

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SCHEDULE 13G

INFORMATION STATEMENT PURSUANT TO RULES 13d-1 AND 13d-2  
UNDER THE SECURITIES EXCHANGE ACT OF 1934

(AMENDMENT NO.1)\*

Microsoft Corporation  
(NAME OF ISSUER)

2 3/4% Convertible Exchangeable Series A Preferred Shares  
(TITLE OF CLASS OF SECURITIES)

594918 20 3  
(CUSIP NUMBER)

\* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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ITEM 10. CERTIFICATION. (if filing pursuant to Rule 13d-1(b))

By signing below, Levin & Co. and Baker Fentress certify that, to the best of their knowledge and belief, the securities referred to above were acquired in the ordinary course of business, were not acquired for the purpose of and do not have the effect of changing or influencing the control of the issuer of such securities and were not acquired in connection with or as a participant in any transaction having such purposes or effect.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: February 13, 1998

JOHN A. LEVIN & CO., INC.

/s/ John A. Levin

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John A. Levin  
President

BAKER FENTRESS & COMPANY

/s/ John A. Levin

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John A. Levin  
President

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