

JONES, WALDO, HOLBROOK & McDONOUGH

A PROFESSIONAL CORPORATION

ATTORNEYS AND COUNSELORS

SALT LAKE CITY OFFICE

1500 FIRST INTERSTATE PLAZA
170 SOUTH MAIN STREET
SALT LAKE CITY, UTAH 84101
TELEPHONE (801) 521-3200
FAX (801) 328-0537

WASHINGTON, D.C. OFFICE

SUITE 900
2300 M STREET
WASHINGTON, D.C. 20037
TELEPHONE (202) 296-5950
FAX (202) 293-2509

ST. GEORGE OFFICE

THE TABERNACLE TOWER BLDG.
249 EAST TABERNACLE
ST. GEORGE, UTAH 84770
TELEPHONE (801) 628-1627
FAX (801) 628-5225

PARK CITY OFFICE

347 MAIN STREET
P. O. BOX 4065
PARK CITY, UTAH 84060
TELEPHONE (801) 645-8749

June 10, 1991

IN REPLY REFER TO:

Salt Lake City

VIA CERTIFIED MAIL

Ida Rose Hall
c/o David R. Hall
738 East 2680 North
Provo, UT 84604

Re: 1990 Megadiamond Payment to Former Shareholders
and Current Employees

Dear Former Megadiamond Shareholder:

Enclosed is a check representing your portion of the 1990 Megadiamond payment under the terms of the Merger Agreement. We have also enclosed an itemized accounting of this distribution. Please note that a portion of this distribution has been retained by Megadiamond in an interest bearing trust account pending the resolution of the appeal currently in front of the 10th Circuit Court of Appeals.

If you have any questions regarding this distribution, please do not hesitate to call us or Duane Horton.

Kindest regards.

Very truly yours,

JONES, WALDO, HOLBROOK & McDONOUGH


Jeffrey N. Walker

Enclosures

jnw 397/ab

1990 Megadiamond Distribution to
Former Shareholders and Current Employees*

Total Judgment Amount	761,674.00
Contract Judgment Amount	761,674.00
Employee Trust %	7.50%
Shareholder %	92.50%
Total Contract %	100.00%
Employee Trust Amount	57,125.55
Shareholder Contract Amount	704,548.45
 Total Shareholder Judgment	 704,548.45

* The total payments due for 1990 from Megadiamond to the former shareholders and current employees is \$921,699. Of this amount \$160,025 has been placed in an interest bearing trust account in the Bank of California in Los Angeles, pending a ruling of the appeal currently in front of the 10th Circuit Court of Appeals.

1990 Megadiamond Distribution to
Former Shareholders and Current Employees

Shareholder Name	Number of Shares	Ownership Percent	Allocation of Payment	Net Payment Amount
HTH for Richard Alexander Hall	600.00	0.19919%	1,403.37	1,403.37
HTH for Robert Langford Hall	600.00	0.19919%	1,403.37	1,403.37
HTH for Spencer W. R. Hall	600.00	0.19919%	1,403.37	1,403.37
HTH for Susanna Hall	600.00	0.19919%	1,403.37	1,403.37
HTH for Zina Hall	600.00	0.19919%	1,403.37	1,403.37
Tracy Hall, Jr.	6,226.00	2.06690%	14,562.31	14,562.31
Tracy, Jr. & Elizabeth Hall	2,000.00	0.66396%	4,677.90	4,677.90
H. Tracy Hall, Sr.	8,600.00	2.85502%	20,114.99	20,114.99
Ida Rose Hall	8,500.00	2.82182%	19,881.09	19,881.09
Karen VanDyke Hall	4,500.00	1.49390%	10,525.28	10,525.28
L. Brent & Married B. Horton	492.00	0.16333%	1,150.76	1,150.76
L. Brent Horton	5,000.00	1.65989%	11,694.76	11,694.76
Married Black Horton	5,000.00	1.65989%	11,694.76	11,694.76
MDH for Nathan Horton	28,000.00	9.29541%	65,490.65	65,490.65
M. Duane Horton	33,400.00	11.08809%	78,120.99	78,120.99
Wendy Horton McBride	28,000.00	9.29541%	65,490.65	65,490.65
Nancy Hall Mecham	2,970.00	0.98598%	6,946.69	6,946.69
NHM for Carli Anne Mecham	540.00	0.17927%	1,263.03	1,263.03
NHM for Chelsey Kae Mecham	540.00	0.17927%	1,263.03	1,263.03
Elizabeth Hall Neil	1,800.00	0.59756%	4,210.11	4,210.11
EHN for Emily Neil	540.00	0.17927%	1,263.03	1,263.03
EHN for Erin Tracie Neil	540.00	0.17927%	1,263.03	1,263.03
EHN for Gregory Scott Neil	540.00	0.17927%	1,263.03	1,263.03
EHN for John Patrick Neil	540.00	0.17927%	1,263.03	1,263.03
John & Elizabeth Neil	2,160.00	0.71707%	5,052.14	5,052.14
John Martin Neil	1,800.00	0.59756%	4,210.11	4,210.11
Sans Copy Profit Sharing Trust	1,601.00	0.53150%	3,744.66	3,744.66
Richard C. Stratford	5,000.00	1.65989%	11,694.76	11,694.76
Marilyn Stratford	800.00	0.26558%	1,871.16	1,871.16
Stratford Investments	7,000.00	2.32385%	16,372.66	16,372.66
Stratford Enterprises	10,000.00	3.31979%	23,389.52	23,389.52
Vera C. Stratford	8,000.00	2.65583%	18,711.62	18,711.62
Richard C. Stratford Trust	10,000.00	3.31979%	23,389.52	23,389.52

1990 Megadiamond Distribution to
Former Shareholders and Current Employees

Shareholder Name	Number of Shares	Ownership Percent	Allocation of Payment	Net Payment Amount
Annabelle Davis	2,000.00	0.66396%	4,677.90	4,677.90
Excellence Enters. Ltd.	1,000.00	0.33198%	2,338.95	2,338.95
Barry DeWayne Wood	1,160.00	0.38510%	2,713.18	2,713.18
Catherine H. Thompson	5,500.00	1.82588%	12,864.24	12,864.24
Charlotte Hall Weight	3,960.00 ✓	1.31464%	9,262.25	9,262.25
CHW for Hannah Weight	540.00 ✓	0.17927%	1,263.03	1,263.03
CHW for Hyrum Robert Weight	540.00 ✓	0.17927%	1,263.03	1,263.03
CHW for Sarah Weight	540.00 ✓	0.17927%	1,263.03	1,263.03
Clyde H. Davis	400.00	0.13279%	935.58	935.58
Daniel & Sherlene Bartholomew	2,160.00	0.71707%	5,052.14	5,052.14
Daniel Ray Bartholomew	1,632.00	0.54179%	3,817.17	3,817.17
David R. Hall for DHD, Inc.	16,282.00	5.40528%	38,082.81	38,082.81
DRH for Emily Hall	1,800.00	0.59756%	4,210.11	4,210.11
DRH for Mark David Hall	1,800.00	0.59756%	4,210.11	4,210.11
DRH for Michael Allen Hall	1,800.00	0.59756%	4,210.11	4,210.11
DRH for Stephen Randall Hall	1,800.00	0.59756%	4,210.11	4,210.11
DRH for Barbara Hall	1,800.00	0.59756%	4,210.11	4,210.11
Debra Ann Strong Hutchison	980.00	0.32534%	2,292.17	2,292.17
Bernard Jolis	16,895.00	5.60878%	39,516.59	39,516.59
Albert Jolis	16,895.00	5.60878%	39,516.59	39,516.59
Douglas Allen Mecham	1,800.00	0.59756%	<u>4,210.11</u>	4,210.11
Sherlene Hall Bartholomew	1,632.00	0.54179%	3,817.17	3,817.17
SHB for Daniel Hall Bartholomew	600.00	0.19919%	1,403.37	1,403.37
SHB for Laura Bartholomew	600.00	0.19919%	1,403.37	1,403.37
R. L. Coates	900.00	0.29878%	2,105.06	2,105.06
Judith F. Edwards	1,000.00	0.33198%	2,338.95	2,338.95
Richard S. Fox	1,000.00	0.33198%	2,338.95	2,338.95
J. Earl Garrett	2,000.00	0.66396%	4,677.90	4,677.90
Elizabeth Huntington Hall	2,240.00	0.74363%	5,239.25	5,239.25
HTH for Anthony Rondot Hall	600.00	0.19919%	1,403.37	1,403.37
HTH for Elizabeth Hall	600.00	0.19919%	1,403.37	1,403.37
HTH for Huntington Tracy Hall	600.00	0.19919%	<u>1,403.37</u>	1,403.37
HTH for Mary Hall	600.00	0.19919%	1,403.37	1,403.37

1990 Megadiamond Distribution to
Former Shareholders and Current Employees

Shareholder Name	Number of Shares	Ownership Percent	Allocation of Payment	Net Payment Amount
Gregory W. Strong	980.00	0.32534%	2,292.17	2,292.17
Kline D. & Suzanne B. Strong	4,459.00	1.48029%	10,429.39	10,429.39
Richard K. Strong	980.00	0.32534%	2,292.17	2,292.17
Douglas N. Thompson	5,500.00	1.82588%	12,864.24	12,864.24
Bryan Young Weight	1,800.00 ✓	0.59756%	4,210.11	4,210.11
Virginia & Barry Wood	2,400.00	0.79675%	5,613.48	5,613.48
Virginia Hall Wood	1,160.00 ✓	0.38510%	2,713.18	2,713.18
VHW for Jonathan Wesley Wood	800.00 ✓	0.26558%	1,871.16	1,871.16
VHW for Nathan Spencer Wood	800.00 ✓	0.26558%	1,871.16	1,871.16
VHW for Sarah Elizabeth Wood	800.00 ✓	0.26558%	1,871.16	1,871.16
VHW for Warren Tracy Wood	800.00 ✓	0.26558%	1,871.16	1,871.16
	-----	-----	-----	-----
TOTAL	301,224.00	100.00000%	704,548.45	704,548.45