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ARIZONA CORPORATION COMMISSION

JAMES MATTHEWS  
EXECUTIVE SECRETARY

SECURITIES DIVISION  
1300 West Washington, Third Floor  
Phoenix, AZ 85007-2996  
TELEPHONE: (602) 542-4242  
FAX: (602) 594-7470

February 21, 1996

Costa Constantine, Esq.  
Skadden, Arps, Slate, Meagher & Flom  
919 Third Avenue  
New York, NY 10022-3897

RE: Levitz Furniture Incorporated/Levitz Furniture Corporation Exchange Offer  
A.R.S. § 44-1844(A)(7)

Dear Mr. Constantine:

On the basis of the facts set forth in your letters of February 13 and 15, 1996 and in reliance upon your opinion as counsel, the Securities Division will not recommend enforcement action for violation of the Securities Act of Arizona should the transaction take place as set forth in your letters.

As this position is premised upon the facts set forth in your letters, it should not be relied on for any other set of facts or by any other person. Please also note that this position applies only to the registration requirements of the Act; the anti-fraud provisions of the Act continue to be applicable.

We have attached a photocopy of your letters. By doing this we are able to avoid having to recite or summarize the facts set forth therein.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Dee Riddell Harris".

DEE RIDDELL HARRIS  
Director of Securities

DRH:lb  
Attachment

SKADDEN, ARPS, SLATE, MEAGHER & FLOM

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EXPEDITED REVIEW REQUESTED

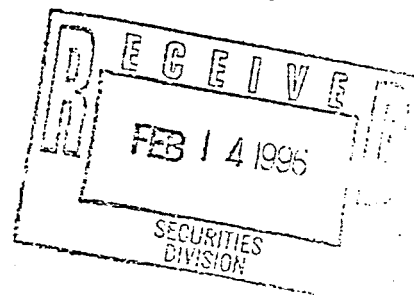
February 13, 1996

Michael G. Burton, Esq.  
Securities Division  
Arizona Corporation Commission  
1300 West Washington Street - 3rd Floor  
Phoenix, Arizona 85007

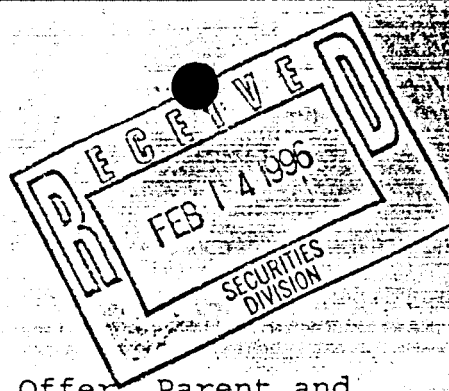
Levitz Furniture Incorporated  
Levitz Furniture Corporation  
Exchange Offer

Dear Mr. Burton:

Request for a "no-action" letter is hereby made with regard to the proposed exchange offer whereby Levitz Furniture Incorporated, a Delaware corporation ("Parent"), and its wholly owned subsidiary, Levitz Furniture Corporation, a Florida corporation ("Levitz" or the "Company"), will offer, upon the terms and subject to the conditions set forth in the enclosed Offer to Exchange and Consent Solicitation (the "Offer to Exchange and Consent Solicitation") and in the accompanying Letter of Transmittal and Consent (the "Letter of Transmittal" and, together with the Offer to Exchange and Consent Solicitation, the "Exchange Offer"), to issue (i) warrants ("Warrants") to purchase common stock, par value \$.01 per share ("Parent Common Stock"), of Parent, and (ii) 13 3/8% Senior Notes due October 15, 1998 of Levitz (the "New Notes"), in exchange for \$97,610,000 aggregate principal amount of outstanding 12 3/8% Senior Notes due April 15, 1997, which will be guaranteed as to the payment of principal and interest by Parent, of Levitz (the "Old Notes"). The Parent Common Stock is listed on the New York Stock Exchange.



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As part of the Exchange Offer, Parent and Levitz are soliciting (the "Consent Solicitation") consents (the "Consents") from persons ("Registered Holders") in whose names the Old Notes are registered on the books of the Old Notes registrar to certain amendments (collectively, the "Proposed Amendments") to the indenture dated as of December 1, 1992 between the Company and First Bank National Association, as trustee, under which the Old Notes were issued (the "Old Notes Indenture"). References herein and in the Exchange Offer to the Exchange Offer include the Consent Solicitation. Among other things, the Proposed Amendments would eliminate substantially all restrictive covenants from the Old Notes Indenture. Upon receipt of Consents from Registered Holders of a majority in aggregate principal amount of the outstanding Old Notes not owned by the Company or its affiliates, the Company and First Bank National Association will execute a supplemental indenture embodying the Proposed Amendments to the Old Notes Indenture.

The transaction has not been reviewed by the Securities and Exchange Commission (the "Commission"). The Exchange Offer will be made by Parent and Levitz in reliance on the exemption from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), afforded by Section 3(a)(9) thereof. Parent and Levitz, therefore, will not pay any commission or other enumeration to any broker, dealer, salesman or other person for soliciting tenders of the Old Notes. Regular employees of Levitz, who will not receive additional compensation therefor, may solicit exchanges from holders of the Old Notes.

Enclosed is a copy of the Offer to Exchange and a Consent to Solicitation in final draft form and our check, No. 21990, in the amount of \$200, in payment of the required filing fee.

It is presently anticipated that the Exchange Offer will commence on or about February 15, 1996.

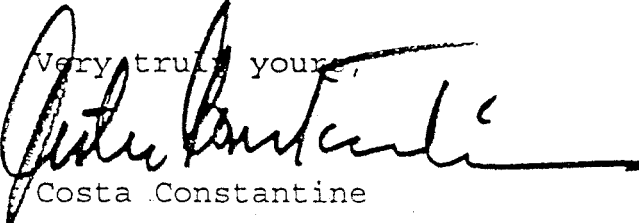
Please advise me on or before February 15, 1996, if a "no-action" letter will be issued by your

Michael G. Burton, Esq.  
February 13, 1996  
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office so that the Exchange Offer may commence in Arizona. According to the records of the Company, there are no holders of record resident in Arizona, though there may be beneficial holders.

Please acknowledge receipt on the enclosed copy of this letter and return it in the enclosed self-addressed, stamped envelope.

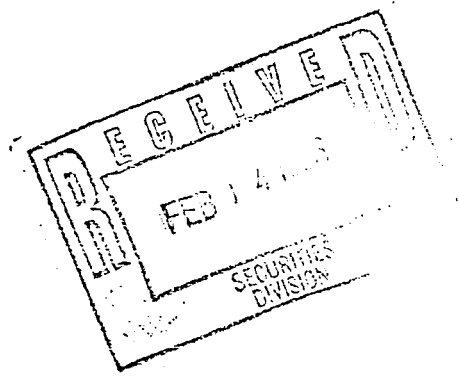
Very truly yours,



Costa Constantine

Enc.

/gr



02/21/96

14:19

SKADDEN, ARPS

NO. 650 P01

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February 15, 1996

Michael G. Burton, Esq.  
Securities Division  
Arizona Corporation Commission  
1300 West Washington Street - 3rd Floor  
Phoenix, Arizona 85007

Levitz Furniture Incorporated  
Levitz Furniture corporation  
Exchange Offer

Dear Mr. Burton:

This supplements my letter to you dated February 13, 1996 with regard to our request for a "no-action" letter in the Exchange Offer by Levitz Furniture Incorporated ("Parent") and Levitz Furniture Corporation, its wholly-owned subsidiary ("Company"), to holders of the Old Notes.

In support of our letter, we submit that the reason for the "no-action" request is that the proposed Exchange Offer does not literally fall within the exemption provisions of Section 44-1844.A. It is submitted, however, that due consideration be given on the grounds that the transaction falls substantially within the intent of Section 44-1844.A.7.

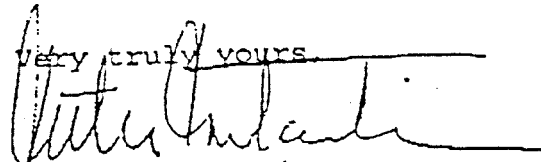
The proposed Exchange Offer will be made by an issuer with its existing securityholders exclusively and no commission or remuneration will be paid for soliciting the exchange. It is also a condition of this exemption provision that the exchange be fully authorized and approved by the holders and not less than a majority of the outstanding securities of each class affected by the exchange. The proposed Exchange Offer does not require the

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February 15, 1996  
Page 2

approval of a majority of the holders of the Old Notes; however, it is a condition to the Exchange Offer that the holders of the Old Notes tender at least 90% aggregate principal amount of the Old Notes outstanding and not owned by the Parent, the Company and their affiliates. I refer you to page 2 of the "Offer to Exchange and Consent Solicitation" where this condition is described and to page 40 under the caption "Conditions of the Exchange Offer".

Although the condition may be waived, it is the express intent that this condition be satisfied for the Exchange Offer to proceed. In this event, the Exchange Offer would substantially comply with the intent of the conditions of Section 44-1844.A7. Although majority approval is not required, the 90% tender requirement as a condition to the Exchange Offer, is tantamount to approval. On this basis we believe that if you are unable to confirm an exemption under this section, nevertheless, a "no-action" letter from your office is appropriate under the circumstances.

Very truly yours,



Costa Constantine

Encl.

/etm