

May 23, 1983

To Our Clients

As shown in the attached preliminary summary, more than 90% of the approximate 90 companies that proposed fair price or staggered board charter provisions were successful in obtaining shareholder approval. We intend to distribute a more complete and detailed list at the end of next month.

M. Lipton

Attachment

May 23, 1983

STAGGERED BOARD/FAIR PRICE  
COMPANY CHECKLIST

<u>Company</u>	<u>Provisions</u>	<u>Status</u>	<u>Stockholder Meeting</u>	<u>Stockholder Action and Vote</u>
Arvin	Provision entitling S/Hs to have their stock repurchased in event of 50% acquisition involving a tender offer. (Also considering amendment to conform to Indiana takeover statute to require fair price)	In effect	4/21/83	Approved by in excess of 60% of outstanding shares
Amerada Hess Corp.	Fair price	In effect	5/12/83	Approved
American Sterilizer Co.	Fair price; supermajority on by-law amendments; removal of directors without cause only by 80% S/H vote	In effect	5/17/83	Approved by 53% outstanding
Avco Corporation	Fair price (interested S/H defined at 20% level); elimination of S/H action by consent	In effect	4/14/83	Approved by approximately 78.1% of the voting shares (30-35% institutionally held)
Axia Inc.	Fair price (supermajority (4/5 of shares not owned by the interested S/H) on takeovers by 30% interested S/H unless such interested S/H makes a single bid for all stock)	In effect	5/4/83	Approved by approximately 70% of the voting shares (minimal institutional holders)

<u>Company</u>	<u>Provisions</u>	<u>Status</u>	<u>Stockholder Meeting</u>	<u>Stockholder Action and Vote</u>
Baker International	Reorganization in Delaware; elimination of cumulative voting, S/H action by written consent and S/H ability to call special meeting; fair price; supermajority	In effect	1/26/83	Adopted (company had 13% 13F shareholders) by approximately 61.8% of outstanding shares
Bandag, Incorporated	Staggered Board	In effect	5/18/82	Approved
Barnes Group Inc.	Fair price (interested S/H defined at 5% level); already have classified board and "blank check" preferred	In effect	4/6/83	Adopted by in excess of 70% of outstanding (91% of voting shares voted in favor)
Barry Wright Corporation	Staggered board; 2/3 vote to remove directors; fair price (interested S/H defined at 20% level)	In effect	4/12/83	Approved
Black & Decker	Classified board; removal of directors only for cause by 2/3 vote; increased preferred stock	Preferred stock increase in effect	1/31/83	Failed to get required 2/3 vote on classified board; obtained it on preferred stock increase

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Buckbee-Mears Co. (Changed name to BMC Industries)	Staggered board; supermajority (2/3) for business combinations or by-law amendment without board approval; fair price; increase in authorized common and creation of undesignated shares	In effect	4/28/83	Adopted: staggered board (62% of outstanding, 88% of voting); supermajority (66% of outstanding, 94% of voting); fair price (62% of outstanding, 88% of voting); increase in equity (62% of outstanding, 87% of voting) (21% institutionally held)
Burlington Industries	Fair price; elimination of S/H action by consent; supermajority on by-law amendments	In effect	2/2/83	Adopted -- fair price; elimination of S/H action by consent: 61.5% supermajority: 61.7%. (60% institutionally held)
Butler International Inc.	Fair price (with requirement of both 67% vote of unaffiliated S/Hs and 80% of all S/Hs) (already have staggered board)	In effect	4/28/83	Approved

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Chemlawn Corp.	2/3 vote to approve mergers, consolidations, amendment to code of regulations unless 2/3 of directors first approve (then, a majority)	In effect	4/21/83	Adopted
Chesapeake Corp. of Virginia	Staggered board; fair price (with certain deviations)	In effect	4/27/83	Approved: staggered board (81.3% of outstanding); fair price (80.6% of outstanding) (45% institutionally held)
Coastal Corporation	Fair price (S/H proposal to review fair price by 3 independent directors in 1983)	Fair price In effect	Fair price adopted at 5/6/82 meeting; S/H proposal defeated at 5/12/83 meeting	S/H proposal defeated by 86% of outstanding
Cobe Laboratories Inc.	Staggered board; removal of directors only for cause by 2/3 S/H vote; authorization of preferred	In effect	5/18/83	Approved
Coleman Co.	Staggered board	In effect	5/17/83	Approved

<u>Company</u>	<u>Provisions</u>	<u>Status</u>	<u>Stockholder Meeting</u>	<u>Stockholder Action and Vote</u>
Combustion Engineering	Staggered board; S/H action without a meeting only by unanimous consent	In effect	4/26/83	Approved
Commerce Bancshares Inc.	Fair price; supermajority requirement; classified board previously effected	In effect	4/20/83	Approved by 75.78% of voting shares (minimal institutional holders)
Corroon & Black Corp.	Creation of preferred class; supermajority for business combinations with 10% S/H unless first approved by the board; elimination of S/H action by consent	In effect	4/28/83	Approved by approximately 70% of outstanding (or, 84% of voting shares)
Crown Zellerbach	Fair price; supermajority requirement to amend existing by-laws; classified board previously effected by Board amendments to by-laws	In effect	5/12/83	Approved: fair price and supermajority (52% of outstanding)

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Dart & Kraft	Staggered board; fair price (interest version); elimination of S/H action by consent and S/H ability to call a special meeting	In effect	5/5/83	Approved: staggered board and fair price (66.79% of outstanding); S/H action (66.51% of outstanding)
Data General	Staggered board, supermajority (2/3) on by-law amendments and fair price (one provision); increase in authorized preferred stock	Preferred stock increase in effect	1/18/83	Rejected on staggered board, supermajority and fair price; adopted on preferred stock (65-75% institutionally held)
Di Giorgio Corporation	Fair price	Going to stockholders	5/24/83	
Dover Corp.	Fair price	In effect	4/26/83	Approved by 57% of outstanding (or, 82% of voting)
Eaton Corp.	Staggered board; increase in authorized preferred; removal of directors by 2/3 vote; special S/H meeting can be called by 50% of S/Hs (currently 25%)	In effect	4/27/83	Approved by 56.35% of outstanding (or, 77.3% of voting shares)

<u>Company</u>	<u>Provisions</u>	<u>Status</u>	<u>Stockholder Meeting</u>	<u>Stockholder Action and Vote</u>
EDO Corporation	Staggered board; 80% S/H vote to remove directors without cause; fair price; increase in authorized common shares	In effect	4/26/83	Approved: staggered board (68.8% of outstanding); fair price (69.5% of outstanding); increase in equity (73.9% of outstanding)
Equity Oil	Staggered board; fair price	In effect	5/11/83	Approved by 69% of outstanding
Ex-Cell-O Corporation	Staggered board; removal of directors only for cause (Note: these same provisions were in effect prior to 1979)	In effect	4/6/83	Adopted by 76.3% of outstanding
Fairchild Industries	Fair price	In effect	4/27/83	Approved by 53.6% of outstanding (or, 77.6% of voting shares)
Ferro Corp.	S/H motion to eliminate staggered board	Defeated - left staggered board in effect	4/25/83	Defeated by wide margin
Fleet Financial Corp.	Staggered board; fair price; increase in authorized preferred stock	In effect	4/13/83	Approved

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Foster Wheeler	Staggered board; directors' removal only for cause and by 2/3 vote; special S/H meetings called only by Board; extension of existing fair price provision from 1985 to 1995	In effect	4/25/83	Approved by wide margin
Foxboro Company	Fair price (without Board approval, requirement of 80% vote, including 2/3 vote of unaffiliated S/Hs)	In effect	4/30/83	Approved by 71% of outstanding
Freeport-McMoRan Inc.	Fair price	In effect	4/19/83	Adopted by approximately 80% S/H vote
Greyhound	Fair price; staggered board	In effect	5/10/83	Approved
Hartmarx (Hart Schaffner & Marx)	Merger requires approval by majority, exclusive of raider's shares	In effect	4/13/83	Approved by in excess of 2/3 of outstanding

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Hecla	Reincorporation in Delaware; elimination of cumulative voting; staggered board; directors can be removed only for cause and by 80% vote; elimination of S/H action by consent; special meetings only to be called by Board; fair price; increased authorized preferred stock	Going to stockholders	5/13/83 Adjourned	Meeting adjourned until 6/3/83
Heights Finance Corp.	Staggered board; fair price	In effect	4/21/83	Approved by 69% of outstanding (minimal institutional holders)
G. Heileman Brewing Company, Inc.	Fair price (with requirement of 75% vote of unaffiliated S/Hs)	In effect	4/22/83	Approved by 60.7% of outstanding
Hon Industries Inc.	Fair price & S/M	In effect	5/3/83	Approved by 77% of outstanding (minimal institutional holders)
Insilco	Fair price; staggered board	In effect	4/21/83	Adopted by approximately 70% of outstanding

<u>Company</u>	<u>Provisions</u>	<u>Status</u>	<u>Stockholder Meeting</u>	<u>Stockholder Action and Vote</u>
International Paper Company	Staggered board; directors can be removed only for cause and by 75% vote; directors already have ability to issue preferred or common	Rejected	4/12/83	Failed to get requisite 2/3 vote (55% voted in favor)
Leaseway Transportation	Fair price (Board cannot waive the S/H supermajority vote requirement (80%) if the fair price and other conditions are not satisfied); S/H action without a meeting only by unanimous consent; increase in authorized preferred	In effect	5/10/83	Adopted; fair price (59.45% of outstanding, 70.09% of voting); no consent (64.14% of outstanding, 75.62% of voting); increase in preferred (64.48% of outstanding, 76.02% of voting)
Louisiana-Pacific Corp.	Fair price; removal of directors only for cause and by 75% S/H vote; elimination of S/H action by consent. Already have staggered board and authorized preferred.	In effect	5/2/83	Approved by 62% of outstanding
Martin Marietta Corp.	Fair price (with requirement of both 67% vote of unaffiliated S/Hs and 80% of all S/Hs)	In effect	4/28/83	Approved by 72% of outstanding

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McDonalds	Staggered board; removal of directors only for cause and by 80% vote; elimination of S/H action by consent and S/H ability to call a special meeting; increase in common and preferred (already have 2/3 vote requirement for mergers)	In effect	5/19/83	Approved
Medalist Industries Inc.	Staggered board; removal of directors only for cause and by 2/3 S/H vote; supermajority (2/3) on by-law amendments	In effect	4/28/83	Approved
Mesa Petroleum Co.	Fair price (interested S/H defined at 20% level)	In effect	12/9/82	Approved by 72% of outstanding (or, 85.9% of voting)
Michigan National Corporation	1 of 4 alternative requirements to approve a business combination: (1) approval by the Board prior to the interested S/H (defined at the 5% level) becoming an interested S/H; (2) approval by 75% of the continuing directors; (3) approval by 75% of the outstanding shares; or (4) approval by a majority of the outstanding shares and by a majority of the outstanding shares not held by the interested S/H	In effect	4/20/83	Adopted by 98-99% of the voting shares (or approximately 65% of the shares outstanding)

<u>Company</u>	<u>Provisions</u>	<u>Status</u>	<u>Stockholder Meeting</u>	<u>Stockholder Action and Vote</u>
Mid-Continent Telephone Corp.	Staggered board; fair price (85% S/H vote if fair price not offered)	In effect	4/28/83	Approved: staggered board (74.2% of outstanding, 90.6% of voting); fair price (72.4% of outstanding, 88.4% of voting)
NL Industries	Changes to existing staggered board provisions; S/H action without a meeting only by unanimous consent; fair price	In effect	4/27/83	Approved: staggered board (84.2% of voting); fair price (86.9% of voting)
Napco Industries Inc.	Staggered board; fair price	In effect	5/18/83	Approved
Ohio Casualty Corp.	Fair price; supermajority	In effect	5/20/83	Adopted by 71% of outstanding
Ohio-Sealy	Fair price (Interested S/H defined at 20% level)	In effect	4/6/83	Adopted by 75% of outstanding (94% of the shares voted, which represented 80% of the outstanding) -- President owns 40%, insignificant institution holdings
Owens & Minor Inc.	Staggered board; supermajority for business combinations	In effect	4/28/83	Approved
Owens-Illinois	Staggered board	In Effect	4/20/83	Adopted by 70% of outstanding

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Pabst Brewing Company	Amendment of existing 80% supermajority provision to require 80% approval of outstanding shares in merger etc. with interested stockholder	In effect	3/18/83	Adopted in connection with approval of merger of Olympia into Pabst -- no separate stockholder vote
Panhandle Eastern Corp.	Fair price; elimination of S/H action by consent; supermajority (75%) for by-law amendment	In effect	4/27/83	Approved by 62% of outstanding
PPG Industries	Staggered board and fair price (with 5-year sunset); increase in authorized preferred stock; doubled authorized common	In effect	4/21/83	80% Supermajority & listed provisions passed by "wide margin"
Pioneer Corporation	Fair price (with requirement of 75% vote of unaffiliated S/H)	In effect	5/3/83	Approved
Pogo Producing Company	Fair price (already have staggered board and supermajority provision for business combinations with a 5% S/H but no fair price)	Rejected	4/26/83	Rejected
Provident Bancorp	Elimination of applicability of Ohio law regarding "Procedure for Control Share Acquisitions"	In effect	5/18/83	Approved
R.L. Burns Corp. (new name Pyro Energy)	Classified board	In effect	12/15/81	Approved

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Raymond International Inc.	Fair price; S/H action without a meeting only by unanimous consent; supermajority on by-law amendments (already have staggered board)	In effect	5/10/83	Approved: fair price (56.1% of outstanding, 78.9% of voting); S/H consent (55.3% of outstanding, 77.6% of voting); supermajority (55.9% of outstanding, 78.6% of voting)
Reading & Bates	Fair price (interest version); S/H action without a meeting only by unanimous consent (already have staggered board)	In effect	5/10/83	Adopted -- fair price: 63% of outstanding; no action by consent: 65.5% of outstanding
Sherwin-Williams Co.	Fair price (interested S/H defined at 5% level). Already have supermajority (2/3)	Rejected	4/27/83	Proposal approved by 57% (67% required to approve). Co. said institutional holders voted heavily against the proposal
Smith International Inc.	Reincorporation in Delaware; staggered board; elimination of S/H action by consent and S/H ability to call a special meeting	In effect	5/19/83	Approved by 56% of outstanding

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Sonat Inc.	Staggered board; removal of directors only for cause; special S/H meeting to be called only by majority of Board; elimination of S/H action by consent; fair price	In effect	5/11/83	Approved by 62% of outstanding (or, 84% of voting) (43% institutionally held)
Stanley Works	Staggered board	In effect	4/27/83	Approved by 68.92% of outstanding (or, 87.89% of voting) (50.5% institutionally held)
Stauffer Chemical Co.	Fair price; elimination of S/H action by consent; increase from majority to 80% the percentage of shares required to request a special S/H meeting; supermajority (80%) to amend Certificate of Incorporation unless such amendment first adopted by 2/3 of Continuing Directors (then, majority vote).	In effect	4/20/83	Approved by 80.1% of voting shares (50-60% institutionally held)

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Stone & Webster Inc.	Fair price	In effect	5/12/83	Approved by 77% of outstanding (minimal institutional holdings)
Superior Oil	Limitation on calls of S/H meeting; elimination of mandatory director retirement age; staggered board	Done (effected by Board amendments to by-laws, filed on 8-K)	5/12/83	No stockholder action or vote
Transco Energy Co.	Staggered board; elimination of S/H action by consent; supermajority on by-law amendments; fair price	In effect	5/11/83	Approved by 53-55% of outstanding (or, 83% of voting) (50% institutionally held)
Unocal Corporation	Reincorporation in Delaware; staggered board; supermajority on mergers; elimination of S/H action by consent and cumulative voting	In effect	4/25/83	Approved by 64% of outstanding (or, 72% of voting) (50% institutionally held)
United Telecommunications Inc.	Supermajority (80%) to approve business combinations; staggered board	In effect	4/26/83	Approved: supermajority (62.9% of outstanding); staggered board (67.3% of outstanding)

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United Technologies	Fair price (interest version)	In effect	4/18/83	Approved by 60.8% vote
U.S. Industries	Staggered board; removal of directors only for cause and by 75% vote; elimination of S/H action by consent; special meetings only to be called by Board	In effect	4/20/83	Approved
U.S. Tobacco Corp.	Supermajority (2/3) for by-law amendment; increase in authorized common	In effect	5/3/83	Approved by 70% of outstanding (or, 90% of voting shares) (heavy institutional holdings -- mainly in favor of proposal)
Willcox & Gibbs Inc.	Staggered board; removal of directors only for cause; S/H action without a meeting only by unanimous consent; special meetings only to be called by Board; fair price	In effect	5/13/83	Approved
Witco Chemical Corp.	Staggered board; directors can be removed only for cause and by 80% S/H vote; increase in authorized and creation of preferred; elimination of S/H action by consent and ability of S/Hs to call a special meeting; fair price	In effect	4/27/83	Approved

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Wometco Enterprises, Inc.	Fair price; elimination of S/H action by consent; increase in authorized shares	In effect	4/25/83	Approved: fair price (62% of outstanding); no action by consent (63.2% of outstanding); increase in shares (71.2% of outstanding)