

The Depository Trust Company

IMPORTANT

B#: 0603

DATE: October 03, 2000

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

CATEGORY: Settlement/Underwriting

FROM: Denise Russo, Director, Underwriting Dept.

ATTENTION: Data Processing and Underwriting Managers

SUBJECT: Section 3(c)(7) Restrictions for Varick Structured
Asset Fund, Ltd., Class A-1, A-2, B-1, B-2 & C

(A)	CUSIP Number:	Class A-1 922219AA8	Class A-2 922219AB6	Class B-1 922219AC4	Class B-2 922219AD2	Class C 922219AE0
(B)	Security Description:	Varick Structured Asset Fund, Ltd.				
(C)	Offer Amount:	Class A-1 0	Class A-2 \$295,000,000	Class B-1 \$25,000,000	Class B-2 \$7,000,000	Class C \$8,000,000
(D)	Managing Underwriter:	Prudential Securities Incorporated				
(E)	Paying Agent:	Chase Manhattan Bank				
(F)	Closing Date:	September 29, 2000				

Special Instructions:

Refer to the attachments for important instructions from the issuer.

VARICK STRUCTURED ASSET FUND, LTD. AND VARICK CBO DELAWARE
CORPORATION

TITLE OF SECURITY	CUSIP NO.
U.S.\$50,000,000 Class A-1 First Priority Senior Secured Floating Rate Notes Due 2035	922219 AA 8
U.S.\$300,000,000 Class A-2 First Priority Senior Secured Floating Rate Notes Due 2035	922219 AB 6
U.S.\$25,000,000 Class B-1 Second Priority Senior Secured Floating Rate Notes Due 2035	922219 AC 4
U.S.\$7,000,000 Class B-2 Second Priority Senior Secured Fixed Rate Notes Due 2035	922219 AD 2
U.S.\$8,000,000 Class C Senior Subordinated Secured Floating Rate Notes Due 2035	922219 AE 0

VARICK STRUCTURED ASSET FUND, LTD. (the *Issuer*) and VARICK CBO DELAWARE CORPORATION (collectively with the Issuer, the *Co-Issuers*) and the Placement Agent for the above-referenced Notes are hereby giving notice to Participants 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 Section 3(c)(7) under the Investment Company Act of 1940, as amended (the *Investment Company Act*), and the exemption provided by Rule 144A under the Securities Act of 1933, as amended (the *Securities Act*), offers, sales and resales of the U.S.\$50,000,000 Class A-1 First Priority Senior Secured Floating Rate Notes Due 2035 (the *Class A-1 Notes*), U.S.\$300,000,000 Class A-2 First Priority Senior Secured Floating Rate Notes Due 2035 (the *Class A-2 Notes*), U.S.\$25,000,000 Class B-1 Second Priority Senior Secured Floating Rate Notes Due 2035 (the *Class B-1 Notes*), U.S.\$7,000,000 Class B-2 Second Priority Senior Secured Fixed Rate Notes Due 2035 (the *Class B-2 Notes*) and U.S.\$8,000,000 Class C Senior Subordinated Secured Floating Rate Notes Due 2035 (the *Class C Notes* and collectively the *Notes*) within the United States or to U.S. Persons (within the meaning of Regulation S under the Securities Act of 1933, as amended (the *Securities Act*)) must be made pursuant to Rule 144A solely to purchasers that are "qualified institutional buyers" (*Qualified Institutional Buyers*) within the meaning of Rule 144A and are also Qualified Purchasers. Each purchaser of a Restricted Note will be deemed to represent at the time of purchase that: (i) the purchaser is a Qualified Institutional Buyer and also a Qualified Purchaser; (ii) the purchaser is not a dealer described in paragraph (a)(1)(ii) of Rule 144A unless such purchaser owns and invests on a discretionary basis at least U.S.\$25,000,000 in securities of issuers that are not affiliated persons of the dealer; (iii) the purchaser is not a plan referred to in paragraph (a)(1)(i)(D) or (a)(1)(i)(E) of Rule 144A, or a trust fund referred to in paragraph (a)(1)(i)(F) of Rule 144A that holds the assets of such a plan, unless investment decisions with respect to the plan are made solely by the fiduciary, trustee or sponsor of such plan; (iv) the purchaser and each account for which it is purchasing, is required to hold and transfer at least the minimum denominations of the Notes specified in the Indenture and (v) the purchaser will provide written notice of the foregoing, and of any applicable restrictions on transfer, to any transferee. Each purchaser further understands that the Notes will bear a legend with respect to such transfer restrictions. See "Transfer Restrictions" in the Varick Structured Asset Fund, Ltd. and Varick CBO Delaware Corporation Offering Memorandum dated September 27, 2000 and in the Indenture dated as of September 29, 2000 pursuant to which the Notes were issued.

The Indenture provides that if, notwithstanding the restrictions on transfer contained therein, either of the Co-Issuers determines that any beneficial owner of a Restricted Note (or any interest therein) (A) is a U.S. Person (within the meaning of Regulation S under the Securities Act) and (B) is not both a Qualified Institutional Buyer and a Qualified Purchaser, then either of the Co-Issuers may redeem such Note or may require, by notice to such Holder, that such Holder sell all of its right, title and interest to such Restricted Note (or interest therein) to a Person that is a Qualified Institutional Buyer and a Qualified Purchaser, with such sale to be effected within 30 days after notice of such sale requirement is given. If such beneficial owner fails to effect the transfer required within such 30-day period, (i) upon direction from Clinton Group, Inc. (in its capacity as collateral manager for the Issuer, the *Collateral Manager*) or the Issuer, The Chase Manhattan Bank (in its capacity as trustee under the Indenture referred to above, the *Trustee*), on behalf of and at the expense of the Issuer, shall cause such beneficial owner's interest in such Note to be transferred in a commercially reasonable sale (conducted by the Trustee in accordance with Section 9-504(3) of the Uniform Commercial Code as in effect in the State of New York as applied to securities that are sold on a recognized market or that may decline speedily in value) to a Person that certifies to the Trustee, the Co-Issuers and the Collateral Manager, in connection with such transfer, that such Person is both a Qualified Institutional Buyer and a Qualified Purchaser and (b) pending such transfer, no further payments will be made in respect of such Note held by such beneficial owner.

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 The Chase Manhattan Bank, 600 Travis Street, 50th Floor, Chase Tower, Houston, Texas 77002, Telecopy no. (713) 216-2101, Attention: Capital Markets Fiduciary Services-Varick CBO.