State of Utah
DEPARTMENT OF COMMERCE
DIVISION OF SECURITIES

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June 5, 1997

Robert F. Kennedy
Latham & Watkins
53rd at Third, Suite 1000
885 Third Avenue
New York, NY 10022-4802

Re: Culbro Corporation File # 6-6063-31/B2223

Dear Mr. Kennedy:

This letter is in response to your letter dated June 2, 1997. In your letter, you requested that the Division of Securities ("Division") issue a No-Action Letter regarding (1) the proposed dividend distribution to the common shareholders of Culbro Corporation ("Culbro") of all of the outstanding common stock of Griffin Land & Nurseries, Inc., a wholly-owned subsidiary of Culbro, and (2) the proposed merger of Culbro with and into General Cigar Holdings, Inc., a wholly-owned subsidiary of Culbro, if the proposed distribution and merger, respectively, are effected without registration under the Utah Uniform Securities Act ("Act").

Based on the facts presented in your letter, and in reliance upon your opinion as counsel, the Division will not recommend any enforcement or administrative action should the transactions proceed as outlined in your letter. To avoid unnecessary restatement or summarization of the facts set forth in your letter, the Division's response is attached to a photocopy of your letter.

This response does not purport to express any legal conclusions regarding the applicability of statutory or regulatory provisions of federal or state securities laws to the questions presented. It merely expresses the Division's opinion on enforcement or other administrative actions.

As this recommendation is based upon the representations made to the Division, any different facts or conditions of a material nature might require a different conclusion. Furthermore, this No-Action Letter relates only to the referenced issuer and stock and will have no value for future similar offerings and does not absolve any party involved from complying with the anti-fraud provisions contained in § 61-1-1 of the Act.

Very truly yours,

S. Anthony Taggart
Assistant Director

SAT/saa

enc. 1

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June 2, 1997

BY FEDERAL EXPRESS

Department of Commerce,
*Division of Securities*
160 300 South, 2nd Floor
Salt Lake City, Utah 84111

Re: Culbro Corporation - Request for No-Action

Ladies and Gentlemen:

As counsel to Culbro Corporation, a New York corporation ("Culbro"), and Griffin Land & Nurseries, Inc., a Delaware corporation and a wholly owned subsidiary of Culbro ("Griffin"), we are submitting this letter in connection with a proposed distribution (the "*Distribution*") *to common shareholders* of Culbro of all of the outstanding common stock of Griffin (the "Griffin Common Stock"). On behalf of Culbro, we respectfully request that the staff of the Utah Department of Commerce, Division of Securities (the "Division") confirm that either (a) it concurs with the Company's belief that the Distribution would not constitute a "sale" of the Griffin Common Stock to the holders of Culbro common stock, par value $1.00 per share, ("Culbro Common Stock") under Section 61-1-13(22) of the Utah Uniform Securities Act (the "Securities Act"), or (b) it will not take enforcement action if the Distribution is effected without registration of the Griffin Common Stock under the Securities Act.

I. Background and the Proposed Transaction

Culbro, directly and through subsidiaries, (i) manufactures and markets cigars and grows, processes and sells cigar wrapper tobacco (the "Cigar Business"), (ii) cultivates for sale container and field grown nursery products principally to nursery mass merchandisers, and owns and operates wholesale sales and service centers (the "Nursery Business") and (iii) owns, builds and manages commercial and industrial properties and develops residential subdivisions on real estate in Connecticut and Massachusetts (the "Real Estate Business" and, together with the Nursery Business, the "Griffin Business").

Culbro Common Stock is listed on the New York Stock Exchange (the "NYSE") and is registered under Section 12(b) of the U.S. Securities Exchange Act of 1934, as amended (the "U.S. Exchange Act"). Culbro, a public company since 1906, is current in its reporting requirements under the U.S. Exchange Act. As of April 17, 1997, there were outstanding 4,554,710 shares of Culbro Common Stock, held by approximately 900 shareholders of record.

Culbro has effected the following transactions. First, Culbro consummated a series of asset transfers in February 1997 (the "Asset Transfers"), pursuant to which assets relating to the Cigar Business were transferred to General Cigar Holdings, Inc., a wholly-owned subsidiary of Culbro ("Holdings"), and all of the assets relating to the Real Estate Business and Nursery Business were transferred to Griffin. Upon completion of the Asset Transfers Culbro's only assets consisted of the stock of Holdings and Griffin. Second, Holdings consummated an offering of common stock (the "Offering") in March 1997 pursuant to a Form S-1 Registration Statement (File No. 333-18791) under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"). Third, after satisfaction of certain conditions as described below, Culbro will consummate the Distribution. Finally, after completion of the Distribution, Culbro will merge with and into Holdings (the "Merger") pursuant to an Agreement and Plan of Merger to be entered into by Culbro and Holdings (the "Merger Agreement").

Prior to the consummation of the Offering, Culbro, Griffin and Holdings entered into a Distribution Agreement (the "Distribution Agreement"). The Distribution Agreement provides for the Asset Transfers and the division of liabilities between Griffin and Holdings. Specifically, pursuant to the Distribution Agreement, Culbro transferred to Holdings all of the common stock of its wholly-owned subsidiaries General Cigar Co., Inc., Club Macanudo, Inc., Club Macanudo (Chicago), Inc. and all of Culbro's interest in the headquarters located at 387 Park Avenue South, New York, New York. In addition, Culbro transferred to General Cigar Co. Inc. approximately 1,100 acres of its real estate holdings in the Connecticut River Valley used to cultivate cigar wrapper tobacco. In connection with these transfers, Holdings and its subsidiaries received all licenses, permits, accounts receivable, prepaid expenses, reserves and other current assets related to the Cigar Business. The Distribution Agreement also provides for the transfer to Griffin of all the non-tobacco related assets of Culbro, including: (i) all of the common stock of Imperial Nurseries, Inc., a wholly-owned subsidiary of Culbro prior to the Asset Transfers; (ii) approximately 5,500 acres of land in Connecticut and Florida, as well as several nursery wholesale and retail centers; (iii) Culbro's interests in The Eli Witt Company ("Eli Witt"); (iv) Culbro's 25% interest in Centaur Communications Limited ("Centaur"); and

(v) all licenses, permits, accounts receivable, prepaid expenses, reserves and other current assets (other than cash) related to the Griffin Business. The Asset Transfers described above were completed in February 1997. Additionally, pursuant to the Distribution Agreement, Culbro distributed to Griffin $7.0 million in cash.

The Distribution Agreement also provides for the *pro rata* distribution by Culbro to the common shareholders of Culbro of all issued and outstanding shares of Griffin Common Stock. It is anticipated that the Griffin Common Stock will consist of Class A Common Stock, par value $0.01 per share (the "Class A Common Stock") and Class B Common Stock, par value $0.01 per share (the "Class B Common Stock"). The Class B Common Stock is identical to the Class A Common Stock, except that each share of the Class B Common Stock has ten votes on each matter submitted to the holders of Griffin Common Stock, and each share of Class A Common Stock has one vote on each such matter. Each shareholder of Culbro will receive the same proportion of Class B Common Stock and Class A Common Stock in the Distribution. Culbro is distributing Class B Common Stock with a super-majority vote in order to provide all existing shareholders of Culbro with increased voting power. The Class A Common Stock and the Class B Common Stock are hereinafter collectively referred to as the "Griffin Common Stock." The Distribution will be contingent upon (i) either a tax ruling or an opinion of counsel satisfactory to Culbro that the Distribution constitutes a tax free reorganization under Section 355 of the Internal Revenue Code and (ii) approval of the Merger by the Culbro shareholders. The Culbro Board of Directors has reserved the right to waive such conditions to consummation of the Distribution.

Upon consummation of the Distribution, Griffin will become an independent publicly-held corporation. On April 8, 1997, Griffin filed a registration statement on Form 10 under the U.S. Exchange Act, as amended on May 6, 1997 and May 12, 1997, as to the Griffin Common Stock. The Distribution will not occur until the Form 10 has been declared effective.

Culbro shareholders will consider and vote upon approval of the Merger Agreement and the transactions contemplated thereby at a meeting of Culbro shareholders (the "Meeting"), currently expected to be held on June 2, 1997. Under New York law and Culbro's Articles of Incorporation, the Merger Agreement must be approved by not less than two-thirds of the outstanding shares of the Culbro Common Stock entitled to vote thereon. In the solicitation of its shareholders, Culbro will state that, while the Griffin Common Stock to be received in the Distribution is not part of the consideration to be received in the Merger, the Distribution will be made only if the Merger is approved and all other conditions to the consummation of the Merger (other than the completion of the Distribution) have been satisfied or waived. Assuming the necessary shareholder approval is obtained, and the other conditions to the Merger and the Distribution are satisfied or waived, Culbro intends to effect the

Distribution as soon as practicable following receipt of such approvals and satisfaction of such conditions. On April 17, 1997, Holdings filed a registration statement on Form S-4 under the U.S. Securities Act, as amended on May 6, 1997 and May 12, 1997, in connection with the Merger which included the proxy statement of Culbro relating to the necessary shareholder approval of the Merger. Under New York law and Culbro's Certificate of Incorporation, approval of the Distribution by Culbro shareholders is not required and will not be sought.

Approximately 180 days following the consummation of the Offering and subject to (i) the completion of the Distribution and (ii) approval of the Merger by the shareholders of Culbro, Culbro will be merged with and into Holdings pursuant to the Merger Agreement. At the effective time of the Merger (i) each outstanding share of Culbro Common Stock will be converted into the right to receive common stock of Holdings and (ii) each outstanding option exercisable for Culbro Common Stock will be converted into an option exercisable for common stock of Holdings, in each case in such amount as shall be set forth in the Merger Agreement.

## II. Analysis; Section 61-1-13(22) of the Securities Act

Culbro believes that the Distribution will not involve an "offer to sell" or "sale" of a security under Section 61-1-13(22) of the Securities Act because there will be no disposition by Culbro of securities for value and no new investment decision by Culbro shareholders receiving Griffin Common Stock in the Distribution. Furthermore, Culbro's shareholders would not provide any consideration to Culbro for the Griffin Common Stock they would receive as a dividend in the Distribution. Thus, Culbro believes that registration of the Distribution is not required under Section 61-1-13(22) of the Securities Act. We urge the Division to concur in this view. Alternatively, as a matter of sound policy, the Division should not take enforcement action if the Distribution is effected without registration under the Securities Act.

## III. The Merger

We also respectfully request that the Division confirms that it will take no action in connection with the Merger. Under the terms of the Merger Agreement each issued and outstanding share of Culbro Common Stock and all rights in respect thereof shall be converted into 4.44557 fully paid and nonassessable shares of Class B Common Stock of Holdings (the "Holdings Class B Common Stock").

The Culbro Common Stock and the Class A Common Stock, par value $0.01 of Holdings (the "Holdings Class A Common Stock") are listed on the NYSE. The Holdings Class A Common Stock and the Holdings Class B Common Stock vote as a single class on all matters, except as otherwise required by law, with each share of Holdings Class A Common Stock entitling its holder to one vote and each share of Holdings Class B Common Stock entitling its holder to ten votes, therefore the Holdings Class B Common Stock is senior in rank to the Holdings Class A Common Stock. Because the Culbro Common Stock and the Holdings Class A Common Stock are listed on the NYSE and the Holdings Class B Common Stock is senior in rank to a listed security, they are deemed to be "Covered Securities" as defined in the Capital Markets Efficiency Act of 1996. Consequently, we request that you will not take enforcement action in connection with the Merger.

Enclosed for your review are the information Statement on Form 10/A (the "Information Statement"), Amendments 1 and 2 to the Information Statement and the Registration Statement (the "Registration Statement") on Form S-4 and Amendments 1 and 2 to the Registration Statement. Also enclosed is a check in the amount of $120 for the required filing fees.

Should you require additional information, please do not hesitate to contact Frederick M. Danziger or the undersigned at (212) 906-1200.

Sincerely,

Robert F. Kennedy
Of LATHAM & WATKINS