

The Depository Trust Company

IMPORTANT

B#: 0377

DATE: July 28, 2000

TO: All Participants
Managing Partner/Officer; Cashier and Operations

CATEGORY: Settlement/Underwriting

FROM: Denise Russo, Director, Underwriting Department

ATTENTION: Data Processing and Underwriting Managers

SUBJECT: Section 3(c)(7) Restrictions for Preferred CPO Limited
Preferred CPO (Delaware) Corp., Class A Fixed Rate Senior
Notes, Class B Fixed Rate Senior Subordinated Notes

(A)	CUSIP Number:	Class A 74037AAA7	Class B 74037AAB5
(B)	Security Description:	Preferred CPO Limited Preferred CPO (Delaware) Corp.	
(C)	Offer Amount:	Class A 103,000,000	Class B 74,000,000
(D)	Managing Underwriter:	First Union Securities Inc.	
(E)	Paying Agent:	Bank of New York	
(F)	Closing Date:	July 25, 2000	

Special Instructions:

Refer to the attachments for important instructions from the issuer.

Preferred CPO Limited / Preferred CPO (Delaware) Corp.

74037AAA7,74037AAB5

The Issuer and the Lead [Distributor(s) / Agent(s)] are putting Participants on notice that they are required to follow these purchase and transfer restrictions with regard to the above referenced security.

In order to qualify for the exemption provided by 3(c)(7) under the Investment Company Act of 1940, as amended (the "Investment Company Act"), and the exceptions provided by Rule 144 A under Securities Act of 1933, as amended (the "Securities Act"), offers, sales, and resales of the [ELC (CAYMAN) LTD. 1999-II] (the securities) [within the United States or to U.S. Persons] may only be made in minimum denominations of \$ 500,000 and multiples of \$1 in excess thereof to "qualified institutional buyers" ("QIBs") within the meaning of Rule 144 A that are also "qualified purchasers" ("QP's") within the meaning of Section 2(a)(51)(A) of the Investment Company Act. Each purchaser of the securities (I) represents to and agrees with the Issuer and the [Distributor(s)/Agent(s)] that [(A)]* (I) the purchaser is a QIB who is a QP (a "QIB/QP"); (ii) the purchaser is not a broker dealer which owns and invests on a discretionary basis less than \$25 million in securities of unaffiliated issuers; (iii) the purchaser is not a participant-directed employee plan, such as a 401(k) plan; (iv) the QIB/QP is acting for its own account, or the account of another QIB/QP; (v) the purchaser is not formed for the purpose of investing in the issuer (vi) the purchaser, and each account for which it is purchasing, must hold at least the minimum denomination of securities; and (vii) the purchaser will provide notice of the transfer restrictions to any subsequent transferees; [or (B) it is not a U.S. Person and is purchasing the securities outside the United States]* and (ii) acknowledges that the Issuer has not been registered under the Investment Company Act and the Securities have not been registered under the Securities Act and represents to and agrees with the Issuer and the [Distributor(s)/Agent(s)] that, for so long as the Securities are outstanding, it will not offer, resell, pledge or otherwise transfer the Securities [in the United States or to a U.S. Person]* except to a QIB that is also a QP in a transaction meeting the requirements of Rule 144 A. Each purchaser further understands that the Securities will bear a legend with respect to such transfer restrictions. See["Transfer Restrictions"] in the Preferred CPO Limited /Preferred CPO (Delaware) Corp. Offering Memorandum.

The charter, bylaws, organizational documents or securities issuance documents of the Issuer provide that the Issuer will have the right to (i) require any holder of the Securities [that is a U.S. Person]* who is determined not to be both a QIB and a QP to sell the Securities to a QIB that is also a QP or (ii) redeem any Securities held by such a holder on specified terms. In addition, the Issuer has the right to refuse to register or otherwise honor a transfer of Securities to a proposed transferee that is [a U.S. Person who is]* not both a QIB and a QP. [As used herein, the terms "United States" and "U.S. Person" have the meanings given such terms in Regulation S under the Securities Act.]*

The restrictions on transfer required by the issuer (outlined above) will be reflected under the notation "3c7" in DTC's User Manuals and in upcoming editions of DTC's Reference Directory.

Any questions or comments regarding this subject may be directed to [Lori Blaszyński] 704-593-7214.