

June 29, 1983

To Our Clients:

Takeovers

Convertible Preferred Stock Dividend Plan

The efficacy of our Convertible Preferred Stock Dividend Plan was proved in Lenox. Brown-Forman insisted on rescission of the convertible preferred dividend in exchange for the increase in price sought by Lenox. As set forth in our June 20 memo, the Plan is the most significant protection against partial, front-end loaded and boot-strap tender offers yet developed. The Plan is even more effective as a deterrent than as a defense. The Plan should be considered by all public companies as soon as possible.

M. Lipton