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March 7, 1997

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VIA REGISTERED MAIL/RETURN RECEIPT REQUESTED

Welfare and Benefits Administration
Top Hat Plan Exemption, Room N-5644
U.S. Department of Labor
200 Constitution Avenue N.W.
Washington D.C., 20210

Re: *Electro Rent Corporation Deferred Compensation Plan*

Dear Sir/Madam:

On behalf of Electro Rent Corporation (EIN 95-2412961), this is to advise, pursuant to Department of Labor Regulation Section 2520.104-23, of the adoption of an unfunded deferred compensation plan providing deferred compensation benefits for a select group of management or highly compensated employees. The plan is entitled the Electro Rent Corporation Stock Option Deferred Compensation Plan. There is one (1) participant in this plan. Electro Rent Corporation maintains one other similar plan, known as the Electro Rent Corporation Supplemental Executive Retirement Plan.

Please acknowledge receipt of this letter by endorsing the enclosed copy and returning it to the undersigned in the self-addressed, stamped envelope provided.

Very truly yours,

David West
David West

DW/hl

cc: Mr. Craig Jones
Mr. Sam Sheth (CRG)

LA970660.064/-1+