

IN THE SUPREME COURT OF THE STATE OF DELAWARE

REVLON, INC., a Delaware)
 corporation, MICHAEL C. BERGERAC,)
 SIMON ALDEWERELD, SANDER P.)
 ALEXANDER, JAY I. BENNETT,)
 IRVING J. BOTTNER, JACOB BURNS,)
 LEWIS L. GLUCKSMAN, JOHN LOUDON,)
 AILEEN MEHLE, SAMUEL L. SIMMONS,)
 IAN R. WILSON, PAUL P. WOOLARD,)
 EZRA K. ZILKHA, FORSTMANN LITTLE)
 & CO. SUBORDINATED DEBT AND EQUITY)
 MANAGEMENT BUYOUT PARTNERSHIP-II,)
 a New York limited partnership,) No. 353 & 354

Defendants Below,)
 Appellants)

v.

MACANDREWS & FORBES HOLDINGS,)
 INC., a Delaware corporation,)
 Plaintiff Below,)
 Appellee)

Delaware Supreme Court
 Superior Courtroom No. 1,
 Public Building
 Wilmington, Delaware

Friday, November 1, 1985
 9:00 a.m.

RULING OF THE COURT

 VARALLO & WILCOX
 913 Market Street Mall, Wilmington, Delaware 19801
 (302) 655-0477

VARALLO & WILCOX

COPY

BEFORE:

Hon. John J. McNeilly
Associate Justice

Hon. Andrew G. T. Moore, II
Associate Justice

Hon. Bernard Balick, Judge,
Superior Court

APPEARANCES:

A. Gilchrist Sparks, III, Esq.
Lawrence A. Hamermesh, Esq.
Kenneth J. Nachbar, Esq.
Morris Nichols Arsht & Tunnell
12th and Market Streets - 16th Floor
Wilmington, Delaware 19801

- and -

Herbert M. Wachtell, Esq.
Kenneth B. Forrest, Esq.
Wachtell Lipton Rosen & Katz
299 Park Avenue
New York, New York 10171
for Revlon Appellants

Michael D. Goldman, Esq.
James F. Burnett, Esq.
Donald J. Wolfe, Jr., Esq.
Richard L. Horwitz, Esq.
Potter Anderson & Corroon
350 Delaware Trust Building
Wilmington, Delaware 19801

- and -

Leon Silverman, Esq.
Marc P. Chernow, Esq.
Fried Frank Harris Shriver & Jacobson
One New York Plaza
New York, New York 10004
for Forstmann Little & Co. and
Forstmann Little & Co. Subordinated
Debt And Equity Management Buyout
Partnership-II Appellants

1 APPEARANCES, continued:

2 Bruce M. Stargatt, Esq.
Edward B. Maxwell, 2nd, Esq.
3 Josy W. Ingersoll, Esq.
Young Conaway Stargatt & Taylor
4 1100 Rodney Square North
Wilmington, Delaware 19801
5 - and -
Stuart L. Shapiro, Esq.
6 Stephen P. Lamb, Esq.
Skadden Arps Slate Meagher & Flom
7 One Rodney Square
Wilmington, Delaware 19801
8 for MacAndrews & Forbes Holdings, Inc.
Appellee

9 ALSO PRESENT:

10 Grover C. Brown, Esq.
11 Morris James Hitchens & Williams
12 12th and Market Streets - 14th Floor
Wilmington, Delaware 19801
13 for Adler & Shaykin

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17 P R O C E E D I N G S

18 JUSTICE MCNEILLY: Good morning. The
19 court is ready to announce its decision in this
20 case. And since Justice Moore's voice carries so
21 well in this courtroom, I'll ask him to read the
22 decision of the court.

23 JUSTICE MOORE: Given our standard of
24 review, this court will not substitute its judgment

1 for that of the trial court if the latter's findings
2 are the product of an orderly and logical deductive
3 process and are supported by the record.

4 In this case, the trial court has found
5 that the transaction enjoined was not entitled to
6 the protections of the business judgment rule. And
7 on the state of this record, given our standard of
8 review, we can reach no other conclusion. The basis
9 of the Court of Chancery's opinion is factual in
10 nature and the rulings derive from those facts. We
11 are satisfied that the record supports the
12 conclusions reached by Justice Walsh sitting in the
13 Court of Chancery and that there was no error of
14 law.

15 Accordingly, the judgment of the Court
16 of Chancery is affirmed.

17 The order staying the trial court's
18 decision pending this appeal is hereby vacated. The
19 mandate shall issue forthwith. A more detailed
20 written opinion will follow in due course.

21 JUSTICE McNEILLY: The court will
22 recess to the call of the court.

23 (Hearing concluded at 9:02 a.m.)

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1 State of Delaware)
2 County of New Castle)

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C E R T I F I C A T E

I, J. Edward Varallo, Registered Professional Reporter and Notary Public for the State of Delaware, do hereby certify that the foregoing record, pages 1 to 4 inclusive, is a true and accurate transcript of my stenographic notes taken on Friday, November 1, 1985, in the above-captioned matter before the Supreme Court of the State of Delaware.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this _____ day of November, 1985, at Wilmington.
