

HTELL, LIPTON, ROSEN & KATZ

March 1, 1983

To Our Clients:

I thought you would find the enclosed of  
interest.

M. Lipton

83-0026

# GEORGESON & CO. INC.

WALL STREET PLAZA, NEW YORK, N.Y. 10005 (212) 440-9800

February 26, 1983

Martin Lipton, Esq.  
Wachtell Lipton Rosen & Katz  
299 Park Avenue  
New York, NY 10017

Dear Mr. Lipton:

In order to protect the interest of all their shareholders, many companies are considering the adoption of certain charter amendments. The most popular amendments under review are those calling for a super majority vote on transactions with an "interested person," generally with a fair price provision, the classification of the board of directors, and to a lesser extent the authorization of serial preferred stock and the elimination of the right of shareholders to take action by consent.

For many companies institutional holders represent a significant portion of their voting securities. Consequently, these institutions can determine the outcome of a proxy solicitation on behalf of these proposals. In order to assist our clients in planning for the effort needed to obtain the required vote, we recently completed a survey of the top money managers. Since you also have clients who are contemplating such proposals, we believe you might be interested in the results of our survey, particularly since we understand that our results differ from those of other surveys.

For our survey, we took the top 100 money managers taken from a list prepared by Institutional Investor. A questionnaire was prepared to be used by our institutional solicitors in conducting a telephone interview with either the person directly involved in the decision-making process or an analyst who makes recommendations on the voting of securities. A total of 71 institutions agreed to be interviewed. In order to enlist their cooperation, we agreed to keep their identity confidential. We have, however, coded the response by the type of institution. A copy of our questionnaire and a survey summary are enclosed.

As shown in the summary, a majority of the responding institutions have indicated opposition to amendments calling for a super majority vote even with a fair price formula. On the other hand, a classified board is much more acceptable to these institutions. These results mirror our experience in soliciting for these proposals.

The survey responses represent current attitudes towards the more common protective amendments being considered. They do not necessarily mean that the institutions will consistently vote

along the lines of their response. We have found that on occasion it is possible to convince an institution to reverse itself and vote in favor. There are also a significant number of institutions that presently do not have a policy on these proposals.

It should be recognized that the smaller the institution the greater the chance that they will support management. Another factor to consider in reviewing institutional holders is the number of shares over which they have shared or sole voting authority. Therefore, the mix of the institutional holders is an important consideration in determining the effort needed to pass these proposals.

If you have any questions concerning our survey please let me know.

Very truly yours,

GEORGESON & CO. INC.



Richard B. Nye

Enclosures  
RBN:kh

INSTITUTIONAL SURVEY REPORTING FORM

INSTITUTION: \_\_\_\_\_

CONTACT: \_\_\_\_\_ TEL. NO.: \_\_\_\_\_

REPORT FILED BY: \_\_\_\_\_

SUPERMAJORITY PROVISIONS

GENERALLY: \_\_\_\_\_

FOR  AGAINST  ABSTAIN, IF APPLICABLE

WITH A "FAIR PRICING" PROVISION THAT WOULD REQUIRE A SUPERMAJORITY VOTE TO APPROVE A MERGER TRANSACTION UNLESS, PURSUANT TO THE MERGER TRANSACTION, STOCKHOLDERS WOULD RECEIVE CONSIDERATION PER SHARE EQUAL TO THE HIGHEST PRICE PER SHARE PREVIOUSLY PAID BY THE ACQUIRING COMPANY OR PERSON OR THE TERMS OF THE MERGER TRANSACTION HAVE BEEN APPROVED BY A MAJORITY OF THE COMPANY'S BOARD OF DIRECTORS IN WHICH CASE THE STOCKHOLDERS VOTE REQUIRED TO APPROVE THE MERGER TRANSACTION WOULD BE ONLY A MAJORITY OF THE OUTSTANDING SHARES.

FOR  AGAINST  ABSTAIN, IF APPLICABLE.

WITHOUT "FAIR PRICING" PROVISION: \_\_\_\_\_

FOR  AGAINST  ABSTAIN, IF APPLICABLE

STAGGERED BOARD

GENERALLY: \_\_\_\_\_

FOR  AGAINST  ABSTAIN, IF APPLICABLE

BY ITSELF: \_\_\_\_\_

FOR  AGAINST  ABSTAIN, IF APPLICABLE

WITH A SUPERMAJORITY AMENDMENT INCLUDING A "FAIR PRICING" PROVISION: \_\_\_\_\_

FOR  AGAINST  ABSTAIN, IF APPLICABLE

AMEND ARTICLES TO ELIMINATE CHANGE IN BOARD OF DIRECTORS MERELY BY EXECUTION OF A CONSENT BY STOCKHOLDERS OWNING A MAJORITY OF THE OUTSTANDING SHARES ( E.G., BY REQUIRING THAT SUCH CONSENT BE EXECUTED BY HOLDERS OF 100% OF THE OUTSTANDING SHARES

GENERALLY: \_\_\_\_\_

FOR  AGAINST  ABSTAIN, IF APPLICABLE

WITH A SUPERMAJORITY AMENDMENT INCLUDING A "FAIR PRICING" PROVISION: \_\_\_\_\_

FOR  AGAINST  ABSTAIN, IF APPLICABLE

WITH A STAGGERED BOARD: \_\_\_\_\_

FOR  AGAINST  ABSTAIN, IF APPLICABLE.

CREATION OF A NEW SERIES OF PREFERRED WITH VOTING RIGHTS OR INCREASING AUTHORIZED PREFERRED WITH VOTING RIGHTS (A "BLANK CHECK" PREFERRED).

GENERALLY: \_\_\_\_\_

FOR  AGAINST  ABSTAIN, IF APPLICABLE.

IF AND WHEN INSTITUTION HAS VOTING DISCRETION OVER SHARES, WHO DECIDES HOW TO VOTE?

A COMMITTEE? IF SO, WHO SITS ON THE COMMITTEE (e.g., analyst, portfolio manag

AN INDIVIDUAL ? IF SO, WHO? \_\_\_\_\_

IF INSTITUTION IS A BANK, IN THOSE INSTANCES WHEN IT HAS NO VOTING DISCRETION OVER THE SHARES IT HOLDS DOES IT MAKE ANY RECOMMENDATIONS TO CLIENTS AS TO HOW THE SHARES SHOULD BE VOTED?

COMMENTS: \_\_\_\_\_

INSTITUTIONAL SURVEY REPORT

2/18/83

QUESTIONS:

1. Supermajority Provisions.

- Generally
- With a "fair pricing" provision
- Without a "fair pricing" provision

2. Staggered Board.

- Generally
- By itself
- With a supermajority amendment including a "fair pricing" provision

3. Removal of the Board of Directors merely by execution of a consent by stockholders owning a majority of the outstanding shares.

- Generally
- With a supermajority amendment including a "fair pricing" provision
- With a staggered board

4. Creation of a new series of preferred with voting rights or increasing authorized preferred with voting rights (a "blank check" preferred).

- Generally

5. If and when an institution has voting discretion over shares, who decides how to vote?

- A committee
- An individual

6. Comments.

KEY:

A = Against  
B = Bank  
F = For  
IN = Insurance

MM = Money Manager  
NP = No Policy  
P = Pension  
Y = Yes

SURVEY SUMMARY

ISSUES

INSURANCE COS.

PENSION FUNDS

BANKS

MONEY MANAGERS

TOTAL

ISSUES	INSURANCE COS.			PENSION FUNDS			BANKS			MONEY MANAGERS			TOTAL		
	FOR	AGAINST	NP	FOR	AGAINST	NP	FOR	AGAINST	NP	FOR	AGAINST	NP	FOR	AGAINST	NP
Supermajority Proposals (Gen)	3	14	5	0	4	1	1	14	3	6	15	5	10	47	14
Fair Price Amendments with Supermaj. Provision	3	14	5	0	4	1	1	14	3	5	16	5	9	48	14
Staggered Board (Gen)	7	9	6	1	2	2	12	1	5	8	12	6	28	24	19
Staggered Board with Supermaj. Provision	4	11	7	0	3	2	2	11	5	9	11	6	15	36	20
Staggered Board with Supermaj. Provision & Fair Price Prop.	3	12	7	0	3	2	2	12	4	5	13	8	10	40	21
Removal of Board by Stockholder Consent Amend	3	13	6	0	3	2	1	13	4	5	14	7	9	43	19
Removal of Board by Stockholder Consent Amend with Staggered Board	4	11	7	0	3	2	1	13	4	5	12	9	10	39	22
Issuance of Preferred.	5	8	9	0	2	3	4	5	9	6	11	9	15	26	30

Type Inst.	1) SUPER			2) STAGGERED			3) REMOVAL OF BOARD BY STOCKHOLDER AMEND CONSENT			ISSUANCE OF NEW SERIES OF	5) VOTING PROCEDURE		6) COMMENTS
	Gen.	Fair Price	W/O FP	Gen.	By Itself	W/ Supermaj Incl. FP	Gen.	W/ Supermaj Incl. FP	W/ Supermaj Staggered	4) PREFERRED	Com.	Ind.	
(IH)	A	A	A	A	A	A	A	A	A	A	Y		Vehemently against.
(MH)							See Comments						Votes with management unless beneficial owner advises otherwise.
(IN)	A	A	A	F	F	A	A	A	A	NP	Y		Will vote against any proposal that is anti- takeover if it is against best interest of shareholders.
(HM)	A	A	A	F	F	A	A	A	A	F	Y		Would discuss with company.
(IH)							See Comments						Does not support anti-take- over provisions. Either votes with management or sells stock.
(B)							See Comments						No policy regarding anti-takeover amend- ments. Bank has had very little experience with these issues. How- ever bank might look favorably at fair pricing amendments.
(B)	A	A	A	F	F	A	NP	NP	NP	NP	Y		



Type Inst.	1) SUPER			2) STAGGERED			REMOVAL OF BOARD BY STOCKHOLDER			ISSUANCE OF NEW SERIES OF	VOTING		6) COMMENTS
	Gen.	Fair Price	W/O FP	Gen.	By Itself	W/ Supermaj Incl. FP	Gen.	W/ Supermaj Incl. FP	W/ Supermaj Staggered	4) PREFERRED	5) PROCEDURE	Ind.	
(B)	A	A	A	See Comments		A	A	A	A	A	Y		Generally against defensive amendments. Might favorably consider staggered board, but not as part of an anti-takeover package.
(B)	A	A	A	See Comments		A	A	A	A	A	Y		May approve staggered board by itself.
(IN)							See Comments						No comment at this time. Information not available for disclosure.
(IN)	A	A	A	A	A	A	A	A	A	A	Y		Votes on very few issues, is against any proposal which reduces the marketability of the stock.
(IN)	F	F	F	F	F	F	F	F	F	F	Y		Tends to vote with management. Considers anti-takeover to be routine and will vote for management.
(MN)	A	A	A	A	A	A	A	A	A	A			Not in favor of any anti-takeover proposals, felt that someone had "a good imagination."
(IN)	A	A	A	F	F	NP	A	A	A	A	Y		Doesn't see staggered board as a significant problem.

Type Inst.	1) SUPER			2) STAGGERED			REMOVAL OF BOARD BY STOCKHOLDER			ISSUANCE OF NEW SERIES OF	VOTING		6) COMMENTS
	Gen.	Fair Price	W/O FP	Gen.	By Itself	W/ Supermaj Incl. FP	3) ANEND CONSENT	4) PREFERRED	5) PROCEDURE	Com.	Ind.		
							Gen.	Incl. FP	W/ Staggered				
(P)	A	A	A	A	A	A	A	A	A	NP	Y		
(MH)	A	A	A	A	A	A	A	A	A	A			Will vote against anything that will impede a takeover.
(B)	A	A	A	See Comments			A	A	A	NP	Y		Depends on circumstances how bank will vote on stag- gered board.
(B)	A	A	A	A	F	A	A	A	A	NP	Y		Committee recommendations will be forwarded to benefi- cial owners.
(IN)	A	A	A	F	F	A	A	A	A	F	Y		Has always, and will prob- ably continue to vote against anti-takeover proposals.
(IN)	A	A	A	A	NP	A	A	A	A	A	Y		Not in best interest of shareholders which is man- agement's responsibility. Directors actively oppose such proposals.
(B)	F	F	F	F	F	F	F	F	F	F	Y		"We've had no experience with these proposals. We just vote with management."
(B)	A	A	A	F	F	A	A	A	A	F	Y		Committee recommendations will be forwarded to bene- ficial owners.

Type Inst.	1) SUPER			2) STAGGERED			3) REMOVAL OF BOARD BY STOCKHOLDER AMEND CONSENT			4) ISSUANCE OF NEW SERIES OF PREFERRED	5) VOTING PROCEDURE		6) COMMENTS	
	Gen.	Fair Price	W/O FP	Gen.	By Itself	W/ Supermaj Incl. FP	Gen.	W/ Supermaj Incl. FP	W/ Staggered	Com.	Ind.			
(HH)	A	A	A	A	A	A	A	A	A				Will vote against any such proposal.	
(MH)	A	A	NP	A	NP	NP	A	NP	NP	A		Y	Would look at each case individually.	
(IN)	A	A	A	F	F	A	A			A		Y	Only shows unusual proposals to the committee. If staggered board is not related to anti-takeover issue, would examine case by case.	
(IN)	A	A	A	A	A	A	A	A	A	A			Y	
(IN)	A	A		A			A			A			Y	Felt he was giving something up and is getting nothing in return.
(MH)							See Comments							No set policy at this point. Each proposal is reviewed on its own merit.
(MH)	F	F	F	F	F	F	F	F	F	F				
(IN)							See Comments						Y	No policy concerning anti-takeover proposals. Each company is looked at as an individual case.
(B)	A	A	A	F	F	A	A	A	A	F			Y	Advises clients on how to vote shares.

Type Inst.	1) SUPER			2) STAGGERED			3) REMOVAL OF BOARD BY STOCKHOLDER AMEND CONSENT			4) ISSUANCE OF NEW SERIES OF PREFERRED	5) VOTING PROCEDURE		6) COMMENTS
	Gen.	Fair Price	W/O FP	Gen.	By Itself	W/ Supermaj Incl. FP	Gen.	W/ Supermaj Incl. FP	W/ Supermaj Staggered	Com.	Incl.		
(B)												See Comments	Looks very closely at any proposal allowing a minority group of shareholders to block an attractive tender offer.
(IN)	A	A	A	A	A	A	A	A	A	A	Y		"Management is trying to prevent shareholders from realizing value, so I always vote against these provisions."
(B)	A	A	A	F	F	A	A	A	A	NP	Y		
(MM)	A	A	A	A	A	A	A	A	A	A	Y		Opposed to anything with shades of anti-takeover. Believe they get better price if they tender their shares.
(MM)												See Comments	Looks at each anti-takeover proposal individually. Will not disclose voting policies.
(IN)												See Comments	Analyst following industry votes. Has traditionally voted against defensive proposals.
(MM)												See Comments	"We would present the case to an analyst first, but the decision would be made by our investment policy committee. We have no set policy."

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	Gen.	Fair Price	W/O FP	Gen.	By Itself	W/ Supermaj Incl. FP	Gen.	W/ Supermaj Incl. FP	W/ Staggered		Com.	Ind.	
(MH)	A	A	A	F	F	A	A	A	A	NP	Y		No internal discussions on anti-takeover proposals, but policy has been to vote against provisions aimed at protecting management rather than increasing flexibility of shareholders.
(MM)	A	A	A	A	A	A	A	A	A	A	Y		"We vote against proposals because we don't want to entrench management."
(HM)							See Comments				Y		Each meeting is looked at individually. No general policy on these proposals.
(B)	A	A	A	F	F	A	A	A	A	NP	Y		Has a staggered board, but opposed to anti-takeover proposals.
(HM)	A	A	F	F	F	A	A	A	A	NP	Y		Reviews each case separately. Would be willing to talk to company.
(B)	A	A	A	F	F	A	A	A	A	F	Y		Advises beneficial owners of bank's policies regarding these proposals.
(IN)	NP	NP	NP	NP	NP	NP	NP	NP	NP	NP			No view on anti-takeover measures. Depends on the company, and what will most benefit the shareholders involved.

Type Inst.	1) SUPER			2) STAGGERED			3) REMOVAL OF BOARD BY STOCKHOLDER AMEND CONSENT			ISSUANCE OF NEW SERIES OF	5) VOTING PROCEDURE		6) COMMENTS
	Gen.	Fair Price	W/O FP	Gen.	By Itself	W/ Supermaj Incl. FP	Gen.	W/ Supermaj Incl. FP	Staggered	4) PREFERRED	Com.	Ind.	
(10)	F	F	F	F	F	F	F	F	F	F			By and large votes with management; no stated policy.
(B)	A	A	A	F	F	A	NP	NP	NP	A	Y		
(IN)	F	F	F	F	F	F	F	F	F	F			Tends to vote with management or sell stock. Policy subject to change with additional experience.
(P)	NP	NP	NP	NP	NP	NP	NP	NP	NP	NP			Looks at each case individually; no policy at this time.
(IN)	A	A	A	A	A	A	A	A	A	NP	Y		"Our approach to these proposals has become more restrictive. If it looks like the company is being given to the Board of Directors, we will vote against."
(B)	NP	NP	NP	NP	NP	NP	NP	NP	NP	NP	Y		No general policy. Will look at it on individual basis. Tends to support management.
(III)	A	A	A	See Comments		A	A	A	A	A	Y		"We have voting authority to vote against anti-takeover provisions. Generally feel that these resolutions are self-serving of management."

Type Label	1) SUPER			2) STAGGERED			3) REMOVAL OF BOARD BY STOCKHOLDER AMEND CONSENT			ISSUANCE OF NEW SERIES OF	5) VOTING PROCEDURE		6) COMMENTS
	Gen.	Fair Price	W/O FP	Gen.	By Itself	W/ Supermaj Incl. FP	Gen.	W/ Supermaj Incl. FP	W/ Supermaj Staggered	4) PREFERRED	Com.	Ind.	
(NM)	F	A	NP	A	NP	NP	A	N/A	N/A	A	Y		Policy is to vote in what they consider to be the best interest of the stockholders.
(MM)							See Comments						Usually in favor of management, but if it looks like management is trying to prevent a takeover, they would vote against.
(IN)	A	A	A	A	A	A	A	A	A	A		Y	"These proposals take away the rights of shareholders, so I would vote against."
(MH)	A	A	A	A	A	A	A	A	A	A	Y		"We're against anything that would entrench management."
(NM)							See Comments					Y	No general policy, would not discuss how they have voted in the past; each company is viewed individually.
(P)	A	A	A	F	F	A	A	A	A	A	Y		Against anti-takeover proposals of any kind -- called it "garbage."
(MI)	F	F	F	F	F	F	F	F	F	F			No standing policy regarding anti-takeover amendments. Usually votes with management unless heated issue.

Type Inst.	1) SUPER			2) STAGGERED			3) REMOVAL OF BOARD BY STOCKHOLDER AMEND CONSENT			ISSUANCE OF NEW SERIES OF	5) VOTING PROCEDURE		6) COMMENTS
	Gen.	Fair Price	W/O FP	Gen.	By Itself	W/ Supermaj Incl. FP	Gen.	W/ Supermaj Incl. FP	Staggered	4) PREFERRED	Com.	Ind.	
(NM)	A	A	A	A	NP	A	A	A	A	NP		Y	They feel resentment toward managers who insert protective amendments.
(HM)	F	F	F	F	F	F	F	F	F	F		Y	"We are always management's ally."
(IN)	NP	NP	NP	NP	NP	NP	NP	NP	NP	NP			No experience with these types of proposals. No firm policy.
(P)	A	A	A	NP	NP	NP	NP	NP	NP	NP			Willing to review details with the company.
(B)	A	A	A	F	F	A	A	A	A	A		Y	Advises beneficial owners of bank's voting policies.
(MH)	A	A	A	A	A	A	A	A	A	A		Y	Not active in proxy area. "We don't believe in building walls around incumbent management."
(NM)	A	A	A	A	A	A	A	A	A	A		Y	
(B)	A	A	A	F	F	A	A	A	A	A		Y	The bank has set up a system of voting policies; not to approve any supermajority requirement greater than 2/3, or a measure to reduce the Board of Directors.



Type Inst.	1) SUPER			2) STAGGERED			3) AMEND CONSENT			ISSUANCE OF NEW SERIES OF	5) VOTING PROCEDURE		6) COMMENTS	
	Gen.	Fair Price	W/O FP	By Itself	W/ Supermaj Incl.	FP	Gen.	W/ Supermaj Incl.	FP	4) PREFERRED	Com.	Ind.		
(MM)	A	A	A										See Comments	Will listen to management, but if opposed to a pro- posal will generally sell stock.
(B)	A	A	A	F	F	A	A	A	A	NP	Y		Advises beneficial holders on how to vote their shares.	
(P)	A	A	A	A	A	A	A	A	A	A	Y		Generally opposed -- viewed as not being in best interest of the state.	
(MM)	F	F	F	F	F	F	F	F	F	F			Votes with management be- cause "management knows their business."	