



UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

SECURITIES AND EXCHANGE COMMISSION	:	
	:	
Plaintiff,	:	CIVIL ACTION
	:	NO.
v.	:	
	:	
RAPID-AMERICAN CORPORATION, et al.,	:	CONSENT AND UNDERTAKING
	:	<u>OF MCCRORY CORPORATION</u>
Defendants.	:	
	:	

1. Defendant McCrory Corporation ("McCrory") admits the jurisdiction of this Court over it and over the subject matter of this action and further admits to the service upon it of Plaintiff Securities and Exchange Commission's ("Commission") Complaint for Permanent Injunction ("Complaint"), and waives the filing of an Answer.

2. McCrory, without admitting or denying any of the allegations in the Complaint, except to jurisdiction, to which it admits, hereby consents to the entry of the Final Judgment of Permanent Injunction ("Final Judgment") in the form annexed hereto, enjoining it from violating Sections 13(a) and 14(a) of the Securities Exchange Act of 1934 [15 U.S.C. 78m(a) and 78n(a)] and Rules 12b-20, 13a-1, 14a-3 and 14a-9 thereunder [17 C.F.R. 240.12b-20, 240.13a-1, 240.14a-3 and 240.14a-9].

3. This Consent and Undertaking of McCrory ("Consent") is executed, and the Final Judgment in the form annexed hereto is entered without trial, argument or adjudication of any issue of fact or law. McCrory hereby waives the entry of findings of fact and conclusions of law.

4. McCrory waives any right it may have to appeal from the Final Judgment in the form annexed hereto.

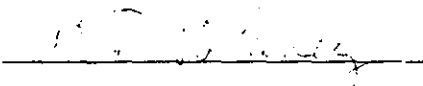
5. McCrory enters into this Consent voluntarily, and no promise or threat of any kind whatsoever has been made by the Commission or any members of the staff to induce McCrory to enter into this Consent.

6. McCrory agrees that the Final Judgment in the form annexed hereto may be presented by the Commission to the Court for signature and entry without further notice.

7. McCrory acknowledges that it is a subsidiary of Rapid-American Corporation ("Rapid") and as such undertakes to comply with, and to cause its officers, directors, employees, subsidiaries and affiliates to comply with all the undertakings of Rapid set forth in the Consent and Undertaking of Rapid in this matter at Paragraphs 8, 9, 10, 11 and 13.

8. McCrory agrees that this Consent shall be incorporated by reference in, and made part of, the Final Judgment to be entered against McCrory in this action, with the understanding that nothing in this Consent or in the Final Judgment shall be considered, construed, deemed, or used by anyone in this or in any other action, as an admission by McCrory of any issue, fact, or claim in this action, provided however, that the Final Judgment and this Consent may be introduced in any proceeding, suit or action brought or instituted for the enforcement of the terms and conditions of the Final Judgment and this Consent.

McCRORY CORPORATION

By: 

Rubin Baum Levin Constant & Friedman

Rubin Baum Levin Constant & Friedman
645 Fifth Avenue
New York, NY 10022
Counsel to Defendant McCrory Corporation

*By Carl Rubin from
A Member of the Firm*

DATED: August 16, 1979
Washington, D.C.

STATE OF FLORIDA)
) ss.:
COUNTY OF BROWARD)

On this / 5 day of August, 1979, before me personally came BERNARD J. BLANEY, to me known, who being by me duly sworn, did depose and say that he resides at 104 Crabapple Road, Manhasset, New York; that he is the Vice President-Finance of McCrory CORPORATION, the corporation described in and on behalf of which he executed the Consent and Undertaking of McCrory Corporation (the "Consent") to which this acknowledgement is annexed; that he knows the seal affixed to the Consent is the seal of that corporation; that the seal was affixed to the Consent by order of the Board of Directors of that corporation; and that he signed his name to the Consent by like order.

Charlotte Bickford
Notary Public

Notary Public, State of Florida
My Comm. Expires Jan. 2, 1981
Success by Appointment to Notary

SECRETARY'S CERTIFICATE

I, Seymour Greene, Secretary of McCrory Corporation, a Delaware corporation (the "Company"), hereby certify that (a) the following resolutions were adopted by the Board of Directors of the Company at a meeting thereof duly called and held on August 8, 1979, and (b) such resolutions have not been amended or rescinded:

RESOLVED, that the Company is authorized to settle an action entitled Securities and Exchange Commission v. Rapid-American Corporation, Meshulam Riklis, McCrory Corporation, Kenton Corporation to be commenced in the United States District Court for the District of Columbia (the "Action") and in connection therewith to deliver a written consent (the "Consent") to the entry of a final judgment of permanent injunction against the Company (the "Judgment"), the Consent and the Judgment to be in the form to be agreed upon between counsel to the Company and the Securities and Exchange Commission; and it is further

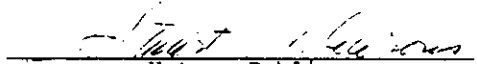
RESOLVED, that the Chairman of the Board, the Vice-Chairman of the Board, the President, any Vice President, the Treasurer, the Secretary, and any Assistant Secretary of the Company, or any one or more of them, are hereby authorized and directed to execute and deliver the Consent and any other required document on behalf of the Company and to do such other things as may be necessary or advisable in connection with the settlement of the Action.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Company on August , 1979.

Secretary

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On this 10th day of August, 1979, before me personally came SEYMOUR GREENE, to me known, who being by me duly sworn, did depose and say that: (a) he resides at 8 Governors Court, Great Neck, New York; (b) he is the Secretary of McCrory CORPORATION, the corporation described in and on behalf of which he executed the certificate to which this acknowledgement is annexed; (c) he knows that (i) the seal affixed to that certificate is the seal of McCrory CORPORATION, and (ii) the seal was affixed to that certificate by order of the Board of Directors of McCrory CORPORATION; and (d) he signed his name to that certificate by like order.


Notary Public

STUART H. AARONS
Notary Public, State of New York
No. 03-4638355
Qualified in Bronx County
Commission Expires March 30, 1980

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