(d) Represents shares of Company Common Stock as to which Mr Folz has the right to acquire beneficial ownership upon the exercise of stock options

(e) Includes 250,000, 500,000 and 33,334 shares of Company Common Stock as to which Messrs Perelman, Maher and Folz, respectively, have the right to acquire beneficial ownership upon the exercise of stock options.

(f) Neither Ms. LaFontant-Mankarious, who is a Director of the Company, nor Mr Engelman, Executive Vice President and Chief Financial Officer of the Company, beneficially owns any shares of Company Common Stock.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

RELATIONSHIP WITH MAFCO HOLDINGS

Mafco Holdings currently indirectly owns approximately 85% of the outstanding shares of Company Common Stock Mafco Holdings is wholly owned by Ronald O. Perelman. As a result of Mafco Holdings' stock ownership, the Company's Board of Directors is, and is expected to continue to be, comprised entirely of designees of Mafco Holdings, and Mafco Holdings is, and is expected to continue to be, able to direct and control the policies of the Company and its subsidiaries, including with respect to mergers, sales of assets and similar transactions

Mafco Holdings is a diversified holding company with interests in several industries Through its 83% ownership of Revlon, Mafco Holdings is engaged in the cosmetics and skin care, fragrance and personal care products business. Mafco Holdings owns 83% of Coleman, which is engaged in the manufacture and marketing of recreational outdoor products, portable generators, power-washing equipment, spas and hot tubs and 65% of Meridian Sports, a manufacturer and marketer of specialized boats and water sports equipment. Marvel, a youth entertainment company, is 80% owned by Mafco Holdings Mafco Holdings is also engaged through its 85% ownership of the Company, in the manufacture and distribution of cigars and pipe tobacco and through its 36% beneficial ownership of PCT, Mafco Holdings is engaged in the processing of licorice and other flavors Mafco Holdings also is in the financial services business through its 80% ownership of California Federal. The principal executive offices of Mafco Holdings are located at 35 East 62nd Street, New York, New York 10021.

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.

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 "Tax Sharing Agreement" below.