

An Open Letter

Mr. Norman E. Alexander
Chairman
Chock Full O' Nuts
370 Lexington Avenue
New York, NY 10017

April 23, 1999

Dear Norman:

You should resign as the Chairman of the Board of Chock Full O' Nuts.

The Sara Lee 13-D filing (dated April 12, 1999) and the accompanying disclosure of the relationships and discussions that it had concerning the acquisition of Chock Full O' Nuts is quite revealing. It is particularly troublesome to professional investors like ourselves who view ourselves as ombudsmen as well as shareholder/owner surrogates. In its 13-D filing Sara Lee indicated it sent a letter dated August 15, 1997 to negotiate a deal. Sara Lee further indicated that it submitted a written proposal on July 8, 1998 to buy Chock Full O' Nuts at \$9.50 per share, but rather repeat the details I am including item 4 of this 13-D as a refresher.

Your purchase of 500,000 shares on February 24, 1999 at \$5.00 per share without disclosing the "Sara Lee" dialogue raises many moral and ethical questions, which I am sure you will be asked to discuss in the coming days and weeks.

While we are confident that you have an array of legal arguments to support your position as to why that purchase was "legal", we believe there is a greater duty to shareholders and that duty involved full disclosure of dialogue with companies the size and scope of Sara Lee.

At the same time we believe that Sara Lee filed its 13-D and went "public" in part to get the attention and response of professional shareholders like ourselves.

The right thing is to resign immediately.

Sincerely,

Mario J. Gabelli.