u>	<u>Liabilities (List)</u>	<u>Net Worth</u>	<u>Adjusted Value</u>
-------------	-----------------------	---------------------	----------------------	---------------------------	------------------	-----------------------

Various Bain & Co., Inc.
Subsidiaries

INCLUDED IN CONSOLIDATED STATEMENTS, NO INDIVIDUAL BREAK OUT IS CURRENTLY AVAILABLE.

TOTALS:

Substantiation for adjusted value:

Various Bain & Co., Inc. subsidiaries guaranty Bain & Co., Inc.'s Tranche A and Tranche B debt, a portion of which comprises RECOLL's notes #100263 and 100289. Those guaranties are secured by certain assets of the subsidiaries. They cannot be quantified for collateral support at this time. These assets are assumed to have nominal value.

Collectibility from the guarantor:

Date New Statement Requested:

(7) COLLATERAL ANALYSIS (In 000's)

Obligation #	Collateral Type	Lien Position	Value Basis	Gross Value	Discounted Value	Adjusted Value	Prior Lien Amount	Taxes Due	Total Legal Principal Balance	RECOLL Legal Principal Balance
263, 289	Accts. Rec.-Domestic	2	co. records	8,846	7,077	7,077	47,238	0	SEE	COLLATERAL
AND 305	Accts. Rec. Foreign	1	co. records	6,165	4,624	4,624	0	0	DESCRIPTION	BELOW
	Equipment	1	co. records	11,030	6,618	6,287	0	0	100,610	30,595

Cross-Collateralization among all obligations:

263, 289 & 305

Appraisals:

Collateral Type (from above) Appraiser Name Date Date New Appraisal Ordered

Not applicable.

Environmental audit (if applicable):

Firm name Date Date Ordered

Not applicable.

Collateral Description (include basis for discounted value):

RECOLL notes 263, 289 and 305 are secured by a 2nd lien on domestic A/R behind [redacted] in prior debt owed to [redacted]. This second lien on domestic A/R also secures all non-RECOLL Tranche A,B,C & D debt and the participating lenders have agreed to share proportionately in this (b)(4) collateral. The Tranche A,B,C & D debt totals [redacted] including [redacted] owed to [redacted] secured by a 1st lien on domestic A/R and the (b)(4) \$30,595M owed to RECOLL. No collateral support accrues to RECOLL because the [redacted] in prior debt exceeds the amount of domestic A/R.

RECOLL notes 263, 289 and 305 are secured by a 1st lien on foreign accounts receivable [as are the other Tranche A,B,C & D obligations of the Borrower]. RECOLL's prorata share of these A/R was approximately \$1.3MM as of 3/31/91 and \$1.8MM as of 7/31/91.

RECOLL notes 263, 289 and 305 are secured by a first lien on Bain's fixed assets. This security interest is shared prorata with the other Tranche A,B,C & D creditors. RECOLL's share totals approx. \$3.3MM based upon the fixed asset book value as reported by Bain & Co. at 3/31/91.

(b)(4)

(b)(4)

(b)(4)

(b)(4)

(8) STRATEGY/ACTION PLAN

1. Background: (to include type of business; original loan amount and purpose; definition of the business problem; definition of the collection problem)

Bain & Co., Inc., management consultants, began a relationship with BAE in December

After a break-even FY90, the company reported a

(b)(4)

(b)(4)

The restructure agreement created 4 categories (or Tranches) of debt labelled A,B,C & D. The Tranches vary in their repayment terms, but generally require interest payments only into 1993 [initially at below market, but at escalating rates over time] and then interest and principal payments thereafter. Tranche D debt does not require any interest payments [absent a default] and may be forgiven if certain performance targets are met by Bain. Principal reductions on RECOLL's debt begins in 1995 and maturities for the various Tranches of debt range between 1997 and 2001. RECOLL's notes #263, 289 and 305 reflect Tranche A,B, & D debt respectively. RECOLL has no Tranche C debt owed to it.

The subject restructure recognized RECOLL's substantially unsecured position prior to restructure, the absence of material unencumbered Bain assets with which to become secured and the resulting reality that RECOLL can be repaid its debt only thru Bain earnings over time, and then only if Bain is able to reverse its recent severe losses.

2. Strategy/How are we going to collect the loan?: Thru cash flow generated by Bain & Co., Inc. earnings during the term of the restructure (thru 2001).

Collection strategy incorporates: Cash Flow Refinancing Restructure Asset Liquidation
 Guarantor Sale of Company Other

Do the Following Apply: Litigation Yes No
Debt Forgiveness Yes No
Sale of Asset by RECOLL Yes No

3. Action Plan (must have target dates)

Monitor Bain & Co., Inc. compliance with June 10, 1991 restructure loan agreement. RECOLL has no alternate course of action absent a default by Bain. The account officer will follow for required payments and covenant compliance.

4. ECR Justification:

Estimated cash flows are consistent with the renegotiated loan terms as set forth in the June 10, 1991 restructure loan agreement. The ECR for obligation 313 shows no cash inflow because that debt is to be forgiven if Bain meets certain performance criteria. It does not bear interest absent a default. The projected cash flows exceed net book principal because Bain may be able to accomplish significant repayment over time in excess of RECOLL's carrying value [consistent with the negotiated agreement] if earnings recover.

5. Significant Events (events since the last report which have occurred towards realization of the action plan or which have altered the action plan and materially affected collection)

RECOLL has received its first two quarterly interest payments required by the June 10, 1991 restructure loan agreement (\$312K on 6/28/91 and \$316K on 10/2/91). No defaults currently exist in relation to these loans.

6. Current Status (State clearly the current stage of the collection process/action plan. Is the relationship adversarial or consensual?)

Next quarterly meeting of Bain & Co., Inc. with its creditors is scheduled for October 9, 1991. Bain is performing up to expectations.

Documentation:

Describe deficiencies None.
Describe specific defaults None.

Date of Letter

NOT APPLICABLE

Notification: Default
Formal Demand

(9) APPROVALS:

(b)(6)	<u>[Redacted]</u>	District Manager	Division Credit Officer	Division Manager
Signature:	<u>[Redacted]</u>	<u>[Redacted]</u>	<u>[Redacted]</u>	<u>[Redacted]</u>
Printed Name:	<u>CHRISTOPHER N. SOTER</u>	<u>KEITH A. HANST</u>	<u>DONALD J. SHEEHAN</u>	
Phone number:	<u>573-2432</u>	<u>573-2301</u>	<u>573-2451</u>	
Mail code:	<u>MAB0538CLO</u>	<u>MAB0538CLO</u>	<u>MAB0538CLO</u>	
Date:	<u>10-29-91</u>	<u>10/30/91</u>	<u>10/30/91</u>	

2. Strategy/How are we going to collect the loan?: Thru cash flow generated by Bain & Co., Inc. earnings during the term of the restructure (thru 2001).

Collection strategy incorporates: Cash Flow Refinancing Restructure Asset Liquidation
 Guarantor Sale of Company Other

Do the Following Apply: Litigation Yes No
Debt Forgiveness Yes No
Sale of Asset by RECOLL Yes No

3. Action Plan (must have target dates)

Monitor Bain & Co., Inc. compliance with June 10, 1991 restructure loan agreement. RECOLL has no alternate course of action absent a default by Bain. The account officer will follow for required payments and covenant compliance.

4. ECR Justification:

Estimated cash flows are consistent with the renegotiated loan terms as set forth in the June 10, 1991 restructure loan agreement. The ECR for obligation 313 shows no cash inflow because that debt is to be forgiven if Bain meets certain performance criteria. It does not bear interest absent a default.

5. Significant Events (events since the last report which have occurred towards realization of the action plan or which have altered the action plan and materially affected collection)

RECOLL has received its first two quarterly interest payments required by the June 10, 1991 restructure loan agreement (\$312K on 6/28/91 and \$316K on 10/2/91). No defaults currently exist in relation to these loans.

6. Current Status (State clearly the current stage of the collection process/action plan. Is the relationship adversarial or consensual?)

Next quarterly meeting of Bain & Co., Inc. with its creditors is scheduled for October 9, 1991. Bain is performing up to expectations.

Documentation:

Describe deficiencies None.

Describe specific defaults None.

Date of Letter

NOT APPLICABLE

Notification: Default
Formal Demand

(b)(6)

(9) APPROVALS:

District Manager

Division Manager

Signature:

Printed Name: <u>CHRISTOPHER W. SMITH</u>	<u>KEITH A. GUNZ</u>	<u>DAVID J. SHERMAN</u>		
Phone number: <u>578-2432</u>	<u>573-2301</u>	<u>573-2457</u>		
Mail code: <u>MA B0538C10</u>	<u>MA B0538C10</u>	<u>MA B0538C10</u>		
Date: <u>10/10/91</u>	<u>10/10/91</u>	<u>10/10/91</u>		

RECOLL MANAGEMENT CORPORATION

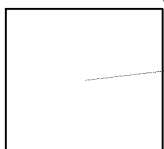
MEMORANDUM

TO: Karen Gerrish

FROM: Patrick O'Neill

RE: Bain & Company, Inc. (#1097-9565)

DATE: 11/21/91



(b)(6)

file (non file)

0114000

We recently closed on a restructure of the Bain relationship which involved setting up three new obligations under the above account number. However, when these obligations were set up, they inadvertently were rounded up to whole dollar amounts as follows:

<u>Obligation #</u>	<u>Amount</u>
100263	\$10,385,000.00
100289	\$14,341,000.00
100305	\$ 5,928,868.10

These obligations should be adjusted and set up as follows:

<u>Obligation #</u>	<u>Amount</u>
100263	\$10,383,836.00
100289	\$14,339,597.00
100305	\$ 5,931,434.00

These adjustments should be made retro-active as of 3/21/91 to adjust for dual loan payments and any miscellaneous receivables that may exist. Attached are copies of these loan advices for reference.

Thank you.

cc: Chris Sotir

017

RA3599699

05.05.91 07:26

617 572 3266

BAIN & CO. TREAS

002 001

RECOLL MANAGEMENT CORPORATION

P.O. BOX 6302
BOSTON, MA 02212-6302

LOAN ADVICE

OBLIGOR: BAIN & COMPANY INC

07-21

OBLIGOR NO: 1097-9565

BAIN & COMPANY INC
DISBURSEMENTS ACCT
ATTN BARBARA SEALE
2 COPLEY PL-FIN DEPT 4TH FL
BOSTON MA 02116

THE FOLLOWING NEW LOAN WAS MADE.

NOTE NO	TYPE	RATE	OFF CAS	LOAN AREA	CONTROLLED LOAN	AS OF DT	FACE AMOUNT	DISCOUNT	DAILY ACCRUAL	MAT DATE	NO OF D.
100243	STR I 5	5.0000				03-31-91	10,385,000.00	.00	1,442.34111111	03-31-99	
							NET AMOUNT				
							10,385,000.00				
								COMMENT			

10,383,836

YOUR NEW LOAN HAS BEEN PROCESSED. WE ARE PLEASED TO BE OF SERVICE TO YOU.

0114901

4:00 17

RA3599700

05-06 W1 07:28

0017 373 3286

BAIN & CO. INC.

0003 004

RECOLL MANAGEMENT CORPORATION

P.O. BOX 6302

LOAN ADVICE

BOSTON, MA 02212-6302

07-29-91

OBLIGOR: BAIN & COMPANY INC

OBLIGOR NO: 1097-9565

BAIN & COMPANY INC
DISBURSEMENTS ACCT
ATTN BARBARA SEALE
2 COPLEY PL-FIN DEPT 4TH FL
BOSTON MA 02116

THE FOLLOWING NEW LOAN WAS MADE.

NOTE NO	TYPE	RATE	OFF	LOAN AREA	
100289	STR I S	5.0000	CAS	CONTROLLED LOAN	
AS OF DT	FACE AMOUNT	DISCOUNT	DAILY ACCRUAL	MAT DATE	NO OF DAYS
03-31-91	14,341,000.00	.00	1,991.80555556	03-31-99	
NET AMOUNT	COMMENT				
NEW LOAN 14,341,000.00					

14,339,597

YOUR NEW LOAN HAS BEEN PROCESSED. WE ARE PLEASED TO BE OF SERVICE TO YOU.

4309 17

RA3599701

US 05 91 07:29

0617 572 3266

BAIN & COMPANY

004.004

RECOLL MANAGEMENT CORPORATION

P.O. BOX 6302
BOSTON, MA 02212-6302

LOAN ADVICE

07-29-91

OBLIGOR: BAIN & COMPANY INC

OBLIGOR NO: 1097-9545

BAIN & COMPANY INC
DISBURSEMENTS ACCT
ATTN BARBARA SEALE
2 COPLEY PL-FIN DEPT 4TH FL
BOSTON MA 02116

THE FOLLOWING NEW LOAN WAS MADE.

NOTE NO	TYPE	RATE	OFF	LOAN AREA	
100305	STR 1.5	.0000	CAS	CONTROLLED LOAN	
AS OF DT	FACE AMOUNT	DISCOUNT	DAILY ACCRUAL	MAT DATE	NO OF DAYS
03-31-91	5,928,868.10	.00	.00000000	03-31-99	
NEW LOAN	NET AMOUNT	COMMENT			
	5,928,868.10				

5,931,434

YOUR NEW LOAN HAS BEEN PROCESSED. WE ARE PLEASED TO BE OF SERVICE TO YOU.

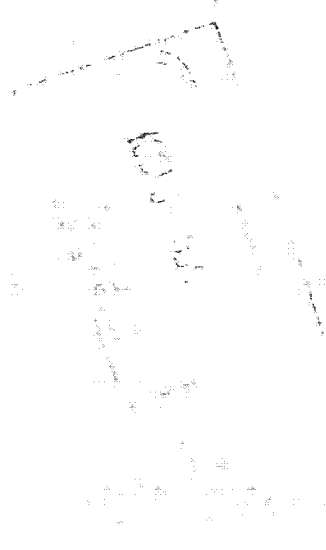
309 17

RA3599702

RA3599703

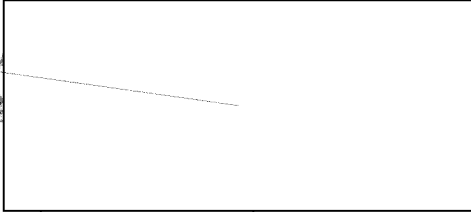
2009 17

0114904



F1 A/c

(b)(6) Pink Sheet



(b)(4),(b)(6)

Bain & Company
January 13, 1992

CN Sotir, AVP

(b)(4) (b) day I spoke with [redacted] in regards to Bain's inclusion on the list of assets that may be repurchased by [redacted]. I wanted to make sure that she has received all the necessary paperwork in that regard, namely the "soft seven" tracking sheets. She will review her records and call me if she needs more information. Bain might not be attractive to Fleet given our substantially unsecured position and Bain's unbalanced financial condition, but recent operating results are promising and [redacted] may want to take a close look at this asset.

(b)(4)

RA5057533

BAIN & CO.
OBLIGOR #0553264300

Brian Shelton
6/17/92

(b)(6) [Redacted]

(b)(4)
(b)(4) [Redacted]

The account officer met with Colin Anderson and Gary Wilkerson of Bain & Co. The purpose of the meeting was to ascertain the current status of the borrower and to talk about the companies previous offer to the bank group in March, 1992. Specifically, the account officer wanted to find out if Bain still had the capacity to pay the bank group [Redacted] in cash as part of discounted buy out of the [Redacted] currently owed to the bank group. The reason this issue is important is that RECOLL has gotten the bank group reinterested in looking at ways to deleverage the balance sheet of Bain either through a 100% participated buyout of the debt at a discount or through some derivation which would contemplate paying out RECOLL's debt to improve the leveraged state of the balance sheet and leaving the other banks in the deal. The bank group will be meeting the last week of June to discuss the situation.

The Bain representatives agreed to run projections and feasibility analysis to explore both scenarios and also agreed to consider what Bain's position would be with regard to either scenario.

(b)(4) [Redacted]

The Bain representatives went on to report that the company appears to be stabilizing its revenue running rate at approximately [Redacted] per month. The original running rate projected for successful compliance with the present debt structure was [Redacted] per month with a 5% annual increase each year thereafter until the year 2001. Based on this information it is clear that Bain will likely default on the required principal payments in 1993.

(b)(4)

(b)(4),(b)
(6) [Redacted]

[Redacted]

and RECOLL's difficult position (wholly unsecured), the account officer believes that furtherance of negotiations between the bank group and Bain to be critical if RECOLL is to recover anything more than nominal amounts of this debt.

Obligor Name Bain + CO.
Obligor # 0553264300
Obligation # _____
Section / Tab F-1
Officer / Ext 32050

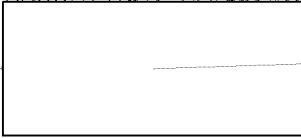
RA5057534

RECOLL MANAGEMENT CORPORATION

MEMORANDUM

TO: JIM PATRICK, COORDINATOR EASTER MASS. ASSET MARKETING. MABOS19RCL

FROM: JOSEPH F. CORFF, VICE PRESIDENT, MABOS40CLO



(b)(6)

DATE: JUNE 15, 1992

RE: PROPOSED SALE OF POOL ASSETS

(b)(4)

Hal Cohen:



Account handled by



(b)(4)

Karen Dumas:



Sell

(b)(4),(b)(6)



Do not sell due to relationship with three other obligors on which an approved settlement is being closed.

(b)(4)

Bain & Co:

Do not sell since these are only partial charge offs as clearly reflected on the trial balance besides RECOLL can not sell these notes without the consent of the lender group.

Brian Shelton:



Do not sell since there is no legal recourse on this loan under settlement agreement.

(b)(4)

JFC/kbc
M-Patrick

Obligor Name: Bain & Co.
Obligor #: 0553264300
Obligation #: _____
Section / Tab: E-1
Officer / Ext: 380560

BAIN & COMPANY, INC
0553264300

FILE COMMENT

05-13-92
K.E.DUMAS



On May 11, 1992, RECOLL received \$45,429.28 in deferred interest on Tranche A. This was for the time period 4/6/92 to 5/6/92. On 5/6/92 the interest rate was adjusted to 5.125% based on LIBOR rate of 4.125% plus 1.0% spread. This rate is in effect until 8/6/96.

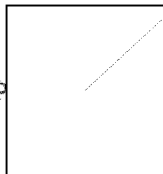
(b)(6)

Obligor Name Bain Company
Obligor # 0553264300
Obligation#
Section / Tab F-1
Officer / Ex* 320870

RA5057536

Memorandum

To: Keith A. Hunt, VP
From: Christopher N. Sotir, AVP
Re: Bain & Company, Inc.
Date: January 13, 1992



Obligor Na. Bain + Co
Obligor # 0553264300
Obligation # F-1
Section/Tab 3-2-86
Officer/Ext 3-2-86

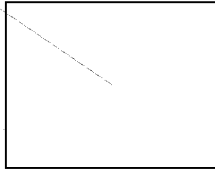
In follow up to my memorandum to you advising you that the FDIC as Receiver of NBNE is entitled to receive certain consulting services from Bain & Company pursuant to the Loan Agreement dated June 10, 1991, please make note of the following issues:

1. Paragraph (a) of section 3.11 sets forth the time periods during which Bain is required to provide services. The relevant time frames are Bain's fiscal years ended March 31, 1992, 1993 and 1994. As such we are presently 9+ months into the first such relevant 12 month period.
2. Paragraph (b) of section 3.11 sets forth the amount of services that Bain is required to provide during the relevant periods. It states that Bain is required to provide services in the amount of (b)(4) to the FDIC as Receiver of NBNE in each of the three applicable periods upon written request to Bain and the agent (b)(4)
3. Paragraph (b) also states that the FDIC as Receiver is required to pay Bain for all out-of-pocket expenses incurred in connection with the provision of such services and that Bain's obligation to provide such services is contingent upon their provision not materially impacting Bain's capacity to deliver services to other clients.
4. Paragraphs (c) and (d) of Section 3.11 state that the FDIC will be billed for all services rendered in accordance with Bain's customary billing practices and that, upon receipt of such payments by Bain, Bain will in turn pay to the FDIC all such cash received for application against Bain's Tranche D obligations. These Tranche D obligations are reflected on RECOLL's books as obligation #100305. We must look at these payment mechanics in the context of RECOLL's accounting for non-ISR expenses. Specifically, will payments made to Bain for services rendered be doubled when determining expenses incurred under RECOLL's contract with the FDIC?

Let's talk about how we can best take advantage of these consulting services at your earliest convenience.

Memorandum

To: Keith A. Hunt, VP
From: Christopher N. Sotir, AVP
Re: Bain & Company, Inc.
Date: January 13, 1992



Obligo. Name Bain + Co
Obligor # 055321430
Obligation # _____
Section/Tab _____

Please be advised that the FDIC as Receiver of New Bank of New England, NA is entitled to receive certain consulting services from Bain & Company, Inc. as set forth in the attached copy of Section 3.11 of the Loan Agreement dated June 10, 1991.

expires or becomes obsolete or after the occurrence of any event requiring a change in the most recent form so delivered by it, and such amendments thereto or extensions or renewals thereof as may be reasonably requested by the Borrower or the Agent, certifying, in the case of Form 1001, that such Lender is entitled to receive payments under this Agreement, the Notes and the Tranche D Certificates without deduction or withholding of any United States federal income taxes or, in the case of Form 4224, that payments under this Agreement, the Tranche D Certificates and the Notes are effectively connected with the conduct of such Lender's trade or business in the United States, unless (i) such Lender determines that such form or amendment will impose on such Lender a material burden or cost or (ii) an event (including without limitation any change in treaty, law or regulation) has occurred prior to the date on which any such delivery would otherwise be required which renders all such forms inapplicable or which would prevent such Lender from duly completing and delivering any such form with respect to it and such Lender advises the Borrower and the Agent that it is not capable of receiving payments without any deduction or withholding of United States federal income tax.

SECTION 3.11. Bank Consulting Services. (a) In each of Fiscal 1992, Fiscal 1993 and Fiscal 1994, the Borrower shall provide, at the written request of any Bank delivered to the Borrower with a copy to the Agent, and subject to the terms and conditions set forth in this Section 3.11, consulting services and other services of any type customarily provided to customers of the Borrower (all such services provided at the request of any Bank being referred to as "Bank Consulting Services"). Bank Consulting Services requested by any Bank shall be provided to such Bank, a Bank Affiliate of such Bank designated in such Bank's request, or any other Person designated in such Bank's request which (i) is not and has not been a customer of the Borrower or any of its Subsidiaries on or prior to the date of such request and (ii) is not in active negotiations with the Borrower regarding the terms of an engagement on the date of such request (a "Services Designee"). All Bank Consulting Services shall be valued for all purposes of this Section 3.11 at an amount (the "Services Value") equal to the amount that the Borrower would charge an unaffiliated customer for such services at the Borrower's customary rates.

(b) Bank Consulting Services provided at the request of any Bank in any Fiscal Year shall not exceed (i) in the case of BONE, Bank Consulting Services having an aggregate Services Value of and (ii) in the case

(b)(4) of each other Bank, Bank Consulting Services having an aggregate Services Value equal to such Bank's ratable share of [] (determined by allocating [] among the other Banks in proportion to the sums of the outstanding principal amount of each such Bank's Loans and the unpaid amount of its Tranche D Obligation). Any Bank, Bank Affiliate or Services Designee to which Bank Consulting Services are provided shall pay, in advance or periodically as requested by the Borrower in accordance with its normal business practices, all out-of-pocket expenses of the Borrower incurred in connection with the provision of such services. The Borrower shall provide such Bank Consulting Services at the request of any Bank only to the extent that the provision of such services will not materially impair the ability of the Borrower to provide services to unaffiliated customers. (b)(4)

(c) The Borrower shall bill any Services Designee to which Bank Consulting Services are provided for the Services Value of such services in accordance with the Borrower's customary billing practices and shall, promptly following receipt of payment therefor, pay to the Bank which designated such Services Designee such Services Value to the extent actually received by the Borrower.

(d) The Borrower shall, as promptly as practicable after the end of each quarter of each Fiscal Year, deliver to the Agent and each Bank a statement of the chief financial officer of the Borrower setting forth in reasonable detail (i) the calculation of the Services Value of all Bank Consulting Services provided to each Bank, each Bank Affiliate and each Services Designee hereunder during such quarter and (ii) all payments made to any Bank under subsection (c) above during such quarter. The Services Value of all Bank Consulting Services provided at the request of any Bank shall be applied to reduce the Tranche D Obligations held by such Bank.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to each Lender and the Agent that:

SECTION 4.01. Corporate Existence and Power. The Borrower is a corporation duly incorporated, validly existing and in good standing under the laws of the State of New

