

The Depository Trust Company

IMPORTANT

B#: 1558
DATE: March 02, 2001
TO: All Participants
CATEGORY: Reorganization
FROM: DTC Proxy Department
ATTENTION: Proxy/Reorganization Manager
SUBJECT: Smith Corona Corporation

SECURITIES

Smith Corona Corporation Common
Smith Corona Corporation Common New

CUSIP #'s

831858 10 5
831858 20 4

The Depository Trust Company received materials, including the attached Notice indicating that Smith Corona Corporation is soliciting acceptances by creditors of its Amended Plan of Reorganization, dated February 7, 2001 (the "Plan"). DTC has been advised by Counsel that holders of Smith Corona Corporation securities listed above **have been deemed to reject the Plan \OR\ are unimpaired** and their votes are not being solicited on the Plan. A hearing on confirmation of the Plan is scheduled to be held on March 16, 2001. Any written objections to confirmation of the Plan must be filed no later than March 9, 2001. Participants may obtain copies of the materials for voting on the Plan by contacting:

Donlin, Recano & Company, Inc.
At (212) 481-1411

Karl Baker

Manager

Attachments

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:
SMITH CORONA CORPORATION,
a/k/a SMITH CORONA, Tax ID# 51-0286862,

Debtor.

Chapter 11
Case No. 00-2065 (MFW)

**NOTICE OF HEARING TO CONSIDER CONFIRMATION
OF DEBTOR'S AMENDED PLAN OF REORGANIZATION**

TO ALL HOLDERS OF CLAIMS AND INTERESTS
AND OTHER PARTIES IN INTEREST:

APPROVAL OF DISCLOSURE STATEMENT

PLEASE TAKE NOTICE that by Order dated February 7, 2001, the United States Bankruptcy Court approved the above-captioned debtor's (the "Debtor") Amended Disclosure Statement Pursuant to Section 1125 of the Bankruptcy Code With Respect to the Debtor's Amended Plan of Reorganization the (the "Disclosure Statement") as containing adequate information within the meaning of Section 1125 of the Bankruptcy Code.

CONFIRMATION HEARING

PLEASE TAKE FURTHER NOTICE that on March 16, 2001 at 3:00 p.m. (Prevailing Eastern Time), or as soon thereafter as counsel may be heard, a hearing (the "Confirmation Hearing") will commence before the Honorable Mary F. Walrath, United States Bankruptcy Court, 6th Floor, 824 Market Street, Wilmington, Delaware 19801 to consider confirmation of the Debtor's Amended Plan of Reorganization Under Chapter 11 of the United States Bankruptcy Code (the "Plan") as the same may be amended or modified, and such other and further relief as may be just.

PLEASE TAKE FURTHER NOTICE that the Confirmation Hearing may be adjourned from time to time without further notice to creditors or other parties in interest other than by an announcement of such an adjournment in Court at the Confirmation Hearing or any adjournment thereof. Additionally, the Plan may be modified without further notice, prior to or as a result of the Confirmation Hearing.

SUMMARY OF PLAN TREATMENT OF CLAIMS AND INTERESTS:

PLEASE TAKE FURTHER NOTICE that the Plan provides for the reorganization of the Debtor pursuant to a stock purchase agreement with Pubco Corporation ("Pubco") under which Pubco will contribute cash consideration in exchange for up to 49% of the new common stock of the reorganized Debtor. Under the Plan, Claims against and Interests in the Debtor will be treated as follows:

- Administrative Priority Claims, Priority Tax Claims and other claims entitled to priority under Section 507 (a) of the Bankruptcy Code included in Class 1 are left unimpaired under the Plan and will be paid in full.
- By agreement, the Debtor-in-Possession Financing Facility with Seaside Factors LLC will continue on and be converted into the Debtor's post-Effective Date financing facility, provided that the loan balance, if any (exclusive of letters of credit), shall be reduced to zero on the Effective Date of the Plan. The claim of Seaside Factors LLC arising under the Debtor-in-Possession Financing Facility is secured and entitled to administrative priority status.
- Secured Claims, if any, included in Class 2 may be impaired. At the option of the Debtor, each holder of an Allowed Class 2 Secured Claim, if any, shall receive either (i) payment in full in Cash, (ii) the collateral securing such claim, or (iii) such other treatment as may be agreed to by NewSCC and the holder of such claim. Debtor believes there are no Class 2 Claims.
- Claims for breach of warranty based upon contract and not upon tort with respect to any product sold by the Debtor, in connection with customer promotional programs or relating to accounts receivable and accrued liabilities incurred in the ordinary course of business arising on or after the Petition Date included in Class 3 are left unimpaired under the Plan.

- General Unsecured Claims included in Class 4 are impaired under the Plan. Each holder of an Allowed General Unsecured Claim in Class 4 shall receive (i) its Pro Rata Share of 51% of the shares of New Common Stock to be issued pursuant to the Plan (255,000 shares) and (ii) its Pro Rata Share of the net recovery from avoidance actions in excess of \$100,000, if any.
- Convenience Class Claims in Class 5 (Unsecured Claims of \$1,000 or less) are impaired under the Plan. Holders of Class 5 Convenience Class Claims shall receive the lesser of (i) 30% of the amount of such Claim or (ii) their Pro Rata share of \$10,000 in cash.
- All equity interests in the Debtor (including, without limitation, all issued, unissued, authorized or outstanding shares of stock, together with any warrants, options or contract rights to purchase or acquire such interests at any time) are being eliminated under the Plan and the holders hereof will not receive any distribution. Such equity interests are impaired and are deemed to have rejected the Plan. Accordingly, the holders of such interests are not entitled to vote on the Plan.

PLEASE TAKE FURTHER NOTICE that the foregoing description of the treatment of Claims and Interests under the Plan is a summary only. You are referred to the Disclosure Statement and the Plan for a more detailed description of the treatment of Claims and Interests under the Plan and other provisions of the Plan. If you did not receive a copy of the Disclosure Statement, and would like one, you can obtain one by making a written request to Debtor's undersigned counsel.

DEADLINE FOR OBJECTIONS TO CONFIRMATION OF THE PLAN

PLEASE TAKE FURTHER NOTICE that objections, if any, to confirmation of the Plan, including any supporting memoranda, must be in writing, be filed with the Clerk of the United States Bankruptcy Court for the District of Delaware, 5th Floor, 824 Market Street, Wilmington, Delaware 19801 together with proof of service and shall (a) state the name and address of the objecting party and the amount of its claim or the nature of its interest in the Debtor's Chapter 11 Case, (b) state with particularity the legal and factual basis and nature of each objection asserted, and (c) be served upon (i) Young Conaway Stargatt & Taylor, LLP, 11th Floor, 1100 North Market Street, P.O. Box 391, Wilmington, Delaware 19899-0391 (Attention: Joel A. Waite, Esquire), and (ii) The Office of the United States Trustee, Suite 950 West, Curtis Center, 601 Walnut Street, Philadelphia, Pennsylvania 19106 (Attention: Richard Schepacarter, Esq.), by hand or in such manner as will cause such objection to be received on or before 4:00 p.m. (Prevailing Eastern Time) on March 9, 2001. Any objection not filed and served as set forth above shall be deemed waived and will not be considered by the Court.

VOTING DEADLINE

PLEASE TAKE FURTHER NOTICE that the deadline for submitting ballots to accept or reject the Plan is March 9, 2001 at 4:00 p.m. (Prevailing Eastern Time). In order for a ballot to be counted, it must be properly completed, signed and returned, so as to be received by March 9, 2001 at 4:00 p.m. at:

If sent by First Class Mail:

Donlin, Recano & Company, Inc.
Re: Smith Corona Balloting
P.O. Box 2034, Murray Hill Station
New York, NY 10156-0701

If sent by hand delivery or overnight courier:

Donlin, Recano & Company, Inc.
Re: Smith Corona Balloting
419 Park Avenue South, Suite 1206
New York, NY 10016

Facsimile ballots will not be accepted. If you believe you are entitled to vote on the Plan and did not receive a ballot, if your ballot is damaged or lost or if you have questions concerning balloting procedures, you should contact Debtor's Tabulation Agent, Donlin, Recano & Company, Inc. (212-481-1411).

YOUNG CONAWAY STARGATT & TAYLOR, LLP

/s/ Joel A. Waite

Joel A. Waite (No. 2925)
11th Floor, 1100 North Market Street
P.O. Box 391
Wilmington, Delaware 19801-0391
(302) 571-6600

Counsel to the Debtors and Debtors-In-Possession

Dated: February 7, 2001