

August 6, 1986

To Our Clients

Rights Plans

The decision yesterday in the NL case enjoining the NL Rights Plan purports to apply New Jersey corporate law, not Delaware corporate law under which the Household case was decided and which approved a substantially similar Rights Plan. Apart from the differences in applicable state law, we believe the NL decision by a federal district court in New York, is not correct. It is being appealed.

M. Lipton