13. RELATED PARTY TRANSACTIONS

Employees of affiliates of the Company provide services to the Company in connection with insurance and legal services, benefit plan administration and other services and the Company reimburses such affiliates for the allocated share of the costs related to such employees In 1996 and 1995, the amount allocated to the Company was $624,549 and $436,414, respectively. The Company believes that the terms of such allocated services are at least as favorable to the Company as would be available from unaffiliated third parties

The Company performs certain services for a subsidiary of Mafco Holdings. Revenues for such services were $958,000, $874,000 and $763,000 for the years ended December 31, 1996, 1995 and 1994

Included in accrued expenses and other liabilities are payables to Mafco Holdings and affiliates in the amount of $39.1 million and $2 0 million at December 31, 1996 and 1995, respectively, principally related to income taxes payable to Mafco Holdings pursuant to a tax sharing agreement (See Note 9)

14. COMMITMENTS AND CONTINGENCIES

Rental expense, which includes rent for facilities, equipment and automobiles under operating leases expiring through 2008, amounted to $2.5 million, $2 3 million and $2 3 million for the years ended December 31, 1996, 1995 and 1994 respectively. Future minimum rental commitments, which include obligations related to former operations of Abex, for operating leases with noncancelable terms in excess of one year from December 31, 1996, net of sublease payments of $11.9 million, are as follows.

	(IN THOUSANDS)
1997	$ 2,717
1998	2,836
1999	2,678
2000	1,670
2001 and thereafter	2,790
	$12,691

At December 31, 1996, outstanding contracts to purchase tobacco amounted to $7 3 million which were all U.S dollar obligations.

Under a June 15, 1995 Transfer Agreement to which PCT and a subsidiary of MC Group are parties, such subsidiary will reimburse PCT for amounts spent in excess of $1.5 million during each of the years 1996, 1997 and 1998 in connection with certain public company costs. The amount spent for such costs by PCT in the 1996 and 1995 periods did not exceed $1 5 million; therefore, no reimbursement was made