

THE DEPOSITORY TRUST COMPANY

IMPORTANT

#: B0082-97

DATE: January 13, 1997

TO: All Participants

FROM: Dividend Department

ATTENTION: Dividend Managers, Cashiers & Reorganization Managers

SUBJECT: Rights Offering: Banyan Corporation
(Pre 1-for-20 reverse split CUSIP: 06682M202)
(Post 1-for-20 reverse split CUSIP: 06682M301)

Rights Purchase Expiration Date: 1/24/97

*****WARNING TIME CRITICAL*****

Banyan Corporation ("Banyan" or the "Company") recently concluded a capital restructuring plan which enables the Company to move forward with its refinancing and business development plans. This capital restructuring plan was effected on December 10, 1996 and consists of a 1-for-20 reverse stock split, a Rights Offering and the adoption of "BANY" as the Company's new trading symbol.

The Rights Offering is open exclusively to Class A Common Stock shareholders (pre 1-for-20 reverse split shareholders) of record as of December 9, 1996, and is designed to mitigate the effects of the reverse stock split. Under the terms of the Rights Offering, qualifying shareholders may purchase a number of non-transferable Rights equal to the number of shares of Common Stock each shareholder held as of the record date. Qualifying shareholders may purchase Rights at a purchase price of one cent (1¢) each through January 24, 1997. Each Right entitles its holder to purchase two shares of Common Stock for twenty-five cents (25¢), or twelve and one-half cents (12.5¢) a share. For each Right exercised the Rightholder will receive one share of free trading Common Stock and one share of restricted Common Stock. The Rights are exercisable in a series of cumulating portions beginning on January 25, 1997 and ending on January 23, 1998. Rightholders will be notified as to the exact exercise schedule once the Rights Offering is concluded.

Participants cannot purchase rights through Depository Trust Company ("DTC"). DTC sent the Company a record date listing of DTC Participants. The Company mailed Rights Offering materials directly to each Participant on 12/23/96 and 12/24/96. Participants' beneficial owners wishing to purchase Rights must do so directly with the Company.

If you have any questions regarding this Important Notice, please contact Mr. John Pastorino or Mr. Raymond Lew of DTC at (212) 709-1282/1705.

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If Participants have any questions regarding the Rights Offering or need Rights Offering material, they may contact Sitra Enterprises, Inc. at (512) 453-3817 or Mr. Cameron B. Yost, President and Chief Executive Officer of the Company at (800) 475-0707.

Joseph Raniere
Supervisor
Dividend Department