



UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

RAPID-AMERICAN CORPORATION et al.,

Defendants.

Civil Action
No.

CONSENT AND UNDERTAKING
OF MESHULAM RIKLIS

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

(2) Riklis, without admitting or denying any of the allegations in the Complaint, except as to jurisdiction, to which he admits, hereby consents to the entry of the Final Judgment of Permanent Injunction ("Final Judgment") in the form annexed hereto, enjoining him from violating Sections 13(a), 13(d) and 14(a) of the Securities Exchange Act of 1934 [15 U.S.C. 78m(a), 78m(d) and 78n(a)] and Rules 12b-20, 13a-1, 13a-11, 13a-13, 13d-1, 14a-3 and 14a-9 thereunder [17 C.F.R. 240.12b-20, 240.13a-1, 240.13a-11, 240.13a-13, 240.13d-1, 240.14a-3 and 240.14a-9].

(3) This Consent and Undertaking of Riklis ("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, Riklis hereby waiving the entry of findings of fact and conclusions of law.

(4) Riklis waives any right he may have to appeal from the Final Judgment in the form annexed hereto.

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

(6) Riklis 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) Riklis undertakes to use his best efforts to effectuate the terms and conditions of the Consents and Undertakings of Rapid-American Corporation ("Rapid"), McCrory Corporation and Kenton Corporation ("Kenton") in this matter. This undertaking includes, but is not limited to, voting as a director or security holder of Rapid on any matters presented to Rapid directors or security holders to further effectuate the undertakings of Rapid in this matter, including the election of Unrelated Persons, as described and defined in paragraph 7 of Rapid's Consent and Undertaking in this matter, to the Rapid Board of Directors.

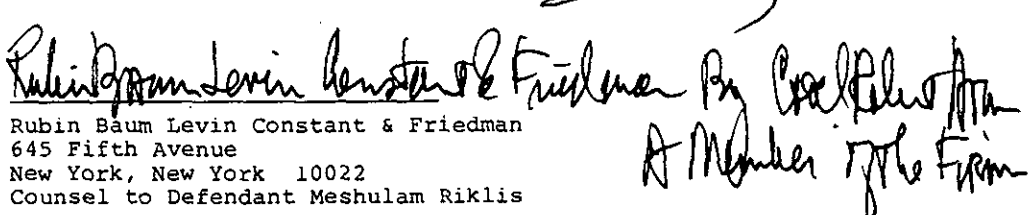
(8) Riklis undertakes to provide to the Transaction Review Committee of Rapid's Board and to the Board of Directors of Kenton complete information in writing about his financial interests in or control of and proposed financial interests in or control of persons, entities or organizations, if any, with which Rapid, its affiliates or subsidiaries or Kenton, its affiliates or subsidiaries ("the Companies") do business or propose to do business or which have any business relationship with the Companies. Riklis further undertakes to provide the Transaction Review Committee of Rapid's Board and the Board of Directors of Kenton with complete information in writing about his personal transactions with persons, entities or organizations with which the Companies do business, propose to do business or which have any business relationship with the Companies. Information about Riklis' personal transactions shall relate to all present and proposed transactions, all future transactions and all transactions entered into in the past which were not fully performed by all parties thereto at least two years prior to the entry of the Final Judgment in this matter.

(9) Riklis agrees not to enter into or participate in, directly or indirectly, any transaction which is in any way related to, or in consideration of any transaction which the Companies had, has, or proposes to have. Riklis further agrees not to cause, directly or indirectly, the Companies to enter into any transaction with any person, which transaction is in any way related to or in consideration of any other transaction which such person had, has or proposes to have, directly or indirectly, with Riklis.

(10) Riklis agrees to comply in all respects with all undertakings of Rapid, McCrory and Kenton in this matter.

(11) Riklis agrees that this Consent shall be incorporated by reference in, and made part of, the Final Judgment to be entered against Riklis 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 Riklis 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.


MESHULAM RIKLIS


Rubin Baum Levin Constant & Friedman
645 Fifth Avenue
New York, New York 10022
Counsel to Defendant Meshulam Riklis

Dated: August , 1979
Washington, D.C.

STATE OF LOUISIANA)
) ss.:
ORLEANS PARISH)

On this 1st day of August, 1979, before me personally came MESHULAM RIKLIS, residing at 781 Fifth Avenue, New York, New York, to me known and known to me to be the individual described in and who executed the Consent and Undertaking of Meshulam Riklis to which this acknowledgment is annexed, and he did duly acknowledge to me that he executed the same.

William H. Cook, Jr.

Notary Public

WILLIAM H. COOK, JR.
Embraced herein is my Orleans Parish,
State of La. Notary Public Seal
My Commission is issued for life.

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