

March 11, 1980

To Our Clients:

In several recent speeches Harold Williams, Chairman of the Securities and Exchange Commission, has described directorial consideration of a takeover bid as follows:

"But such a dollars-and-cents analysis should not end its inquiry. For example, it should examine the likely effect of accepting the offer on the on-going existence of the corporation. And, whether accepting the offer would be in the best interests of long-term investors as well as short-term speculators. Moreover, the committee should look at the reasonable interests in the corporation's independent existence of persons other than its shareholders -- for example, its customers, suppliers, employees and the communities in which it operates."

M. Lipton