

July 2, 1979

To Our Clients:

Takeovers

The SEC complaint against United Technologies, SEC Litigation Release No. 8793, June 25, 1979, contains two allegations which we (as counsel to United) believe to be without merit but which should be noted so as to avoid the possibility of it being raised in future tender offers.

Even though the tender offer stated that the offeror might make market purchases of shares of the target after the tender offer and this disclosure was not in any way changed by the post-tender offer amendment to the Schedule 14D-1 (which becomes the initial post-tender offer Schedule 13D pursuant to Instructions D and F of Schedule 14D-1) the SEC alleges that there should have been a further disclosure of intent to make such purchases (despite the fact that each such purchase was promptly reported in a Schedule 13D amendment).

The SEC also alleged that where a confused count by the depositary, which necessitated extraordinary efforts by the offeror to determine the number of shares actually tendered, resulted in the offeror not filing a post-tender offer amendment to its Schedule 14D-1 under Instruction D to Schedule 14D-1 until an accurate count had been received, the offeror was in violation of the requirement that it "promptly" report its acquisition of more than 5% of the shares of the target (despite the fact that an admittedly prompt press release to that effect had been made and the entire matter was the subject of extensive coverage in the press).

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