

June 10, 1988

To Our Clients

Pill Proxy Resolutions Defeated

The attached study by Georgeson & Co. shows that despite great effort and special targeting this year, the opponents of Rights Plans failed to achieve greater support this year than they did last year.

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attachment

From: GEORGESON & COMPANY INC.

For Release: IMMEDIATELY

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INCREASED VOTE FOR POISON PILL RESCISSION PROPOSALS IN 1988 REFLECTS

SELECTIVE TARGETING BY PROPONENTS;

VOTE DECLINES FOR REPEAT PROPOSALS

NEW YORK, JUNE 10, 1988 --- Shareholder proposals calling for rescission of poison pills received higher favorable votes during the 1988 proxy season, but an analysis by Georgeson & Company Inc. indicates the voting statistics do not reveal a trend of growing shareholder support for these proposals.

"Increased institutional ownership and careful selection of target companies by the proponents, rather than increased shareholder support, appear to have been largely responsible for the higher average votes this year than last," said John C. Wilcox, managing director of Georgeson. Mr. Wilcox underscored this point by noting that "the proponents targeted only 10 of the 30 companies that faced the same issue last year. By narrowing the selection to those companies with the highest votes last year, the proponents ensured an increase in their average score of at least 4 percentage points."

(MORE)

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ADD ONE ---

For the 19 companies targeted with rescission proposals in 1988, an average of 26.4% of the outstanding shares voted in favor. In 1987, the 30 targeted companies averaged 20.8% of outstanding shares voting in favor.

Many proponents of rescission proposals prefer to measure the favorable vote as a percentage of the total votes cast on the question, including abstentions. Using this measure, which has no legal status in most states, the favorable vote was 35.7% in 1988 compared with 28.1% in 1987.

The highest vote in 1988 was at Santa Fe Southern Pacific, where 77 million shares were voted in favor of the rescission proposal -- 49.1% of the shares outstanding or 59.1% of the shares voted on the issue. Santa Fe, however, is an extraordinary situation, since the Henley Group Inc. and Olympia & York Developments Ltd. owned between them more than 35% of the outstanding shares of Santa Fe on the record date and presumably voted these shares in favor of the rescission proposal. Only 21.4% of the remaining shares outstanding and 28.9% of the remaining votes cast supported the proposal -- less than the average.

(MORE)

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ADD TWO ---

Georgeson's analysis of the nine companies, excluding Santa Fe, that were targeted for proposals in both years, shows that the vote in favor was actually 1.3 percentage points lower in 1988 than in 1987 -- 23.2% of outstanding in 1988 versus 24.5% of outstanding in 1987. This decline occurred despite increased efforts by the proponents and a 0.7 percentage point increase in institutional ownership of the nine companies.

In both 1988 and 1987 the votes in favor of the proposals tended to correlate with the percentage of institutional ownership. For instance, excluding Santa Fe, the highest vote for the proposal occurred at U.S. Air Group where institutions held 83% of outstanding, the highest percentage among the targeted companies.

Overall, institutional ownership for the 19 companies targeted in 1988 averaged 60.0% compared with 57.8% for the 30 companies targeted in 1987, accounting for part of the increase in the votes for the proposals.

Mr. Wilcox noted that a Georgeson study released in March found that in hostile bidding contests companies with poison pills received higher premiums. "In view of these findings and the lack of evidence that poison pills reduce value," Mr. Wilcox said, "institutional investors supporting poison pill rescission proposals may be violating their fiduciary responsibilities under ERISA."

(MORE)

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ADD THREE ----

During the 1988 proxy season, shareholders also filed 19 other proposals regarding confidential voting, equal access and greenmail. The votes for the nine confidentiality proposals averaged 13.1% of the shares outstanding and 16.8% of the votes cast. The votes for the four equal access proposals averaged 6.4% of outstanding and 8.1% of the votes cast. Votes for the five anti-greenmail proposals averaged 19.6% of outstanding, 25.5% of the votes cast.

Georgeson & Company Inc. has been serving the corporate and investment communities for more than half a century. As the nation's leading investor communications firm, Georgeson specializes in proxy solicitation; investor relations; stock market monitoring and corporate governance — including statistical analyses of stock ownership, voting and market activity. Headquartered in New York, Georgeson has branch offices in Los Angeles, Chicago, Pittsburgh and Dallas.

EXHIBIT 1

GEORGESON & COMPANY INC.

JUNE 10, 1988

POISON PILL RESCISSION PROPOSALS
COMPARISONS OF 1987 AND 1988 RESULTS

	1988			CHANGE FROM 1987		
	INSTITUTIONAL OWNERSHIP	FOR AS % OF OUTSTANDING	FOR AS % OF VOTING	INSTITUTIONAL OWNERSHIP	FOR AS % OF OUTSTANDING	FOR AS % OF VOTING
UNITED TECHNOLOGIES	56%	23.7%	28.6%	2.0%	-0.6%	0.3%
GREAT NORTHERN NEKOOSA	68%	32.2%	43.7%	1.0%	3.6%	0.0%
PITNEY BOWES	68%	21.5%	28.3%	0.0%	-2.4%	-4.3%
EMERY AIR FREIGHT	42%	20.3%	38.7%	-6.0%	-5.7%	4.8%
INTERNATIONAL PAPER	59%	15.1%	25.7%	3.0%	-3.6%	-0.6%
CHAMPION INTERNATIONAL	69%	18.9%	23.6%	6.0%	-1.0%	-7.1%
UPJOHN	55%	20.8%	30.0%	-4.0%	-6.0%	-4.5%
AMR CORP	81%	29.6%	40.5%	10.0%	2.2%	2.6%
SANTA FE SOUTHERN PACIFIC	43%	49.1%	59.1%	-1.0%	35.1%	39.0%
J.C. PENNEY CO.	55%	27.0%	32.7%	-6.0%	1.7%	1.1%
AVERAGES (EXCLUDING SANTA FE)	61%	23.2%	32.4%	0.7%	-1.3%	-0.9%
AVERAGES (INCLUDING SANTA FE)	60%	25.8%	35.1%	0.5%	2.3%	3.1%

EXHIBIT 2

GEORGESON & COMPANY INC.

JUNE 10, 1988

SHAREHOLDER PROPOSALS
1988 PROXY SEASON

SPONSOR	INSTITUTIONAL OWNERSHIP	VOTE FOR AS % OF OUTSTANDING	VOTE FOR AS % OF VOTES CAST

POISON PILL RESCISSION PROPOSALS			
CONSOLIDATED FREIGHT	CALPERS	76%	34.8%
ALLIED-SIGNAL	WISC.	47%	24.5%
PANHANDLE EASTERN	WISC.	57%	27.9%
SONAT	RICHARD DEE	52%	20.5%
MCA	CARPENTERS	49%	17.5%
KERR-MCGEE	CREF	73%	29.9%
U.S. AIR GROUP	CALPERS	83%	34.4%
COLEMAN	WISC.	47%	25.8%
DAYTON HUDSON	CREF	60%	28.1%
UNITED TECHNOLOGIES	WISC.	56%	23.7%
GREAT NORTHERN NEKOOSA	CALPERS	68%	32.2%
PITNEY BOWES	CREF	68%	21.5%
EMERY AIR FREIGHT	WISC.	42%	20.3%
INTERNATIONAL PAPER	CREF	59%	15.1%
CHAMPION INTERNATIONAL	CARPENTERS	69%	18.9%
UPJOHN	CALSTRS	55%	20.8%
AMR CORP	CALSTRS	81%	29.6%
SANTA FE SOUTHERN PACIFIC	R.D. FOLEY	43%	49.1%
J.C. PENNEY CO.	CREF	55%	27.0%
AVERAGES		60%	26.4%

EXHIBIT 3

GEORGESON & COMPANY INC.

JUNE 10, 1988

SHAREHOLDER PROPOSALS
1988 PROXY SEASON

SPONSOR	INSTITUTIONAL OWNERSHIP	VOTE FOR AS % OF OUTSTANDING	VOTE FOR AS % OF VOTES CAST
CONFIDENTIAL VOTING			
AMERICAN HOME PRODUCTS	MARIANIST SOC	54%	9.4%
HONEYWELL	NY CITY	67%	17.1%
MANUFACTURERS HANOVER	GILBERT	55%	9.9%
CHAMPION SPARKPLUG	NY CITY	44%	7.3%
PHELPS DODGE	NY CITY	74%	26.1%
RYDER SYSTEMS	CALPERS	79%	22.0%
LOCKHEED	NY CITY	67%	16.2%
UPJOHN	NYCERS	55%	14.3%
SANTA FE SOUTHERN PACIFIC	C. MATTINGLY	43%	28.9%
AVERAGES		60%	16.8%

EQUAL ACCESS TO PROXY MATERIALS

BANK OF BOSTON	J.J. CRAPO	65%	6.8%
UNOCAL	K. WULFF	64%	11.0%
AMOCO	K. WULFF	41%	8.0%
CHEVRON	K. WULFF	39%	6.8%
AVERAGES		52%	8.1%

ANTI-GREENMAIL

CBS	K. PULLEN	74%	7.0%
GENERAL MOTORS	E. DAVIS	38%	19.4%
TENNECO	TAYLOR TRUST	44%	19.2%
GILLETTE	CALPERS	45%	54.6%
J.C. PENNEY CO.	CALSTRS	55%	27.2%
AVERAGES		51%	25.5%