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EXHIBIT  
Sticker  
Lost

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26th November 1990

TO: THE INTERESTED UNDERWRITERS

RE: Horse: '75 ch stallion, ALYDAR  
D/D: 15th November 1990

This will be our second report, first report being sent on 16th November 1990. We will continue the previous reporting format.

Specific remarks to specific brokers will be found as a postscript.

**SPECIAL REMARKS:** Several changes should be noted in our first report. The basic facts remain the same and we have no reason to believe this episode occurred in anyway not previously mentioned.

First notice came to our attention at 10:20p.m. on 13th November 1990, rather than 10:15p.m. as previously mentioned. In our first report, we also made mention that Mr. Lundy had reported that at about 10p.m. a loud noise had been heard from the stall. This was not correct. A review of our notes taken at the time, followed by other investigation, confirmed that no one was present in the stallion barn or stallion office at the time this episode occurred. Mr. Lundy had mentioned to us, however, that on previous occasions workers in the barn office had heard ALYDAR kicking at his stall door. The enclosed photos show evidence of this long term habit of the stallion. In our first report, we also made mention that both Drs. Baker and Bramlage were present when the horse suffered the second fracture. This should be corrected. We had left the farm at about 7:55a.m. and we met Dr. Bramlage coming in the farm gate. He was headed for the surgery barn at that time and when we returned to the surgery barn at 8:15a.m., Dr. Bramlage met us at the barn door and we had no reason to believe he had not been present for all of the previous time. Actually, he had left the surgery barn at about 8:10a.m. and just as he reached the farm gate, he was called back to the surgery barn as there was an emergency. Within just a few moments, he was back at the barn and by that time, ALYDAR had suffered the second fracture and was down.

As mentioned, these facts were confirmed during further investigation,

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but do not change the basic facts as we previously reported.

ATTENDING VETERINARIAN'S REPORT: We are enclosing Dr. Rhodes' report and she confirms her first attendance at about 10:15p.m. on 13th November 1990. She also identifies the animal by tattoo (E21991). She also confirmed the previously reported mid-shaft compound fracture of the right hind cannon bone, occurring when ALYDAR kicked the stall door or wall. She also confirmed the injury had been discovered by the night watchman, Alton Stone, during a routine check on/or about 10:10p.m. on 13th November 1990.

Dr. Rhodes also mentioned the prognosis at the time of recovery from anesthesia and surgery was "guarded" due to the poor blood supply to the lower part of the leg, along with infection. She also confirmed that at about 8a.m. ALYDAR fell onto his right side pinning the fractured/casted leg under him. She also remarked that in his struggle to regain his footing, he fractured the right femur which necessitated euthanasia.

We are still awaiting the written remarks of Dr. Baker. He has been quoted in the media as describing ALYDAR as being a good patient with no problems in induction nor recovery. He had also mentioned that ALYDAR eventually began to resent the sling, although not being used for support. It came to either maintaining the stallion in a tranquilized state (he was beginning to show signs of colic) or wean him out of the sling. The horse was not under sedation when the sling was removed and Dr. Baker was quoted saying, "He was moving around just fine, but then he stumbled a little in front. He tried to catch himself, but then went over and fell on his right side, landing on the bad leg. You could hear the fracture (to the femur) and he was immediately in distress. We anesthetized him, confirmed the fracture with palpation, and the decision was made to put him down". Dr. Baker was also quoted as being concerned about this type of accident just as he would be concerned about how the animal would come out of the anesthesia. Dr. Baker was also quoted as saying that another potential problem in recovery would have been circulation to the lower leg and foot. Dr. Baker had also mentioned to the media, "We would not have attempted the surgery had there been no circulation. We did a pin-prick test and although it was cool, there was blood. That's why we went ahead and did the surgery."

CONSULTING VETERINARIAN'S REPORT: We are also enclosing the extensive narrative report of Dr. Bramlage, beginning with his attendance at 10:30p.m. on 13th November 1990. His description was mostly found in our first report, with some additional comments regarding the activities after ALYDAR was placed in the sling. Dr. Bramlage mentioned the horse was "somewhat sulking at first", but following medication was able to stand well, remaining in the sling throughout the night. It was also mentioned, however, he required tranquilization and continued pacification as he resented the sling and its restrictions.

It was mentioned that twice during the night, his heart rate went above 80 and he appeared to gas-up from the Rompun injections. For that reason, he and Dr. Baker made a decision at 8a.m. on 15th Novemer to remove the sling in order to attempt to get ALYDAR in a better frame of mind where he would not need continual tranquilizatio. The sling was then removed at 8:15a.m. and Dr. Bramlage reported that for about 10 minutes he seemed comfortable and reasonable and happier with the environment. He then confirmed he left the hospital at that time, but in discussing it with Dr. Baker, it was his understanding that as ALYDAR began walking across the stall, he stumbled on his left front foot as he was going forward and the cast, which was still a bit foreign to him on his right hind, caused him to fall towards the right hind. In the process, the case went under the body and his body, sliding down the stall wall, fractured the femur.

Concluding, Dr. Bramlage stated that the stallion's temperament certainly contributed to this problem as he resented the sling and wanted to be able to move about the stall unrestricted. Dr. Bramlage remarked that they fully expected to lose the horse due to the severity of his injury, but they did not expect to lose him because of the second fracture. It was disappointing to Dr. Bramlage because the majority of his treatment went so well and then it was necessary to compromise the recovery because of the horse's temperament. Dr. Bramlage described this as being frustrating when you are trying to treat horses and the fact that ALYDAR had pretty much had his own way and his other activities was not helpful in his care. Dr. Bramlage also noted that although the prognosis for an open fracture of the cannon bone in an adult horse is "extemely poor", he had been off to a good start until the second fracture occurring after the sling was removed.

In an enclosed article, Dr. Bramlage also went into some other detail on the surgery and post-surgery difficulties. He described the entire affair as being like a chess match, the horse makes a move and you make a move and we gave him a chance. He also mentioned that with this type of injury, due to the problem with the bone dying and infection, the usual treatment is not to treat. Dr. Bramlage also complimented Dr. Lynda Rhodes, the farm vet who had nursed the horse through the night and then stayed with him through recovery. He described her as doing a "great job". Dr. Bramlage also mentioned that all agreed that the 15-year old stallion had backed them into a corner (with either the sling or sedation) and it was necessary to try to get him out of the sling and, "we gave it our best shot".

We are also enclosing a diagram which shows the surgical site and the site of the second fracture very well.

CURRENT STATUS: ALYDAR's injury was first discovered by the night watchman, 32-year old Alton Stone. We took his recorded statement on 19th November and a copy of the transcript is attached with this report.

As a matter of background, he had checked the stallion barn at about 9:30p.m. on 13th November and all was well. He returned to the stallion barn at 10:05p.m. that same date and at that time he found ALYDAR standing at his stall door sweating. His first calls went to supervisor, Sandy Hatfield and the farm veterinarian, Dr. Rhodes both of whom live on the farm. Both were on the scene very swiftly and at that point, all three entered the stall. Mr. Stone had not gone into the stall until Dr. Rhodes arrived. When he tried to hook onto the horse it immediately became obvious he had a problem with the right rear leg and he also noticed the door roller laying on the floor outside and at that point, he knew something was seriously wrong. It should also be mentioned that at no point in time had anyone seen the horse actually kick the door or entangle his foot between the stall door and stall wall. It was assumed the injury to the right hind leg had occurred as a result of a kick to the door as ALYDAR had a habit of kicking the door and the most obvious evidence was the sheared off metal roller which was lying away from its normal position. We also asked Mr. Stone about the injury to the left eye and he was not familiar with how it might have occurred. (It now appears this injury occurred when the stallion went down in the stall after the temporary cast was put on)

As mentioned, there was no one else in the stallion barn and/or barn office at the time this episode occurred, with first discovery by night watchman Stone.

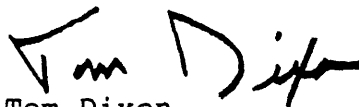
VALUE REMARKS: The previously mentioned public offering on 15th November resulted in a high bid of \$165,000 on a live foal and combination season, but was not sold because the reserve was not obtained. It is our understanding the stallion's injury of the previous night had been mentioned from the auction stand. We also understand that ALYDAR had seventy-eight registered 1990 yearlings and eighty-four registered 1990 foals.

FUTURE ACTIVITY: We will be forwarding Proof of Loss Forms, via the fax machine, as they arrive in our office. We will also be forwarding Dr. Baker's report upon its receipt.

ENCLOSURES: Attending vet Rhodes' report  
 Consulting vet Bramlage's report (with media article)  
 Surgical diagram  
 Transcribed statement-Alton Stone  
 Media article  
 Calumet Farm news release (15th November 1990)  
 Photo sheets (7)

Very truly yours,

DIXON ADJUSTERS, INC.

  
 Tom Dixon