Note

S: Penalty calculations
USSC - Gary

D: 9/6/77

F: BGC
T: Distribution

Attached are 3 different penalty estimates for USSC Gary. Jim McDermott's prepared these using the best info. available and no changes are expected.

The 3 calculations are:

1 - H.Q. form at 12% interest

2 - H.Q. form at 5 3/4% interest (what USSC will actually have to pay)

3 - Computer run formula (Greene) (also using 5 3/4%)

This last calculation, approximately $8.5 million, is considered the most accurate of the group.

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McDonald, Bryson, Ginsberg, Ullrich

Bill