CORRESPONDENCE RECEIVED

ON

TAKEOVER LEGISLATION

OFFICE OF THE SECRETARY OF STATE

AMERICAN SOCIETY OF CORPORATE SECRETARIES, INC.

1270 AVENUE OF THE AMERICAS • NEW YORK 10020 • TELEPHONE: 212-765-2620

January 19, 1988

Mr. Michael E. Harkins
Secretary of State
Townsend Building
Dover, Delaware 19901

Dear Mr. Harkins:

I am writing to present the views of the Tender Offers Committee of the American Society of Corporate Secretaries with respect to the proposed changes in the Delaware Corporation Law relative to takeovers. This committee, of which I am chairman, has been formally appointed by the Board of Directors of the Society to study matters relating to tender offers and produce its conclusions.

The American Society of Corporate Secretaries is a professional association whose membership is composed principally of corporate secretaries, assistant secretaries and other persons involved in duties normally associated with the corporate secretarial function. The Society's 3,000 members, representing over 2,400 corporations in the United States and Canada, are regularly involved in such matters as corporate governance, the regulation and trading of securities, proxy solicitation and other shareholder activities, and the administration of the office of the corporate secretary.

We believe that the legislation recommended by the Delaware Bar Association merits adoption. We oppose the bill introduced by Senator Sharp which we understand is an opt-in approach.

From our perspective the Bar Association proposals represent a balanced approach, a reasonable compromise between the position of those strongly favoring takeovers and those strongly opposing takeovers. We believe the proposals provide additional protection for shareholders in that fair bids will be encouraged. Coercive partial or thinly capitalized takeover bids would be deterred.

We commend Delaware for not rushing to judgment on this matter, but if Delaware is to retain its leadership position in corporate governance matters, this legislation should be enacted now.

Please let us know if there is anything else we can add.

Very truly yours,

John W. Hetherington
Chairman,
Tender Offers Committee

JWH/v

AMDAHL CORPORATION
1250 EAST ARQUES AVENUE
P.O. BOX 3470
SUNNYVALE, CALIFORNIA 94088-3470

PHONE (408) 746-6000
TWX 910-339-9283

January 19, 1988

The Honorable Michael E. Harkins
Secretary of State
Townsend Building
Dover, Delaware 19901

Dear Mr. Harkins:

This is to advise you that Amdahl Corporation strongly supports the proposed section 203 to the Delaware Code relating to the General Corporation Law. We believe the proposed amendment is a balanced response to the time and efforts which many corporations have been forced to expend in dealing with abusive takeover tactics.

Because of the timings of your legislative hearings on this matter and the fact that several of us here at Amdahl Corporation are on travel status, we are not in a position to directly contact appropriate members of the Delaware Legislature which are involved with or have an interest in this proposed legislation. Accordingly, please feel free to have copies of this letter distributed to those members whom you consider appropriate.

Sincerely yours,

Gregory Handschuh
Corporate Counsel

GH/mh
cc: J. C. Lewis

ARCO

515 South Flower Street
Los Angeles, California 90071
Telephone 213 486 1461

Howard L. Edwards
Corporate Secretary

January 18, 1988

The Honorable Michael E. Harkins
Secretary of State of Delaware
Townsend Building
Dover, Delaware 19901

Re: House Substitute No. 1 to
House Bill No. 396, A Bill
to add a new Section 203 to the
Delaware General Corporation Law

Dear Secretary Harkins:

In response to your inquiry of January 13, 1987, Atlantic Richfield Company supports the adoption by the Delaware Legislature of the bill recommended by the Corporate Law Section of the Delaware Bar Association relating to Business Combinations with Interested Stockholders. We have previously commented on the proposal to the Corporate Law Section through the Delaware law firm of Morris, Nichols, Arsht & Tunnell.

We recommend against the adoption of the alternate proposal that provides for applicability of the provisions only to corporations that have "opted-in" after a stockholder vote.

Atlantic Richfield Company, a Delaware corporation, is a major publicly-owned industrial company engaged internationally in the exploration for, production, transportation, refining and marketing of petroleum and petroleum products. It is a top Delaware franchise tax-payer and is currently listed as the 20th largest industrial corporation in the Fortune "500".

Very truly yours,

Howard L. Edwards

HLE:yd

cc: John F. Johnston, Esq.
Morris, Nichols, Arsht & Tunnell

Thomas W Armstrong
Vice President and
General Counsel

A

901 Thom
P.O

Califo
(408

January 18, 1988

The Honorable Michael E. Harkins
Secretary of State
Townsend Building
Dover, Delaware 19901

Dear Mr. Harkins:

I have been following the efforts of the Delaware Bar in developing corporate takeover legislation. I enthusiastically support the bill submitted to the Legislature and urge its prompt adoption in its present form.

Very truly yours,

TWA:ca

RMD EXEC GRAM

(MON)01.18.'88 14:45 NO.15 PAGE 1

Air Products and Chemicals, Inc.
Box 538
Allentown, PA 18105
Telephone (215) 481-7350

James H. Agger
Vice President
and General Counsel

AIR PRODUCTS

18 January 1988

The Honorable Michael E. Harkins
Secretary of State
Townsend Building
Dover, Delaware 19901

Dear Mr. Harkins:

We would like to register our strong support of House Bill No. 396 regarding business combinations with interested stockholders. The proposed legislation is reasonable and moderate and is properly seen as keeping Delaware in step with the legislation of other states.

In our view, the proposed amendment to require a stockholder opt-in would not be helpful and would seriously weaken the protection the bill was intended to provide from unscrupulous corporate raiders. Accordingly, we would only support the bill in its presently proposed form, and would have to reevaluate retaining Delaware as our state of incorporation if it were not passed without amendment as endorsed by the Delaware Bar Association.

The Company welcomes this opportunity to express its views on this important subject.

Very truly yours,

James H. Agger

JHA/nlw
50

Air Products and Chemicals, Inc.
Box 538
Allentown, PA 18105
Telephone (215) 481-7531

Dexter F. Baker
Chairman of the Board
and President

AIR PRODUCTS

18 January 1988

The Honorable Michael N. Castle
Governor of Delaware
Governor's Office
Legislative Hall
Dover, DE 19901

Dear Governor Castle:

We would like to register our strong support of House Bill No. 396 regarding business combinations with interested stockholders. The proposed legislation is reasonable and moderate and is properly seen as keeping Delaware in step with the legislation of other states.

In our view, the proposed amendment to require a stockholder opt-in would not be helpful and would seriously weaken the protection the bill was intended to provide from unscrupulous corporate raiders. Accordingly, we would only support the bill in its presently proposed form, and would have to reevaluate retaining Delaware as our state of incorporation if it were not passed without amendment as endorsed by the Delaware Bar Association.

The Company welcomes this opportunity to express its views on this important subject.

Sincerely yours,

Dexter Baker

DFB/nlw

Albertsons®

January 15, 1988

Michael E. Harkins
Secretary of State
Townsend Building
Dover, Delaware 19901

Dear Mr. Harkins:

We have received your letter dated January 13, 1988, concerning proposed changes in the Delaware Corporation Law governing corporate takeovers. We appreciate the opportunity to express our views on this matter, and Mr. Warren E. McCain, our Chairman and Chief Executive Officer, has personally asked me to respond.

First, please be advised that we strongly support the proposed legislation which was introduced in the Delaware House of Representatives on January 13 and which has also received the unanimous support of the Delaware Bar Association's Executive Committee. We do not favor the "opting-in" version of the bill which was introduced in the Senate and was earlier considered and rejected by the Bar Association.

We believe the House bill is a moderate, well-balanced and urgently needed response to the coercive and abusive take-over practices which have been increasingly employed by certain corporate raiders in recent years.

We have followed this issue closely and would respectfully urge passage of the compromise legislation introduced in the House and recommended by the Bar Association as expeditiously as possible.

Very truly yours,

ALBERTSON'S, INC.

Thomas R. Saldin

Thomas R. Saldin
Senior Vice President
and General Counsel

TRS/jjm:f

cc: Warren McCain
Gary Michael

Allied-Signal Inc.
P.O. Box 3000R
Morristown, NJ 07960-2496
Telephone: (201) 455-5832

D.G. Powell
Senior Vice President
Public Affairs

VIA FACSIMILE

January 19, 1988

The Honorable Michael E. Harkins
Secretary of State
Townsend Building
Dover, Delaware 19901

Dear Sir:

Thank you for the opportunity to comment on the corporate takeover bill recommended to the Legislature by the Delaware Bar Association.

We believe that the law proposed by the Bar Association strikes a reasonable balance between protecting the interests of shareholders and preventing abuses by prospective acquirors. Allied-Signal supports the Bar Association's bill and prefers it to the second, more restrictive bill (with the opt-in provisions) introduced in the Senate.

Sincerely,

D G Powell

cc: E. L. Hennessy, Jr.

Corporate Headquarters
40 West 40th Street
New York, New York 10018
Tel. (212) 703 6245

John F. Geer
Vice President
General Counsel & Secretary

American Standard Inc.

January 18, 1988

TELEFAX

The Honorable Michael E. Harkins
Secretary of State of Delaware
Townsend Building
Dover, Delaware 19901

Dear Mr. Secretary:

I am writing to record the support of American Standard Inc. for the adoption of the Delaware Corporate Takeover Statute. As a publicly-owned Delaware company, we have long favored adoption of the type of legislation now under consideration. We have witnessed with dismay the exclusive focus on short-term gains to be derived from corporate takeovers, with the stripping of corporate assets and the disruption of entire communities that can result. The long-term interests of established corporations, their stockholders and employees can be easily overriden unless corporations are given effective means to deflect such assaults.

It is commendable that Delaware, the home of many of the nation's publicly-owned corporations, has undertaken to correct the statutory imbalance that has developed in favor of takeover practitioners. Enormous amountsof energy and money have been diverted from productive pursuits to combatting undesirable takeover attempts.

We agree with Governor Castle's statement that the proposed law has struck a workable balance between the interests of stockholders and those who would make bona fide offers to acquire a corporation. The bill should permit Delaware corporations to respond objectively to acquisition bids and allow stockholders time to determine the future of their investments.

We oppose any requirement that directors or stockholders "opt in" for the statute to be applicable.

Very truly yours,

John F. Geer

JFG:lk

AMERADA HESS CORPORATION

LEON HESS
Chairman of the Board

1185 AVENUE OF THE AMERIC
NEW YORK, NEW YORK 10036
(212) 997-8400

January 18, 1988

Mr. Michael E. Harkins
Secretary of State
Townsend Building
Dover, DE 19901

Dear Secretary Harkins:

We strongly support the legislation regarding corporate takeovers which has been introduced in the House of Representatives of the State of Delaware.

It is important that Delaware, as a leading state in matters relating to corporate law, adopt the legislation currently being considered. This legislation will help to ensure that all stockholders are treated equally and fairly.

Corporate raiders have over the past several years plundered the economic well-being of many U.S. corporations with the sole purpose of personal aggrandizement. Thousands of employees have lost their jobs. Corporations have taken on unbearable debt loads in efforts to resist. Managements have been distracted from the real task of building and sustaining successful economic enterprises. America has lost out competitively to the world in the process, as more and more money is diverted from capital formation to individual gain.

We believe the legislation proposed should apply uniformly to all companies. Therefore, we agree with the Bar Association that the "opting-in" statute introduced in the Senate is not desirable.

Please call us directly at any time if you wish to discuss this matter.

Very truly yours,

Leon Hess

AMERITECH
AMERICAN INFORMATION TECHNOLOGIES

WILLIAM L. WEISS
Chairman and
Chief Executive Officer

30 South Wacker Drive
Chicago, Illinois 60606
312/750-5101

January 18, 1988

Michael E. Harkins
Secretary of State
State of Delaware
Townsend Building
Dover, Delaware 19901

Re: Corporate Takeover Legislation

Dear Mr. Harkins:

On behalf of American Information Technologies Corporation ("Ameritech"), which is incorporated under the laws of the State of Delaware, I wish to express support for the bill recommended by the Corporate Law Section of the Delaware Bar Association dealing with business combinations with interested stockholders.

As you probably know, Ameritech is the regional holding company formed in connection with the AT&T divestiture effective January 1, 1984 to own the Bell operating telephone companies in the states of Illinois, Indiana, Michigan, Ohio and Wisconsin. Today, Ameritech has approximately 1.2 million stockholders and its stock is traded on the New York Stock Exchange as well as a number of other regional and foreign exchanges.

When Ameritech was incorporated in 1983, we chose to incorporate in the State of Delaware because of its leadership and expertise in corporate law. We believe that the corporate takeover legislation proposed by the Delaware Bar is an appropriate step in maintaining the quality of Delaware's body of corporate law and adapting that body of law to the changing needs of corporations and their shareowners.

We are certainly aware of the abuses which have occurred in the area of corporate takeovers in recent years. The proposed bill is a reasonable and desirable means of addressing those abuses, while at the same time preserving a free and unfettered market for corporate shares. The bill encourages full and fair acquisition offers, and it allows a target corporation's board of directors and shareowners to fully consider and rationally act with respect to an acquisition proposal. From the standpoint of a potential acquiror, the recommended bill does not seek to

dictate the price or other terms of the proposed acquisition. Therefore, we believe that the recommended bill establishes an orderly and reasonable procedure for corporations to follow in effecting business combinations.

We understand that an alternative bill has been introduced which would make the procedures applicable only to corporations as a result of the board of directors and the shareowners "opting-in" through a shareowner vote. We believe that the "opt-out" provisions of subsections (b)(1)-(3) of the recommended bill are preferable to an "opting-in" statute. Since the recommended bill is fair to shareowners and does not come into play unless and until a corporation has an "interested stockholder", we believe it is appropriate and more economical to provide the "opt-out" mechanism, which in unusual circumstances may be availed of by a corporation in advance of any specific acquisition proposal or, as will be the more likely case, in connection with shareowner approval of a specific transaction.

I appreciate the opportunity to comment on this important issue.

Sincerely,

H. L. Henry

ANHEUSER-BUSCH COMPANIES

Walter A. Suhre, Jr.
Vice President and General Counsel

January 19, 1988

Mr. Michael E. Harkins
Secretary of State
Townsend Building
Dover, Delaware 19901

Dear Mr. Harkins:

Anheuser-Busch supports adoption by the Delaware Legislature of House Bill No. 396, adding Section 203 to the Delaware General Corporation Code.

We do not favor conditioning the effectiveness of such a provision upon opting-in, i.e. prior board of directors' and shareholders' approval.

Very truly yours,

Walter A. Suhre, Jr.

Anheuser-Busch Companies, Inc.
Executive Offices
One Busch Place
St. Louis, MO U S A 63118-1852
Telex 447 117 ANBUSCH STL

689B

AVERY

Charles D. Miller
Chairman and
Chief Executive Officer

Corporate Center
150 North Orange Grove Bou
Pasadena, California 91103
Phone 818 304-2158
FAX 818 792-7312

January 19, 1988

Mr. Michael E. Harkins
Secretary of State
Townsend Building
Dover, Delaware 19901

Dear Mr. Harkins:

Avery International became a Delaware corporation in 1977. The primary reason that we changed to Delaware from California was the progressive legislation introduced in your state relating to corporate takeover situations. This letter is to support the bill that has been recommended to the Legislature by the Corporate Law Section of the Delaware Bar Association.

We believe this bill is essential to preserving the opportunities to maintain corporate integrity in the best interests of our shareholders, our customers and our employees. We wholeheartedly support the action that is taking place and urge you to present a positive view at the hearing to be held on January 20.

We firmly reject the second bill that requires that the restrictions could only be applicable as a result of a stockholder vote. It is not possible, in this day and age of major holdings by pension funds and financial institutions, to get a positive vote on such actions. The Bar Association is correct in rejecting this latter approach.

Please help us feel confident that we should maintain our position as a Delaware corporation.

Sincerely,

Charles D. Miller

CDM:pk

Franklin Myers
Vice President &
General Counsel

BAKER HUGHES

VIA TELECOPY

January 19, 1988

Mr. Michael E. Harkins
Secretary of State
State of Delaware
Townsend Building
Dover, Delaware 19901

Dear Mr. Harkins:

This letter is in response to your inquiry of January 13, 1988 to D.M. Cowan of Hughes Tool Company. In April of 1987, Hughes Tool Company and Baker International were merged with the resulting company being Baker Hughes Incorporated.

On behalf of Baker Hughes Incorporated, we commend the work of the Corporate Law Section of the Delaware Bar Association in proposing the current piece of legislation introduced to the House of Representatives for the protection of corporations. We applaud their efforts and support the enactment of the bill as originally presented by the Delaware Bar Association. We have reviewed the legislation internally and discussed the matters with outside counsel. On behalf of Baker Hughes Incorporated, we urge its enactment for the best interests of Delaware corporations.

If you should have any question or need any assistance with discussions of this bill with any of the Delaware legislators, please do not hesitate to communicate with us.

Very truly yours,

Franklin Myers

FM:dmt

cc: J.D. Woods
D.M. Cowan
Gary Olson, Latham & Watkins

Baker Hughes Incorporated
3900 Essex Lane, Suite 1200, P.O. Box 4740, Houston, Texas 77210-4740. 713/439-8676

Corporation

Law Department

8700 W. Bryn Mawr
Chicago, Illinois 60631
312 399 1300

Bally

January 18, 1988

Neil E. Jenkins
Vice President, Secretary
and General Counsel
Cary A. Gaen
Associate General
Counsel and Assistant Secretary
Michael B. McMurry
Associate General
Counsel and Patent Counsel
Carol S. DePaul
Associate General
Counsel
Linda B. Metz
Associate General
Counsel

Mr. Michael E. Harkins
Secretary of State
Townsend Building
Dover, Delaware 19901

Dear Mr. Harkins:

In your letter of January 13, 1988, you requested the views of Bally Manufacturing Corporation with respect to the proposed amendments to the Delaware Corporation Law providing for certain restrictions on corporate takeovers. As a Delaware corporation, Bally is keenly aware and interested in the on-going debate regarding this proposal. It is our position that the proposed amendment is one which has been well thought out by your legislators and represents a reasoned response to recent takeover activity. We urge that the amendment be adopted at the earliest possible date.

We appreciate the opportunity to comment upon this matter and to participate in the legislative process.

Very truly yours,

BALLY MANUFACTURING CORPORATION

Neil E. Jenkins
Vice President, Secretary &
General Counsel

NEJ/mts

BY TELECOPY

Bank of America

George W. Coombe, Jr.
Executive Vice President
General Counsel

(415) 622-6095

January 15, 1988

The Honorable Michael E. Harkins
Secretary of State
State of Delaware
Townsend Building
Dover, Delaware 19901

Dear Secretary Harkins:

BankAmerica Corporation fully supports House Substitute No. 1 to House Bill 396 before the House of Representatives. We have closely followed the development of the proposed Section 203 of the Delaware Corporation Law. We agree with other proponents of this legislation that it strikes a reasoned balance between undue hindrance of the market in corporate control and the free-for-all of abusive takeover strategies. Accordingly, BankAmerica Corportion strongly favors adoption of the bill and would be delighted to have its position communicated to the Members of the General Assembly considering this legislation.

Sincerely,

George W. Coombe, Jr.

GWC::mc:2172q

Thomas E. Bolger

Chairman of the Board and
Chief Executive Officer

Bell Atlantic

1600 Market Street
Philadelphia, Pennsylvania 19103
Phone (215) 963-6300

January 19, 1988

The Honorable Michael E. Harkins
Secretary of State
Townsend Building
Dover, DE 19901

Dear Mr. Harkins:

This responds to your letter of January 13 concerning the proposed amendment to the Delaware General Corporation Law recommended by the Corporation Law Section of the Delaware Bar Association.

We have been following the progress of the proposed legislation through the Delaware Bar Committee with considerable interest, and our Legal Department submitted comments on the legislation in its preliminary form.

It is the position of Bell Atlantic Corporation that the proposed legislation would be beneficial to all of our constituencies: our shareholders, our employees, and the customers we serve. We believe that the legislation proposed by the Bar Association provides a fair balance between the interests of the target company and its shareholders, on the one hand, and the takeover bidder, on the other.

Enactment of the House version of the legislation would give all corporations the immediate benefits of its provisions, yet provide opportunities to opt out should that appear to be desirable. The merits of the opt-in provision were thoroughly considered by the Corporate Law Section during development of the bill. We are in agreement with their rejection of that approach.

For these reasons, please list Bell Atlantic Corporation among the supporters of the House bill.

Sincerely,

Thomas E. Bolger

Beneficial

Eileen F. Caulfield
Associate Counsel
302 792-4794

Beneficial Corporation
400 Bellevue Parkway
Wilmington, Delaware 19809
P.O. Box 911
Wilmington, Delaware 19899

January 18, 1988

The Honorable Michael E. Harkins
Secretary of State
State of Delaware
Dover, DE 19901

PROPOSED DELAWARE TAKEOVER LEGISLATION

Dear Secretary Harkins:

In the absence of James H. Gilliam, Jr., I am writing to tell you that it is Beneficial Corporation's view that the Council of the Corporation Law Section of the State Bar Association has developed a fundamentally balanced proposal which is in the best interests of Delaware incorporated companies, their stockholders and the State.

Sincerely,

Eileen F. Caulfield

Eileen F. Caulfield

EFC/dcm

Bethlehem Steel Corporation

BETHLEHEM, PA 18016

CURTIS H. BARNETTE
SENIOR VICE PRESIDENT
GENERAL COUNSEL
AND SECRETARY

January 18, 1988

Hon. Michael E. Harkins
Secretary of State
State of Delaware
Townsend Building
Dover, Delaware 19901

Dear Secretary Harkins:

We understand that the Delaware Legislature will be considering the issue of corporate takeovers and possible changes in the Delaware Corporation Law relating to this matter. We have carefully reviewed the bill recommended by the Corporate Law Section of the Delaware Bar Association that would add a new "Section 203. Business Combinations with Interested Stockholders." We fully support the enactment of this legislation and believe that it does strike that very difficult balance between the market for corporate shares and the judicially recognized need to limit abusive takeover tactics. I am willing to appear and testify on behalf of the bill if that would be appropriate.

Sincerely,

Curtis H. Barnette

THE BOEING COMPANY

P. O. Box 3707
Seattle, Washington 98124

January 19, 1988

Members of the Delaware Senate
and House Judiciary Committee and
Delaware Senate and House Leadership
Legislative Hall
Dover, Delaware 19901

RE: Delaware Takeover Statute

Dear Sirs:

On behalf of The Boeing Company, I welcome this opportunity to express the Company's support for adoption of proposed Section 203 of the Delaware Corporation Code. The Company believes that proposed Section 203--which imposes a three-year moratorium on certain business combinations unless the acquiror obtains prior Board approval or meets other conditions--is a helpful step in providing needed protection for Delaware corporations from the harmful effects of certain takeovers.

The Boeing Company has been incorporated in Delaware for 50 years. It chose to incorporate in Delaware because of that state's deserved reputation as a leader in the legislative and judicial development of corporate law. We believe it is appropriate and desirable for the Delaware bar and the legislature to apply its collective knowledge and expertise to a subject of critical importance to Delaware corporations--the regulation of takeovers.

Such legislation is of particular interest to The Boeing Company because of the long-term nature of the Company's business. Both its commercial aircraft business and its military business involve programs that can require over a decade to mature. Boeing allocates significant financial resources to fund research and development expenses, inventory buildup and plant and equipment requirements for both new and derivative commercial aircraft programs and to fund research, development and plant and equipment requirements for both current and prospective military and space programs. Failure to allocate sufficient resources for these purposes would cost the Company its competitive position in world markets and would be detrimental to the national interest. These long-term investments will be put in jeopardy if they can be held hostage or diverted to serve the short-term interests of a corporate raider.

The Company favors proposed Section 203 because it is designed to encourage an acquiror to negotiate with the Company's Board of Directors before acquiring significant amounts of the Company's shares. The Directors, as the elected representatives of the Company's shareholders, are in the best position to represent the shareholders' interests and to assess whether an offer reflects full and fair value for the Company, taking into account the long-term programs and prospects of the Company. The statute does not alter Delaware law governing the fiduciary duties of directors in the takeover context, does not interfere with shareholder access to the proxy process, and does not discourage full and fair offers for the Company.

Although the proposed statute does not extend as far as we had hoped for, we favor adoption of the statute in its present form. We are aware that some form of takeover legislation has been under consideration in Delaware since late spring of 1987. Many states have recently acted to adopt takeover legislation so that Delaware is now in the minority in this respect. Failure of the Delaware legislature to act now would expose Delaware corporations to harmful takeover tactics and place them at a disadvantage relative to corporations incorporated under the laws of the majority of other states.

We believe the time has come for Delaware to act to provide needed protection to Delaware corporations and their shareholders.

Sincerely,

Frank Shrontz
Chairman and Chief Executive Officer

cc: The Honorable Michael N. Castle
Governor of Delaware

The Honorable Michael E. Harkins
Secretary of State, Delaware

BOEING

One Jefferson Square
Boise, Idaho 83728
208/384-8560

John B. Fery
Chairman of the Board
Chief Executive Officer

Boise Cascade Corpora

VIA TELECOPY

January 18, 1988

The Honorable Michael E. Harkins
Secretary of State
Townsend Building
Dover, DE 19901

Dear Secretary Harkins:

On January 12, 1988, Jon Miller, President and Chief Operating Office of Boise Cascade Corporation, wrote to Governor Castle expressing Boise Cascade's support for the proposed legislation as endorsed by the Delaware Bar Association. Boise Cascade believes the proposed legislation provides a measure of protection from coercive, discriminating tactics. We encourage the state of Delaware to take steps to ensure that this legislation is adopted as endorsed by the Bar Association.

Sincerely,

John B. Fery

JBF/LS8018H

BOWATER INCORPORAT
One Parklands Dr
Post Office Box 4(
Darien, CT 06820-4(
203/656-7200 Telex 96-4(

BOWATER

Thomas G. Hart
Vice President-General Counsel

January 18, 1988

Mr. Michael E. Harkins
Secretary of State
State of Delaware
Townsend Building
Dover, DE 19901

Dear Secretary Harkins:

This letter is being sent to you to evidence our support for House Bill No. 396 which would amend Delaware Law as relates to corporate takeovers of Delaware corporations. The proposed approach is, in our opinion, a reasonable way to address the takeover problem, and it has the support of the Corporate Law Section of the Delaware Bar Association as well.

We do not favor the Senate Bill approach which would require stockholder approval, nor do we favor any opting-in approach.

We trust that this indication of our views will be helpful to you in considering the proposed amendment.

Very truly yours,

T. G. Hart

TGH:sd

ISAH

Western Union Mailgram®

I 005306I015002 01/15/88 TWX BRIS 345 MI IC
SUSPECTED DUPLICATE
947 BRISTOL MYERS NEW YORK, NY 11:06 222 01 15

MICHAEL HARKINS
SECRETARY OF STATE
TOWNSEND BUILDING
DOVER DE 19901

MSG WHM017

JANUARY 15, 1987

BRISTOL MYERS COMPANY STRONGLY SUPPORTS THE BAR ASSOCIATION BILL THAT HAS BEEN ENDORSED BY GOVERNOR CASTLE.

RICHARD L. GELB
CHAIRMAN OF BOARD

12:16 EST

MGMCOMP

TO REPLY BY MAILGRAM MESSAGE, SEE REVERSE SIDE FOR WESTERN UNION'S TOLL - FREE PHONE NUMBERS

BROWNING-FERRIS INDUSTRIES
P.O. BOX 3151 • HOUSTON, TEXAS 77253 • 713/870-8100

Gerald K. Burger
Corporate Secretary

January 18, 1988

The Honorable Michael E. Harkins
Secretary of State of Delaware
Townsend Building
Dover, DE 19901

Dear Mr. Secretary:

On behalf of Browning-Ferris Industries, Inc., I would like to respond to your request of January 13, 1988 to Mr. Howard S. Hoover, Jr. regarding the State of Delaware's proposed corporate takeover legislation.

Since Browning-Ferris Industries is also concerned about the effect of hostile takeovers on the American economy, we strongly support the adoption of corporate takeover legislation. While we would have preferred a much stronger Delaware statute, if the choice is between the proposed statute (House Bill No. 396) and no corporate takeover legislation, Browning-Ferris supports the proposed statute.

You also requested our view regarding an opting-in statute. Browning-Ferris agrees with the Delaware Bar Association in rejecting a provision that specifies that the restrictions can only be applicable to Delaware corporations as a result of the board of directors and the stockholders opting-in through a stockholder vote.

As I mentioned earlier, Browning-Ferris (as well, I expect, as a number of other Delaware companies) would have preferred a much stronger statute to protect the interests of shareholders, and would welcome any action taken by the Delaware Legislature to strengthen House Bill No. 396.

Browning-Ferris appreciates the ability to comment on this important issue.

Sincerely yours,

Gerald K. Burger

GKB/lh/f

cc: Howard S. Hoover, Jr.
John H. Small

BRUNSWICK CORPORATION
ONE BRUNSWICK PLAZA
SKOKIE, ILLINOIS 60077
(312) 470-4700
TELEX NO. TRT 190127
FAX NO. 312-470-4766
CABLE BRUNSCORP

LAW DEPARTMENT
ROBERT T. MCNANEY
GENERAL COUNSEL
EDGAR VANNEMAN, JR.
GENERAL ATTORNEY

HENRY G. KOLB
WILLIAM G. LAWLER, JR.
SHEILA C. MARSH
NANCY M. NIMZ
MICHAEL D. SCHMITZ
CHARLES A. STEWART
ATTORNEYS

WRITER'S DIRECT DIAL NO.
(312) 470-4305

January 18, 1988

Mr. Michael E. Harkins
Secretary of State
Townsend Building
Dover, Delaware 19901

Dear Mr. Harkins:

For the past several weeks, through the media and through our local Wilmington counsel, E. Norman Veasey of Richards, Layton & Finger, we have been following with great interest the proposed changes in the Delaware Corporation Law.

In reviewing the statute and contrasting it with others which have arisen largely since the U.S. Supreme Court's decision in CTS, I find it not as inhibiting as some.

We at Brunswick, having been the target of a hostile tender offer in 1982, are well aware of the toll which can be taken on corporations, their employees and their communities when faced with the corporate raider. For a number of reasons, we would support the Bill as proposed. I believe that the opting-out provisions are adequate and, therefore, would not be in favor of the second Bill which would require a company to opt-in.

Yours very truly,

Robert T. McNaney

RTM:jnw
3953W

cc: Mr. J. F. Reichert

CityFed Financial Corp.

Administrative Offices
Bedminster One
Route 202-206
Bedminster, New Jersey 07921

[redacted]City

January 19, 1988

Hon. Michael E. Harkins
Secretary of State
State of Delaware
Townsend Building
Dover, Delaware 19901

Dear Mr. Harkins:

Thank you for your letter dated January 13, 1988 regarding House Substitute No. 1 to House Bill No. 396 pending before the Delaware General Assembly. Please be advised that CityFed Financial Corp. supports this legislation as a balanced approach to controlling the speculative, costly, and unproductive trend in corporate takeovers which has developed within the American economic system. Unless companies are allowed to pursue the best long-term business interests of their stockholders, the self-serving manipulative efforts of a few shall profit from short-term gains to the detriment of the greater investing public.

I join with the Delaware Bar Association in rejecting an opting-in approach to the new legislation. Such an approach would undermine the important public policy considerations which this legislation seeks to achieve. If there are rare instances where stockholders believe that the statute's approach is not suitable to a particular company, it provides a mechanism for the stockholders to address such a unique circumstance. But to require all companies to opt-in would not only undermine the purpose of the statute but would demonstrate a lack of understanding of the problem.

I applaud the deliberate and intelligent manner in which State of Delaware has addressed this important policy issue. However, it is now imperative that Delaware be heard and that it maintain its leadership role in corporate policy matters. Just as significantly, without this remedial legislation, the leading American companies which call Delaware home will lack the stability to compete in today's global economy. Not only will their stockholders suffer from a failure of corporate policy but America's leadership role in the world will suffer as well by its inability to compete. Consequently, I endorse the proposed legislation recommended by the Delaware Bar Association and urge its immediate adoption.

Very truly yours,

John W. Atherton, Jr.

John W. Atherton, Jr.
Vice Chairman

CPC International Inc. / International Plaza Englewood Cliffs New Jersey 07632

JAMES R. EISZNER
Chairman and President

VIA FAX

January 15, 1988

The Honorable Michael E. Harkins
Secretary of State of the State of Delaware
Townsend Building
Dover, Delaware 19901

Dear Secretary Harkins:

In response to your letter of January 13, I should like to express to you the strong support of CPC International for the proposed legislation concerning takeovers recommended by the Delaware Bar Association.

CPC, as a Delaware corporation, has followed with interest the thoughtful deliberations and debate concerning this proposal. We believe it is well designed to protect Delaware companies and their stockholders from abusive takeover tactics, and we hope it will be speedily enacted.

Respectfully yours,

JRE/rjc

CalFed Inc.

George P. Rutland
President and
Chief Executive Officer

January 15, 1988

Michael E. Harkins
Secretary of State,
State of Delaware
Townsend Building
Dover, Delaware 19901

Re: House Substitute No. 1 to
House Bill No. 396

Dear Secretary Harkins:

We have followed with interest the efforts of the Delaware Bar Association and other parties to develop legislation to protect the interests of shareholders of Delaware corporations and to prevent unfair and coercive takeover attempts for less than fair value.

We believe that the Board of Directors and the management officials of Delaware corporations should have a reasonable opportunity to evaluate proposed transactions affecting the interests of shareholders and to act responsibly when those interests are threatened. The Board should have a reasonable amount of time to carry out these functions and should not be subject to undue pressures or threats. Unfortunately, in recent years techniques have been developed which effectively deny that opportunity to the Board and management. Coercive two-step takeover proposals, "creeping" acquisitions, partial "street sweeps" and other methods can expose shareholders to unfair, and possibly manipulative, transactions without the benefit of a reasoned analysis and recommendation by the Board.

For these reasons, we strongly support the legislation drafted by the Delaware Bar Association and currently pending before the Legislature. We join your efforts and those of Governor Castle to secure its prompt passage. Upon adoption of this law, the interests of our shareholders will be reasonably protected, in a manner similar to that provided under the laws of other states, against abusive and unfair takeover tactics.

5670 Wilshire Boulevard/Los Angeles, California 90036/Telephone: (213) 932-2100

We see no need to condition this protection upon the prior approval of shareholders since the proposed legislation in no way limits the ability of acquirors to engage in evenhanded negotiations or to make fair offers to all shareholders. In fact, the proposed bill strikes a fair balance between potential acquirors and the representatives of shareholders. In our view, it should be the responsibility of the Board of Directors to determine whether the existence of unusual circumstances justifies the denial to shareholders of the protective provisions of the legislation.

Please advise us in the event that we can be of assistance in connection with the Legislature's consideration of this needed bill.

Sincerely,



GPR/kc

CalMat Co

P. O. BOX 7050, LOS ANGELES, CALIFORNIA 90051 (213) 268-2777
3200 SAN FERNANDO ROAD, LOS ANGELES, CALIFORNIA 90065

January 18, 1988

Michael E. Harkins
Secretary of State
Townsend Building
Dover, Delaware 19901

Re: House Bill No. 396

Dear Mr. Harkins:

We have reviewed House Substitute No. 1 to House Bill No. 396 pertaining to changes in the Delaware Corporation Law relating to the issue of corporate takeovers. Although we have a few questions concerning certain technical aspects of the Bill, we strongly support this legislation.

We do feel however, that application should be retroactive to a date which corresponds with the first public announcement of the proposed legislation in that due to the consideration public attention that has been given to this propsective leglislation during the past year corporate raiders may well have increased their interest as stockholders in Delaware companies beyond the fifteen percent (15%) threshold in anticipation of this legislation.

Very truly yours,

Scott J Wilcott
Senior Vice President,
Legal Counsel and Secretary

SJW:ac

Thomas C. Simons, CLU
Chairman and
Chief Executive Officer

Capital Holding Corporation
680 Fourth Avenue
Post Office Box 32830
Louisville, Kentucky 40232
502 560-2000

Capital Holding

January 18, 1988

VIA FACSIMILE

The Honorable Michael E. Harkins
Secretary of State
Townsend Building
Dover, Delaware 19901

RE: Corporate Takeover Legislation

Dear Secretary Harkins:

Thank you for the opportunity to write you directly of Capital Holding Corporation's strong support for House Substitute No. 1 to House Bill No. 396.

The abuses of certain hostile takeover tactics are properly of widespread concern, since they often deny directors and shareholders any real opportunity to weigh the merits of a proposed acquisition. The statute recommended by the Delaware Bar is a positive step.

We would prefer, however, legislation like that adopted by New York and New Jersey, without the eighty-five percent ownership exemption. If there is any opportunity to do so, we urge you to recommend deletion of Section 203(a)(2).

We oppose the alternative proposal. In the context of this bill, the proposed shareholder vote requirement would be burdensome and discriminatory, and would defeat the purpose of legislation to correct takeover abuses.

Please let me know if we can provide any additional assistance in achieving prompt enactment of this necessary legislation.

Very truly yours,

Thomas C. Simons

Thomas C. Simons, CLU
Chairman and
Chief Executive Officer

TCS/dlu

CARPENTER TECHNOLOGY CORPORATION

GENERAL OFFICE: READING, PENNSYLVANIA 19603

CarTech

DANIEL K. ROTHERMEL
Vice President
General Counsel and Secretary

DIRECT DIAL (215) 371-2
TELEX 830-439

January 15, 1988

VIA FACSIMILE

Mr. Michael E. Harkins
Secretary of State
Townsend Building
Dover, DE 19901

Dear Mr. Harkins:

This will respond to your January 13 letter relating to the corporate takeover issue which the Delaware Legislature is considering.

Unwanted, unfriendly takeovers of American companies are counterproductive and do not serve any worthwhile purpose, except for a relative few. My personal preference, therefore, would be for a bill with stronger anti-takeover provisions. Understanding that the choices presented are either the statute as written or no new legislation at all, my preference is, obviously, strong support for the proposed legislation.

Since that legislation provides a mechanism for corporations to opt out of the statute's coverage, I do not see any benefit or any worthwhile reason for adopting the alternative proposal requiring corporations by way of stockholder vote to opt in to coverage of the statute.

As this is an extremely important issue for corporate America and the State of Delaware, I trust that the Delaware Legislature will move with all deliberate speed in adopting the proposal. I believe that the Governor's statement, dated January 12, sets forth clearly the good reasons for adopting this legislation.

I appreciate your letter and wish you much success in your endeavors.

Very truly yours,

D. K. ROTHERMEL
Vice President,
General Counsel and Secretary

DKR/jvk
R2.69

Chevron Corporation
225 Bush Street, San Francisco, California 94104-4289

Charles B. Renfrow
Director and Vice President

January 18, 1988

Honorable Michael E. Harkins
Secretary of State
State of Delaware
Townsend Building
Dover, DE 19901
Dear Mr. Harkins:

Your letter of January 13, 1988 to George M. Keller has been referred to me for response. I have previously written to Governor Castle supporting the proposed legislation of the Corporate Law Section of the Delaware Bar Association. A copy is enclosed for your information.

We continue to support the proposed legislation, disagree with T. Boone Pickens and others who oppose it, and concur with the Bar Association in rejecting the alternative of an opting-in statute.

Yours very truly,

Charles B. Renfrew

cc: G. M. Keller
Adrian A. Colley

Chevron Corporation
225 Bush Street, San Francisco, California 94104 4289

Charles B. Renfrew
Director and Vice President

January 12, 1988

Honorable Michael N. Castle
Governor of Delaware
Governor's Office
820 Front Street
Wilmington, DE 19801

Dear Sir:

On behalf of Chevron Corporation, a Delaware-incorporated company, I urge your support of the proposed new Section 203 of the Delaware General Corporation Law. I have followed the progress of the proposed legislation over the past few months and am persuaded that it is a major improvement in Delaware law. It will more fairly balance the relative positions of tenderor and target company in a manner consistent with the sound principles of corporate governance.

Respectfully,

Charles B. Renfrew

cc: A. Gilchrist Sparks III, Esq.

CIGNA Corporation

One Logan Square
Philadelphia, PA 19103
(215) 523-5722

James W. Walker, Jr
Executive Vice President and General Counsel

CIGNA

January 18, 1988

Mr. Michael E. Harkins
Secretary of State
Townsend Building
Dover, Delaware 19901

Dear Mr. Harkins:

CIGNA supports the recommendations of the Delaware Bar Association to amend the Delaware Corporation Act to assure greater fairness to shareholders in the event of a hostile takeover attempt. This proposal, if adopted by the Legislature, would continue Delaware's leadership in the area of corporate governance.

In your testimony before the Joint Committee, I hope you will convey CIGNA's strong support for the legislation as introduced in the House of Representatives.

Sincerely,

James W. Walker, Jr.

JWW:kh

Clark Equipment Company

Thomas C. Clarke
Senior Vice President,
Chief Administrative Officer
and Secretary

January 18, 1988

FAX #302/736-3811

Mr. Michael E. Harkins
Secretary of State
Townsend Building
Dover, Delaware 19901

Dear Mr. Harkins:

The purpose of this letter is to record Clark Equipment Company's strong support for the bill recommended to the Delaware legislature by the Delaware Bar Association's Executive Committee relating to takeovers.

Although we would have preferred a stronger statute, I recognize that the choice is between the statute proposed or no statute at all.

In the absence of this or similar legislative protection, we would have to give serious consideration to a change in our state of incorporation.

With respect to "opting in", I favor the Bar Association's position. It seems to me that the requirement of director and stockholder vote creates a cumbersome and unnecessary minuet and would introduce delay in affording Delaware corporations the protection intended by the legislation.

Sincerely,

Thomas C. Clarke

TCC/bcr

100 North Michigan Street · P.O. Box 7008, South Bend, Indiana 46634 · Telephone (219) 239-8160

COLGATE-PALMOLIVE COMPANY

300 Park Avenue
New York, NY 10022
Telephone 212-310 2719

Harold Obstler
Vice President
General Counsel
Secretary

January 18, 1988

Honorable Michael E. Harkins
Secretary of State
Townsend Building
Dover, Delaware 19901

Dear Mr. Secretary:

I am writing in response to your letter of January 13, 1988 regarding House Substitute No. 1 to House Bill No. 396, which proposes certain changes in the Delaware Corporation Law relating to the issue of corporate takeovers.

Colgate-Palmolive Company, after careful review, supports this legislation and urges its adoption. We believe that this legislation is greatly needed and strikes a reasonable balance among a variety of interests. We do not believe that the "opting-in" feature of the bill introduced in the Senate is advisable and urge that this feature not be included in any final legislation.

Sincerely,

COMBUSTION ENGINEERING

Charles E. Barnett
Vice President and
General Counsel

January 19, 1988

The Honorable Michael E. Harkins
Secretary of State
Townsend Building
Dover, Delaware 19901

Dear Mr. Secretary:

This letter is written in response to your letter to me, dated January 13, 1988, and is in support of House Substitute No. 1 to House Bill No. 396 to add Section 203 of the General Corporation Law.

The proposed statutory change is a reasonable response to the "responsibility gap" which too often characterizes the rapid change of control of American corporations. The "responsibility gap", in turn, is born of our system of maintaining both limited liability for stockholders and liquidity in the secondary markets for equity securities. All shareholders are entitled, under this system, to buy and sell virtually all of corporate America while bearing no responsibility whatsoever for the effect of their decisions upon production, customers, employees, communities and other stockholders. The system expects the responsibility gap to be filled by the actions of target companies, their suitors, regulators, courts and legislatures.

Target companies and their suitors have customarily exchanged differing points of view as to who was being the more responsible. Federal regulation has incrementally addressed certain practices deemed abusive from the standpoint of the procedural functioning of national securities markets. Increasingly, state legislatures have now begun to act to enhance both procedural and substantive fairness.

House Bill No. 396 properly recognizes the role of the board of directors in transactions resulting in a change of corporate control. It recognizes the conventional wisdom that stockholders receive higher prices in transactions which are negotiated rather than being unilaterally coerced, and that, in most situations, only the board of directors is in a position to negotiate on behalf of the target corporation's stockholders.

Combustion Engineering, Inc.
900 Long Ridge Road
Post Office Box 9308
Stamford, Connecticut 06904
(203) 328-2208

House Bill No. 396 provides reasonable and alternative avenues to prevent any arbitrary three-year ban on change in corporate control. These alternatives include (a) acquisition of 85% of the stock not held by inside directors and benefit plans; (b) approval by the target corporation's board of directors and two-thirds of the voting stock not owned by the interested stockholder; and (c) withdrawal from the status of interested stockholder by both reducing ownership below 15% and by relinquishing that element of control which might render the holder an affiliate or associate of the target company.

Viewpoints may differ as to the precise wording of definitions or plotting of percentages. However, viewpoints should not differ on the basic proposition that the proposed legislation is a most reasonable response to the "responsibility gap" and provides greater flexibility in achieving fair results than do the statutes of certain other states.

The proferred version of the statute is preferable to one requiring a stockholder vote to "opt into" coverage. Good legislative policy should not be made subject to "opting in." Also, since a significant thrust of the amendment is to assure fairness to minority holders, there may be some question as to whether such minorities would succeed in achieving the vote necessary for their protection.

We applaud the efforts of the Council of the Corporation Law Section of the Delaware State Bar Association and of the General Assembly of the State of Delaware to address these extremely important issues of corporate law. Responsible and vigilant action by state legislatures and state courts is essential if our federal system is to function as intended.

Respectfully yours,

Charles E. Burnett

CEB:vrj

ConAgra, Inc.
ConAgra Center
One Central Park Plaza
Omaha, Nebraska 68102
Phone (402) 978-4040

Charles M. Harper
Chairman of the Board
Chief Executive Officer

Corporate Headquarters

January 18, 1988

Honorable Michael Harkins
Delaware Secretary of State
One Townsend Building
Dover, Delaware 19901

Attn: Richard Templeton
Director of Division of Corporations

Dear Sirs:

ConAgra, Inc., a Delaware corporation, is a diversified food company operating across the food chain and its businesses include a major poultry growing and processing operation in the city of Milford, Delaware. The Milford operation employs 1100 persons and contributes in excess of $30 million to Milford's economy in employee salaries and contracts with local poultry growers. Additionally, the Milford operation purchases $75 million to $100 million of poultry feed annually from local farmers.

The Delaware Assembly will shortly consider House Substitute No. 1 to House Bill No. 396, a bill which concerns hostile takeovers of Delaware corporations. ConAgra strongly supports the bill in its proposed form and urges your office and the Delaware legislature to enact the bill without any dilutive amendments.

The harmful effects of abusive takeover tactics on shareholders of public companies, employees and local communities mandate protective legislative action. We urge your support of House Substitute No. 1 to House Bill No. 396.

Very truly yours,

Charles M. Harper

cc: Honorable Michael Castle
Governor, State of Delaware

312/698-3000

Paul W. Fish
Senior Vice President / Legal

COMDISCO

Comdisco, Inc.
6400 Shafer Court
Rosemont, IL 60018

January 19, 1988

The Honorable Michael E. Harkins
Secretary of State
State of Delaware
Townsend Building
Dover, Delaware 19901

Re: Abusive Takeover Legislation
House Bill 396

Dear Mr. Secretary:

Thank you for your recent letter requesting comments on the issue of abusive takeover tactics and the proposed changes in the Delaware Corporation Law relating thereto.

As a Delaware company, Comdisco, Inc. fully supports the subject bill to regulate abusive takeover tactics recommended to the Delaware Legislature by the Corporate Law Section of the Delaware Bar Association. I believe the proposed bill strikes an appropriate balance between good faith offers to acquire control of a company and the legitimate interests of the state to ensure that all shareholders are treated fairly. I do not favor the "opt-in" amendment because I believe such a provision would delay the effectiveness of the provision for many companies, including Comdisco, where the proxy materials have already been mailed to shareholders for their 1988 annual meeting. The "opt-in" amendment would, in effect, cause a one year delay or the additional expense of a special meeting. I don't believe either is necessary or desirable since the subject bill is intended to protect the legitimate interests of all of the shareholders.

Thank you for the opportunity to voice our Company's full support for this important piece of legislation.

Very truly yours,

Paul W. Fish
Senior Vice President/
General Counsel

PWF/jp

cc: K. N. Pontikes
Edward H. Fiedler, Jr., Esq.

CRANE CO. 757 THIRD AVENUE NEW YORK, N.Y. 10017

PAUL R. HUNDT
VICE PRESIDENT
GENERAL COUNSEL
AND
SECRETARY

January 18, 1988

TELECOPIER: 302 736 3811

Mr. Michael E. Harkins
Secretary of State
Townsend Building
Dover, Delaware 19901

Dear Mr. Harkins:

In response to your letter of January 13, 1988, we have reviewed the takover bill proposed by the Delaware Bar Association's Executive Committee and support it in its entirety.

The Senate Bill, while better than nothing, is less balanced and we do not support it.

Very truly yours,

P. R. Hundt

1950B
cc: R. S. Evans-Chairman

Data General
4400 Computer Drive, Westboro, MA 01580
Telephone (617) 366-8911

January 19, 1988

Hon. Michael E. Harkins
Secretary of State
Townsend Building
Dover, Delaware 19901

Dear Mr. Harkins:

Data General Corporation strongly endorses legislation designed to limit abusive takeover tactics. We are in favor of the Bill which was recommended to the Legislature by the Delaware Bar Association.

Very truly yours,

DATA GENERAL CORPORATION

By: William F. Robinson, Jr.

William F. Robinson, Jr

Assistant Secretary

DEERE & COMPANY

JOHN DEERE ROAD, MOLINE, ILLINOIS 61265

ROBERT W. WEEKS
Vice President
General Counsel

19 January 1988

The Honorable Michael E. Harkins
Secretary of State
Townsend Building
Dover, Delaware 19901

Dear Mr. Secretary:

On behalf of Deere & Company, a Delaware corporation, I want to express our strong support for Delaware House Bill No. 396 and it's Senate counterpart which would add a new section 203 to the Delaware Corporation Law. This bill, which is the product of careful study by the Corporate Law Section of the Delaware Bar Association, is a thoughtful and appropriate response to some of the excesses which have developed in the area of corporate takeovers.

An important virtue of this legislation is that it discourages destructive takeover tactics by adventurers who seek to use the target's own assets to pay the acquisition price, while at the same time not interfering with the legitimate market for corporate control. New Section 203, if enacted, would also discourage those kinds of "two tier" offers in which the raider tenders only for a majority of the shares, planning to acquire the rest through a merger that may not be fair to minority shareholders.

I believe it is important and desirable for states, through their incorporation laws, to play an important and constructive role in the development of the law of takeovers. Delaware, as the state in which more major corporations are incorporated than any other, has traditionally taken the lead in the evolution of corporate law. I believe it is especially important that Delaware lead on this issue as well, in order to demonstrate that state legislation can play a constructive role in this field and that federal preemption would be inappropriate.

We understand that additional legislation has also been proposed which would provide that House Bill No. 396 could only be applicable to Delaware corporations if the board of directors and stockholders "opted in" through a stockholder vote. We believe such a requirement would be inappropriate.

Sincerely,

R. W. Weeks

RWW/mbs

JAMES W. CALLISON
SENIOR VICE PRESIDENT
GENERAL COUNSEL & SECRETARY

DELTA AIR LINES, INC.
HARTSFIELD ATLANTA INTERNATIONAL AIRPORT
ATLANTA, GEORGIA 30320

January 18, 1988

VIA TELECOPIER

Mr. Michael E. Harkins
Secretary of State
State of Delaware
Townsend Building
Dover, Delaware 19901

Dear Mr. Harkins:

This is in response to your letter dated January 13, 1988 requesting comments on proposed new Section 203 of the Delaware General Corporation Law as recommended by the Delaware Bar Association. Because I was out of the office last week and because you today requested that comments be sent to you by telecopier this afternoon, this response must of necessity be brief.

As you know, proposed new Section 203 generally prohibits an interested stockholder (a person with 15% or more of the corporation's voting stock) from engaging in a business combination with a Delaware corporation for three years unless (1) before the person becomes an interested stockholder, the board of directors approves either the business combination or the transaction in which such person becomes an interested stockholder; (2) upon consummation of the transaction in which the interested stockholder crosses the 15% threshold, such stockholder owns at least 85% of the corporation's voting stock; or (3) the business combination is approved by the board of directors and authorized by the stockholders at a meeting by a vote of two-thirds of the outstanding voting stock not owned by the interested stockholder.

I believe that proposed Section 203 represents a reasonable response to the abusive

takeover tactics that have occurred in recent years. While a stronger bill could be justified, proposed Section 203 is certainly preferable to no legislation at all. Moreover, I believe that the "opt-out" features of the House Bill are clearly preferable to the "opt-in" provisions in the Senate Bill.

I very much appreciate the opportunity to comment on this important matter.

Sincerely,

James W. Callison

The Lakeside Press
R·R·DONNELLEY & SONS COMPANY
2223 SOUTH MARTIN LUTHER KING DRIVE
CHICAGO, ILLINOIS 60616
312-326-7189

DAVID C. HART
VICE PRESIDENT AND
GENERAL COUNSEL

January 15, 1988

Mr. Michael E. Harkins
Secretary of State
Townsend Building
Dover, Delaware 19901

Dear Mr. Harkins:

Thank you very much for giving us the opportunity to address this issue.

R.R. Donnelley & Sons Company is a commercial printing and communications corporation with 1986 sales in excess of $2.2 billion and worldwide operations.

The issue of abusive and coercive takeovers is important to us as it is to all American corporations. Following the U.S. Supreme Court's decision in the CTS case, we have observed with some concern the rapid adoption of legislation in other states addressing this problem while Delaware, until now, has failed to act. Of course, we appreciate that this is a complex issue and of great concern to Delaware.

While we are among those companies that would prefer a stronger statute, based on your statement that the only choice is between the statute proposed by the Delaware Bar Association or no statute at all, we certainly support this proposal. We do not support the bill which has been introduced into the Delaware Senate which requires affirmative votes of board of directors and stockholders.

We urge adoption of the proposed amendment to the Delaware Corporation Law.

Very truly yours,

David C. Hart

DCH/plm

PAGE 2 NO.5 01.18.'88 08:52 (MON) REC CHICAGO

DOVER CORPORATION / 277 PARK AVENUE, NEW YORK, N.Y. 10172 (212) 826-7160
TELEX #: 149542-DOVER CORP NYK

CLOYD LAPORTE JR
Secretary and Legal Counsel

January 19, 1988

The Honorable Michael E. Harkins
Secretary of State
Townsend Building
Dover, DE 19901

Re: Proposed Statute on Corporate Takeovers

Dear Mr. Harkins:

You ask for our views on two bills pending in the Delaware legislature. The first is the bill recommended by the Corporate Law Section of the Delaware Bar Association. The second is "essentially the same as" the first, but requires a shareholder vote to make it effective.

We believe enactment of the first bill will result in some desirable regulation of the takeover process. The bill is relatively mild in its requirements and we are surprised to find Mr. Pickens so vehement against it.

If the second bill were adopted, requiring us to go through the expense of a shareholder vote, we would be forced to consider whether to reincorporate in some other state having stronger anti-takeover laws. We would prefer not to be forced to consider this, as we have been quite content to be a Delaware corporation for more than forty years.

Sincerely,

Cloyd Laporte, Jr.

Cloyd Laporte, Jr.
/jh

The Dun & Bradstreet Corporation

Charles F. G. Raikes
Senior Vice President and
General Counsel

299 Park Avenue, New York, N.Y. 10017
212-593-6895

January 19, 1988

Mr. Michael E. Harkins
Secretary of State
State of Delaware
Townsend Building
Dover, DE 19901

Dear Mr. Harkins:

In response to your letters of January 13, 1988, to Charles W. Moritz, Chief Executive Officer of our company, and to me, please be advised that The Dun & Bradstreet Corporation strongly supports the recommended addition of Section 203 to the General Corporation Law, embodied in House Substitute No. 1 to House Bill No. 396.

Very truly yours,

Charles FG Raikes

CFGR/1

FORM I G 48/8



E. I. DU PONT DE NEMOURS & COMPANY
INCORPORATED
WILMINGTON, DELAWARE 19898

LEGAL DEPARTMENT

CC: Senator Myrna L. Bair
Senator Richard S. Cordrey
Senator Thomas B. Sharp
Rep. Orlando J. George, Jr.
Rep. Charles L. Hebner
Rep. Joseph R. Petrilli
Rep. Terry R. Spence

January 18, 1988

The Honorable Michael E. Harkins
Secretary of State
State of Delaware
Townsend Building
Dover, DE 19901

Dear Secretary Harkins:

On behalf of the Du Pont Company, I urge your support for the amendments to Section 203 of the Delaware General Corporation Law recently proposed by the Bar Association. We have followed the development of these amendments as they have been thoroughly debated over the last year and believe that they strike a sound balance among the interests of stockholders, corporations, employees, the community and the state. We further support the opt-out approach in the amendments proposed by the Bar Association as being in the best interests of minority investors and the State.

Sincerely,

John F. Schmutz
Senior Vice President
and General Counsel

JFS:mec
007-04

E-SYSTEMS

January 18, 1988
9-18000: L-4

TELECOPY: 302-736-3811

Mr. Michael E. Harkins
Secretary of State
Townsend Building
Dover, Delaware 19901

Dear Sir:

In response to your letter of January 13, 1988, I am pleased to give some personal views (which I believe are also the views of my management) on the pending change in the Delaware Corporation Law relating to corporate takeovers.

We have followed this matter with great interest. There is considerable pressure on me, as Corporate General Counsel, and on some members of our Board to raise the issue of reincorporation in a state with more favorable anti-takeover provisions and where we have substantial business operations. I have repeatedly advised my management that Delaware is the preferred state for incorporation because of its good, stable and long-standing reputation as a desirable corporate domicile. I hope that you will use your best efforts to enact the pending legislation so that we can continue to say the State of Delaware has recognized the importance of these takeover protections to the ongoing well-being of corporations of that state.

It is the desire of our management to appeal to the long-term investors who are truly interested in the economic growth as well as corporate welfare of our employees, customers, and suppliers. In general, we think these interests are best protected by shields from the opportunistic raiders (such as Mr. Pickens), and any device that gives the general stockholder pause to think before he sells out in a panic.

Once again, let us urge you to support passage of this legislation so that we can continue to view Delaware as an appropriate state of incorporation for our firm. I would personally hate to see the pressures which might be on us to consider reincorporation elsewhere, should this legislation fail.

I appreciate your seeking our views on this matter and would be pleased to discuss them further should someone from your staff feel it desirable.

Very truly yours,

James W. Crowley
Vice President, Secretary
and General Counsel

DALLAS TEXAS 75266-0248 (214) 661-

entrada industries inc.

79 SOUTH STATE STREET • SALT LAKE CITY, UTAH 84147 • PHONE (801) 534-556

January 18, 1988

Mr. Michael E. Harkins
Secretary of State
State of Delaware
Townsend Building
Dover, Delaware 19901

Dear Mr. Harkins:

Entrada Industries, Inc. a Delaware corporation, supports the legislation recommended by the Corporate Law Section of the Delaware Bar Association. We have reviewed the proposed amendments to Delaware's General Corporation Law and believe that they serve the best interests of shareholders. We commend the corporate lawyers for their efforts and encourage the Delaware legislators to approve the bill.

Sincerely,

R. D. Cash
President and CEO

RDC:ca

Telecopy

Patrick J Head
Vice President
General Counsel

FMC Corporation
200 East Randolph Drive
Chicago Illinois 60601
312 861 6022

January 18, 1988

Honorable Michael Hawkins
Delaware Secretary of State
Townsend Building
Dover, Delaware 19901

Dear Secretary Hawkins:

I am writing in response to your January 13 letter regarding the Delaware General Corporation Law. I appreciate your inquiry and interest in the proposed changes to that statute.

Attached you will find the text of a mailgram being sent today to the Senate Leadership expressing FMC's support of House Substitute #1 to HB396. We strongly support this proposal and feel that the legislature should act quickly to protect companies incorporated in Delaware from abusive takeover practices.

FMC supports the House version over the Senate version, which requires an opt-in vote by the board of directors and stockholders. It is our feeling that the Senate version is overly cumbersome and time consuming.

I thank you for the opportunity to comment on this proposal and ask that you join Governor Castle in support of House Substitute #1 to HB396.

Sincerely,

Patrick J. Head /bjc

Patrick J. Head

FEDERAL EXPRESS

January 19, 1988

Box 727
Memphis TN 38194
(901) 369-3600

Michael E. Harkins
Secretary of State
State of Delaware
Townsend Building
Dover, Delaware 19901

Dear Mr. Harkins:

In response to your letter to Kenneth R. Masterson, our General Counsel, concerning Delaware's proposed corporate takeover legislation, I have been asked by him to review the bill recommended by the Corporate Law Section of the Delaware Bar Association and present the Corporation's views to you.

In general, we support the bill in its entirety, but we are opposed to the Delaware Senate's bill which would require opting into the law's protection through a vote of the stockholders. Shareholder approval would involve an unnecessary and inefficient use of corporate resources.

We appreciate your thoughtfulness in surveying our position on this matter.

Sincerely,

FEDERAL EXPRESS CORPORATION

A. Doyle Cloud, Jr.
Vice President
Government and Regulatory Affairs

ADC/pg

cc: Kenneth R. Masterson

0015g

FEDERATED DEPARTMENT STORES, INC.
7 WEST SEVENTH STREET
CINCINNATI, OHIO 45202

BORIS AUERBACH
VICE PRESIDENT AND SECRETARY

January 18, 1988

Mr. Michael E. Harkins
Secretary of State
Townsend Building
Dover, Delaware 19901

Dear Mr. Harkins:

Federatad Department Stores, Inc. would like to go on record as being very much in favor of the proposed Delaware takeover statute as proposed by the Delaware Bar Association. Federated is a $10.5 billion diversified retail company operating more than 650 department stores, mass merchandising stores, supermarkets and other retail stores in 36 states.

Federated is a Delaware corporation and has been chartered in Delaware since our founding in 1929. Our relations with the State have been excellent over the years.

More than 30 states now have takeover statutes, including the state in which our headquarters are located.

We are deeply concerned that our stockholders have adequate protection in our state of incorporation against unfair takeover techniques. Although the Delaware statute is more limited than we believe is appropriate, it is clearly a step in the right direction.

We see absolutely no reason to delay since the matter has been thoroughly debated in Delaware for nine months and in the nation for several years.

We believe Delaware companies deserve prompt protection and we hope the Delaware legislature will act immediately on this important measure.

Sincerely yours,

BA:jp:X96

ABRAHAM AND STRAUS, Brooklyn, New York
BLOOMINGDALE'S, Manhattan, New York
BULLOCK'S, Los Angeles, California
BURDINES, Miami, Florida
THE CHILDREN'S PLACE, Pine Brook, New Jersey
FILENE'S, Boston, Massachusetts
FILENE'S BASEMENT, Boston, Massachusetts
FOLEY'S, Houston, Texas
GOLD CIRCLE, Columbus, Ohio
GOLDSMITH'S, Memphis, Tennessee
LAZARUS, Columbus, Ohio
I. MAGNIN, San Francisco, California
MAIN STREET, Chicago, Illinois
RALPHS, Los Angeles, California
RICH'S, Atlanta, Georgia
RICHWAY, Atlanta, Georgia
SANGER HARRIS, Dallas, Texas
LEVY'S, Tucson, Arizona
SHILLITO RIKES, Cincinnati, Ohio



First Bank System

First Bank System, Inc.
1200 First Bank Place East
Minneapolis, Minnesota 55480
612 370-5132

Frank E. Porter
Senior Vice President
Secretary and General Counsel

January 19, 1988

Mr. Michael E. Harkins
Secretary of State
State of Delaware
Townsend Building
Dover, DE 19901

Dear Mr. Harkins:

First Bank System, Inc. is the largest bank holding company located in the Upper Midwest with assets of $26.7 billion. We are incorporated in Delaware, headquartered in Minneapolis, Minnesota and listed on the New York Stock Exchange. First Bank System has approximately 12,000 shareholders and the current market value of its stock is approximately $1.4 billion.

We have closely followed legal and statutory developments in the corporate takeover world and have expressed our concern over certain abusive practices utilized by corporate raiders. It is our opinion that the uncontrolled threat of hostile takeovers very often has a detrimental impact on a corporation and is not conducive to the long term interests of shareholders and the American economy.

We have maintained our Delaware charter because we believe Delaware, over the years, has provided a sound, balanced and progressive statutory and legal environment for governing our corporate activities. Because of certain abusive practices utilized in the takeover business, we believe it is time for Delaware to adopt statutory changes which provide an appropriate balance between the interests of shareholders and those who seek to acquire control of a corporation.

We have reviewed the bill currently being considered by your legislature, which has received the support of the Delaware Bar Association's Executive Committee, and strongly support this legislation. We ask that you make our support known. It is time for Delaware to act and urge passage of this proposal.

Very truly yours,

Frank Porter

FEP:djo

Fleetwood Enterprises, Inc.
3125 Myers Street, P.O. Box 7638
Riverside, California 92523
(714) 351-3500 TWX: 910 332 1759

January 19, 1988

Mr. Michael E. Harkins
Secretary of State
Townsend Building
Dover, Delaware 19901

Dear Mr. Harkins:

Last week you provided us with a copy of the bill recommended by the Delaware Bar Association concerning changes in the Delaware Corporation Law with respect to corporate takeovers and requested our comments on the proposed legislation.

The area of corporate takeovers and shareholder rights is obviously one that is important to all publicly held corporations. Like others, we are sure, we have carefully watched developments in this area and have been kept abreast by our Delaware counsel of developments, both within the legislature and the bar association. Inasmuch as our second largest center of operations is in Indiana and that state enacted a very strong statute on takeovers which has now been upheld by the United States Supreme Court, there are options available to us if Delaware law does not apply a reasonable approach to this matter.

While by no means intending to completely entrench our management or deny shareholders the right to have changes in control properly considered, it has long been our belief that corporate rules in the takeover area are slanted in favor of individuals and groups who are looking at short-term speculative gains as distinguished from the long-term investor. In reading the bill recommended by the Delaware Bar, it appears that an attempt has been made to draw some sort of a balance between the conflicting approaches. We eagerly await action on the part of the Delaware legislature and are supportive of the approach taken by the Corporate Law Section of the Bar.

In response to your specific question concerning whether or not these provisions should become applicable only upon a favorable director and shareholder vote, we are inclined to feel that such a requirement is unnecessary. There are many provisions of Delaware corporation law that restrict shareholder action. These provisions, for the most part, do

not require shareholder approval to become applicable as a matter of law once a corporation is chartered in the State of Delaware. We see no reason why the proposed provisions should be any different. The approach of the recommended statute, which permits corporate action to "opt out" of coverage by the statute, appears quite sufficient to accommodate differing viewpoints.

In conclusion, we look favorably on the attempt of the legislature to further regulate the subject of corporate combinations. As a Delaware corporation and franchise taxpayer, we are hopeful that the proposed legislation or something significantly like it will be adopted. Thank you for your interest in this subject and for soliciting our viewpoint.

Very truly yours,

William H. Lear
Vice President -
General Counsel
and Secretary

WHL/vjs

Fort Howard Paper Company

P.O. Box 19130, Green Bay, WI 54307-9130

1919 S. Broadway, Phone 414-43

January 18, 1988

Mr. Michael E. Harkins
Secretary of State
Townsend Building
Dover, DE 19901

FACSIMILE: 302-736-3813 or 3811

Dear Mr. Harkins:

Paul J. Schierl, Chairman and Chief Executive Officer of Fort Howard Corporation, asked that I reply to your letter of January 13, 1988. In that letter you requested our views concerning proposed changes in the Delaware Corporation Law intended to address abusive practices by corporate raiders in takeover situations (designated as House Substitute No. 1 to House Bill No. 396).

This proposal, while not ideal, is in the interests of Fort Howard, its employees and stockholders. Accordingly, we support this proposed legislation. We do not believe that the effect of this legislation should be attenuated by including provisions requiring companies to "opt-in" through stockholder vote.

Sincerely,

FORT HOWARD CORPORATION

James W. Nellen II
Vice President and
Secretary

cs/4066r

GW
GREAT WESTERN FINANCIAL CORPORATION

J. Lance Erikson
EXECUTIVE VICE PRESIDENT-SECRETARY
GENERAL COUNSEL

VIA TELEFAX
January 19, 1988

Mr. Michael E. Harkins
Secretary of State
Townsend Building
Dover, Delaware 19901

Re: Corporate Takeover Legislation

Dear Secretary Harkins:

Great Western Financial Corporation strongly supports House Substitute No. 1 to House Bill No. 396 which proposes to amend Subchapter VI, Chapter 1, Title 8, Delaware Code, by adding a new Section 203 entitled "Business Combinations With Interested Stockholders".

For several years, Great Western Financial Corporation has been of the view that corporate raiders have a profound and often negative effect on corporate decision making and that their actions vis-a-vis a particular corporate target are often not compatible either with the best long-term interest of stockholders or the course of American business, generally. We believe the approach taken in House Substitute No. 1 to House Bill No. 396 represents a well thought out and balanced approach between the interests of those who would make good faith offers to acquire a corporation and the shareholders of the target.

We thank you for requesting our views on this important subject.

Very truly yours,

J. Lance Erikson/P

J. Lance Erikson

8484 Wilshire Boulevard · Beverly Hills, California 90211 · (213) 852-3615

GEICO
CORPORATION

geico plaza
washington, D.C.
20076

January 18, 1988

Honorable Michael E. Harkins
Secretary of State of Delaware
Townsend Building
Dover, Delaware 19901

Re: House of Representatives of Delaware
134th General Assembly
House Substitute No. 1
Introduced January 13, 1988 to
House Bill No. 396

Dear Mr. Harkins:

This Corporation supports the referenced Bill recommended by the Corporate Law Section of the Delaware Bar Association dealing with corporate takeovers. We oppose the second bill, introduced in the Senate, purported to be essentially the same as the referenced bill, but requiring an opting in procedure by vote of the directors and the stockholders. I also note, however, that the second bill is preferable to no bill at all.

Attached is a memorandum pointing out typographical errors and apparent omissions in the text of the Bill as enclosed with your letter of January 13, 1988.

Very truly yours,

Donald K. Smith
Senior Vice President
and General Counsel

Enclosure: As noted

GENERAL DYNAMICS CORPORATION
Pierre Laclede Center
St. Louis, Missouri 63105

Robert H. Duesenberg
Vice President & General Counsel

314-889-8319

18 January 1988

TO: Mr. Michael E. Harkins, Secretary of State of the State of Delaware

CC: Governor Michael N. Castle, State of Delaware
Mr. Thomas Sharpe, Senate Majority Leader of the Delaware Legislature

SUBJECT: House Substitute No. 1 to House Bill No. 396

As General Counsel of General Dynamics Corporation, I have reviewed the provision of the proposed Delaware corporate takeover legislation, House Substitute No. 1 to House Bill No. 396, and reviewed it with General Dynamics management. General Dynamics is a major U.S. corporation organized under the Delaware Corporation Law. As the leading State in corporation law development, it is urgent that Delaware adopt the recommended Bill. We are aware of the role of the Delaware Bar Executive Committee in the preparation and analysis of the Bill and endorse their effort. General Dynamics recommends enactment, without change, of House Substitute No. 1 to House Bill No. 396.

Robert H. Duesenberg /ec

Robert H. Duesenberg
Vice President & General Counsel
General Dynamics Corporation
Pierre Laclede Center
St. Louis, Missouri 63105

GENERAL MILLS, INC. • EXECUTIVE OFFICES • 9200 Wayzata Boulevard • Minneapolis, Minnesota

H. B. ATWATER, JR.
Chairman of the Board
Chief Executive Officer

1/15/88

To: Michael E. Harkins
Secretary of State
State of Delaware

In response to your letter of January 13, General Mills strongly supports the legislation currently before the Delaware Legislature on the issue of corporate takeovers. We support the legislation endorsed by the Delaware Bar Association and urge that it be passed without amendment. We strongly support retaining the proposed opt-out provision and are opposed to any opt-in proposal.

H. B. Atwater, Jr.
Chairman and CEO

Mailing Address: P.O. Box 1113, Minneapolis, Minnesota 55440

JAN.15 '88 16:31 GENERAL MILLS INC 612-540-3136 P.01

General Re

General Re Corporation
Financial Centre
P.O. Box 10351
Stamford, Connecticut 06904-2351
203 328-5845

Edmond F. Rondepierre
Vice President
General Counsel and Secretary

January 15, 1988

The Honorable Michael E. Harkins
Secretary of State
Townsend Building
Dover, Delaware 19901

Dear Mr. Secretary:

In reply to your letter of January 13th, General Re urges that the draft bill recommended by the Delaware Bar should move forward in the Delaware Legislature to a debate and a vote. We believe the measure should be enacted into law, and we recommend an affirmative vote.

The dynamics of hostile takeovers are such that Directors are forced to act in a crisis environment. A considerable amount of corporate time and effort is spent preparing for these contingencies. As both the offensive and defensive maneuvers become more intricate it becomes more and more difficult to properly consider the interests of all shareholders.

The question then is whether the advantages claimed for the unsolicited hostile takeover are outweighed by the disadvantages. We believe that they are.

We have followed the evolution of the draft bill and, while we might have taken a slightly different approach on various sections, we do support the bill as proposed, including its use of "opting out" instead of "opting in".

For your information, General Re has adopted the limitation on Directors liability which became available under the Delaware Code last year, and has also incorporated in its by-laws a fair price provision. The percentage of affirmative votes on these two matters was 93.8% and 81.1% respectively.

If I can provide additional information, please don't hesitate to call.

Very truly yours,

Edmond F. Rondepierre

EFR/cn/2049L

GLOBAL MARINE INC.

777 N. ELDRIDGE
HOUSTON, TEXAS 77079
U.S.A.

TELEPHONE: (713) 596-5100
DIRECT: (713) 596-5844
TELEX: 765586

JOHN G. RYAN
SENIOR VICE PRESIDENT
GENERAL COUNSEL AND SECRETARY

January 18, 1988

VIA TELECOPIER

Michael E. Harkins
Secretary of State
Townsend Building
Dover, Delaware 19901

Dear Mr. Harkins:

I am writing in support of House Bill No. 396, currently pending before the Delaware Legislature, which would amend the Delaware Corporation Law as it relates to corporate takeovers.

Obviously the issue of regulating abusive practices in takeover procedures by corporate raiders is an important one for Delaware, as it is for the companies, such as Global Marine, that have chosen to be incorporated there. Such companies rely on the Delaware Corporation Law for the reasonable and dependable governance of their business environment, which is essential to a modern, productive enterprise in a complex, global economy. The conduct of some corporate raiders, however, has resulted in recent years in a free-for-all environment that has usurped the attention of corporate decision makers, thereby undermining the ability of corporations to devote themselves to the long-term interests of the multiple constituencies that they serve.

House Bill 396 has been thoughtfully crafted to ensure that changes of corporate control will continue to occur, but under rules that will replace chaos with a well-defined procedure that is reasonable and dependable. We view this as a very significant improvement in an area that clearly needs attention and, for that reason, we support House Bill No. 396. We do not support alternative proposals, such as the bill introduced in the Senate, that would postpone the benefits of this needed legislation by adding a potentially costly opting-in feature.

Sincerely,

John G. Ryan

JGR/jlj
0260.0001

JAN 18 '88 10:41 G + W

Gulf+Western Inc.

ONE GULF+WESTERN PLAZA
NEW YORK N.Y. 10023-7780
212 373 8888

DONALD ORESMAN
Executive Vice President
Chief Administrative Officer
General Counsel

January 18, 1988

Honorable Michael E. Harkins
Secretary of State
Townsend Building
Dover, Delaware 19901

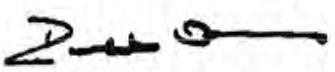
Dear Mr. Harkins:

As a Delaware corporation and therefore vitally concerned with changes in the Delaware Corporation Law, we support the bill recommended by the Delaware Bar Association's Executive Committee which you enclosed in your letter of January 13, 1988.

With respect to the second bill you referred to with the so-called "opting in" provision we are strongly opposed.

Please do not hesitate to share our views with the House and Senate leadership or anyone else you deem appropriate.

Yours very truly,



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PMS HONORABLE MICHAEL HARKINS, SECRETARY OF STATE
DOVER DE 19901
AS CHAIRMAN AND CHIEF EXECUTIVE OFFICER OF HARRIS CORPORATION WHICH IS A DELAWARE CORPORATION, I URGE YOU TO SUPPORT S.1523 AND H.R.2893 WITHOUT AMENDMENT AS ENDORSED BY THE DELAWARE BAR ASSOCIATION. HARRIS CORPORATION IS INCORPORATED IN THE STATE OF DELAWARE, AND WE BELIEVE THIS BILL WILL SIGNIFICANTLY REDUCE UNPRODUCTIVE AND ABUSIVE TAKEOVER PRACTICES AND WILL BENEFIT BOTH DELAWARE CORPORATIONS AND THEIR SHAREHOLDERS. WITH YOUR SUPPORT, WE HOPE THAT THESE BILLS CAN BE ENACTED PROMPTLY INTO LAW.
JOHN T HARTLEY, HARRIS CORP, MELBOURNE, FL
1025 WEST NASA BLVD
MELBOURNE FL 32919

1102 EST

NNNN
1131 EST

HELMERICH & PAYNE, INC. UTICA AT TWENTY-FIRST · TULSA, OKLAHOMA 74114

January 19, 1988

Honorable Michael E. Harkins
Secretary of State
Townsend Building
Dover, Delaware 19901

Dear Sir:

Helmerich & Payne, Inc., a New York Stock Exchange listed Delaware corporation, supports passage of House Substitute No. 1 to House Bill No. 396 amending Chapter 1, Title 8, Delaware Code relating to the General Corporation Law. Helmerich & Payne, Inc. concurs with the Delaware Bar Association in rejecting the proposed "opt-in" by shareholder vote as envisioned by the Senate Bill relating to this same subject matter.

Respectfully submitted,

HELMERICH & PAYNE, INC.

By W R Horkey
W. R. Horkey
Senior Vice President

WRH:mia

cc: W. H. Helmerich, III
Chairman and C.E.O.



Hercules Incorporated
Hercules Plaza
Wilmington, DE 19894
(302) 594-5000
Telex: 83-5479

WRITER'S DIRECT DIAL
(302) 594-7000

LAW DEPARTMENT

January 15, 1988

The Honorable Michael B. Harkins
Secretary of State
State of Delaware
Townsend Building
Dover, Delaware 19901

Dear Mr. Harkins:

Responding to your letter of January 13, 1988, regarding changes in the Delaware Corporation Law relating to corporate takeovers, I support the present bill and I speak on behalf of Hercules Incorpoated. The so-called second bill having an opt-in provision is not a viable approach and I do not support a bill with an opt-in provision. I believe it is crucial for the legislature to act now since many states have already acted in this area. Further delay on the part of Delaware can only weaken our position as the principal state of incorporation.

Very truly yours,

S. Maynard Turk
Vice President and
General Counsel

SMT:jam
0943Q/12

Hershey

Hershey Foods Corporation
Corporate Headquarters
Hershey, Pennsylvania 17033-0810
Phone: [717] 534-4000 Telex: 6711079

January 19, 1988

Michael E. Harkins
Secretary of State
Townsend Building
Dover, DE 19901

Dear Secretary Harkins:

In response to your January 13, 1988 letter, Hershey Foods Corporation wishes to express its support for the proposed bill introduced on January 13 in the Delaware House of Representatives to provide for certain limitations in takeover transactions where board of director or stockholder approval is not obtained. While we believe that the bill could go further in limiting abusive tactics, it will nevertheless be a significant step toward protecting stockholder interests in takeover transactions.

We prefer the approach of the House bill to that of the Senate bill, which would require that corporations opt in to obtain the statute's benefits. In the interest of fairness and equity, we believe that there should be general uniformity in the approach taken to such fundamental corporate events as takeover transactions. Few, if any, Delaware corporations would not benefit from the statute and such companies could opt out. Under such circumstances, it seem to us to make much more sense to allow a small number of corporations to opt out rather than require the vast majority of Delaware corporations to take the steps to opt in.

Thank you for allowing us to comment on this very important matter. We urge speedy consideration and enactment of the House of Representatives' bill. If you have any questions, please contact either myself at (717) 534-4582 or Robert M. Reese, Assistant General Counsel at (717) 534-7532.

Sincerely,

C E Duroni

Charles E. Duroni
Vice President and General Counsel

RMR/glk

Hills Department Stores, Inc.
15 Dan Road, Canton, Massachusetts 02021-9128
(617) 821-1000 Telex 172127

Vice President-Secretary
and Corporate Counsel

January 18, 1988

Honorable Micheal E. Harkins
Secretary of State
Townsend Building
Dover, Delaware 19901

Dear Sir:

I have been asked to respond to your January 13, 1988 letter addressed to Stephen A. Goldberger, President of Hills Department Stores, Inc. and Hills Stores Company concerning corporate takeovers and proposed changes to the Delaware Corporation Law.

I am familiar with the Delaware Bar Association proposals for revisions to the Delaware Corporation Law, have examined House Substitute No. 1 to House Bill No. 396 and can state that our Company supports this legislation. The proposed legislation represents an equitable approach to the protection of shareholder rights and the control of corporate takeovers.

Further, we are in favor of the House bill over the second bill introduced in the Senate because we feel the additional time and expense necessary to obtain a stockholder vote to opt-in is burdensome and unnecessary.

With best regards,

William K. Friend

WKF/djh

cc: Stephen A. Goldberger

HILTON HOTELS CORPORATION

William C. Lebo, Jr.
Senior Vice President and General Counsel

January 18, 1988

Michael E. Harkins
Secretary of State
Townsend Building
Dover, Delaware 19901

Dear Sir:

As the General Counsel for a Delaware corporation, I am extremely interested in the outcome of the Delaware legislature's voting on House Bill No. 396 and wish to express my support for this legislation.

I favor H.B. No. 396 principally because, if enacted, it would tend to relieve pressure on management to achieve short-term profits. With the 85% voting stock ownership threshold required for business combinations, a company's directors and its management would be assured that their strategies for achieving long-term enhancement of shareholder values cannot be arbitrarily rejected by a handful of shareholders merely because of a downturn in that company's industry or, in the case of Hilton, because the company follows a conservative program based upon sound economic principles.

Only now is Hilton coming out of a major renovation program in which our classic properties from New York's famed Waldorf-Astoria to Honolulu's Hilton Hawaiian Village have been renewed at a cost approximating $1.2 billion. Renovation programs such as these can take years to complete, but can produce greater overall returns for our shareholders than if the properties were allowed to deteriorate. Our directors realize this, but the long term value may not be readily apparent to shareholders. Many other Delaware corporations are confronted with the same problem.

A second reason for supporting the legislation is that it would discourage persons from acquiring share blocs under the guise of wishing to effect a change in a company's management. Confronted with the 85% threshold, those whose sole objective is to extract either greenmail or a profit on the quick disposition of a small bloc representing less than control could not bully management or mislead shareholders into thinking that the acquiror's goals are their goals.

In effect, H.B. No. 396 would require that an acquiror have the same commitment to changing a company's direction that the existing directors have demonstrated for continuing their program. If the acquiror's commitment is real and if a substantial number of shareholders, representing a cross-section of investment objectives, subscribe to the changes espoused by the acquiror, then the legislation would permit that commitment to be recognized and implemented. This is as it should be. At least, however, the steps leading to the change would be deliberative, sincere and better calculated to benefit all shareholders.

Sincerely,

William C. Lebo, Jr.

WCL:mr

cc: Barron Hilton
Maurice J. Scanlon

THE
HOME GROUP,
INC.

HOME

59 MAIDEN LANE
NEW YORK,NY 10038-4548
212 · 530 · 6472

BRUCE W. BEAN
SENIOR VICE PRESIDENT
AND GENERAL COUNSEL

January 18, 1988

Mr. Michael E. Harkins
Secretary of State
Townsend Building
Dover, Delaware 19901

Dear Sir:

The Home Group, Inc. strongly supports the current proposal to amend the Delaware General Corporate Law to permit corporations to focus on the long-term best interests of their shareholders rather than takeover threats of "bust-up" raiders.

Very truly yours,

BWB:cm

HARRY M. CONGER
CHAIRMAN AND CHIEF EXECUTIVE OFFICER

January 19, 1988

The Honorable Michael Harkins
Secretary of State, Delaware
Townsend Building
Federal and Duke of York Sts.
Dover, Delaware 19901

Dear Mr. Harkins:

This is to confirm my telephoned message to you that Homestake Mining Company is in substantial agreement with House Substitute #1 to House Bill #396.

Sincerely,

HMC:dt

RECEIVED
JAN 18 '88
SECRETARY OF STATE

Honeywell

DR. JAMES J. RENIER
President and Chief Executive Officer

January 15, 1988

The Honorable Michael Harkins
Secretary of State
Townsend Building
Dover, DE 19901

Dear Mr. Secretary:

Honeywell is urging Senators and Representatives to strongly support the proposed bill regulating business combinations between public companies and "Interested Stockholders" (substitute #1 for HB396) in the form endorsed by the Delaware Bar Association. We are urging them to vote in favor of the bill without amendment. This is a balanced bill with very adequate protection for shareholder interests. We oppose amendments that would convert the legislation to an "opt-in" basis. An "opt-in" clause would, in effect, require that each company's shareholders vote on the bill. In our view, this is no more warranted than having each of your constituents vote directly on every piece of legislation that may affect them.

Sincerely,

JJRenier/dr

Honeywell Inc.
Honeywell Plaza Minneapolis, Minnesota 55408 Telephone 612/870-2208

HOUSEHOLD
INTERNATIONAL

D. C. Clark
Chairman of the Board and
Chief Executive Officer

January 18, 1988

Mr. Michael E. Harkins
Secretary of State
Townsend Building
Dover, Delaware 19901

Telefax: 302-736-3811

Subject: House Bill No. 396
Section 203: Business Combinations
With Interested Stockholders

Dear Secretary Harkins:

Household International, a Delaware corporation, strongly supports the enactment of subject bill. We have closely scrutinized the bill, which studies included several conversations and meetings with members of the Delaware Bar Association's Executive Committee. While ideally we would prefer a "stronger" bill; that is, a 90% rather than an 85% threshold, we do support this compromise bill.

Household remains a Delaware corporation primarily because of the support the Delaware Legislature and courts have given to the business judgment doctrine. This bill, if enacted, would provide further support for the right and duty of a board of directors to manage the business and affairs of a corporation as envisioned by Section 141(a) of the Delaware Corporation Law.

As you are aware, a second bill has been introduced which would provide that Section 203(a) types of provisions would be applicable to Delaware corporations only if a board of directors and the stockholders opted in through a stockholder vote. This alternative bill should be opposed as a short-sighted and ill-conceived attack on the business judgment doctrine and Section 141(a). A corporation cannot be managed and directed through shareholder referenda. Shareholder interests are adequately protected by the

judicially enforced director fiduciary duties of care and loyalty. The Delaware courts have ably demonstrated their ability to protect shareholders from any effort by management to entrench itself.

Section 203 should be enacted as an admirable compromise between the interests of the free market theorists and the interests of a board of directors in managing and directing a Delaware corporation.

Very truly yours,



Donald C. Clark

nm

IC Industries

William B. Moore
Deputy General Counsel
and Assistant Secretary

IC Industries, Inc.
Corporate Offices
One Illinois Center
111 East Wacker Drive
Chicago, IL 60601
(312) 565 3131
TELEX 206337

January 18, 1988

The Honorable Michael E. Harkins
Secretary of State
Townsend Building
Dover, Delaware 19901

Dear Sir:

I have your letter of January 13, 1988, seeking comment on the proposed amendment to the Delaware General Corporation Law to add the provision on Business Combinations with Interested Stockholders.

We here at IC Industries strongly support the proposed amendment. Considering the various types of takeover legislation adopted by a number of other states, it is my view that the Delaware Bar Association has recommended a bill which has struck an appropriate balance among the various parties involved in a potential business combination and is eminently fair.

Insofar as the "opt-in" proposal is concerned, I personally don't favor it. It would seem to be designed solely to further Mr. Pickens' own particular views, and it would at the same time involve substantial expense for publicly-held Delaware corporations in preparing and printing proxy material required for a shareholder vote.

Very truly yours,

William B. Moore

WBM/oi

FROM ICX CHICAGO 002 01/18/88 12:34 P. 1

ITT Corporation

Howard J. Aibel
Executive Vice President and General Counsel

320 Park Avenue
New York, N.Y. 10022
Telephone (212) 752-6000

January 18, 1988

The Honorable Michael E. Harkins
Secretary of State
Townsend Building
Dover, Delaware 19901

Dear Mr. Secretary:

The ITT Corporation strongly supports the bill recommended by the Corporate Law Section of the Delaware Bar Association which would alter the governance provisions of the Delaware Corporation Law relating to corporate takeovers and urges its enactment by the Legislature.

We are opposed to adoption of the proposal that the operative provisions of the proposed bill be applicable only to those Delaware corporations which opt in through a stockholder vote on recommendation of the Board of Directors, and urge its rejection.

Very truly yours,

Howard J. Aibel

Howard J. Aibel

30 West Monroe Street
Chicago, Illinois 60603

312 899 3917

David B. Anderson
Vice President, Planning & General Counsel



Inland Steel Industries

January 18, 1988

The Honorable Michael E. Harkins
Secretary of State
Townsend Building
Dover, Delaware 19901

Dear Mr. Harkins:

This is in response to your letter of January 13, 1988 to Mr. O. Robert Nottelmann, formerly president of Inland Steel Company.

Inland Steel Industries, Inc., management supports House Substitute No. 1 to House Bill No. 396 which was introduced in the Delaware House of Representatives January 13, 1988, a bill relating to changes in Delaware law regarding corporate takeovers.

Furthermore, Inland Steel's management agrees with the Delaware Bar Association's rejection of the "opting-in" statute.

I trust this will be helpful to you in your presentation at the January 20, 1988 Joint Hearing before the House and Senate Judiciary Committees.

Sincerely,

David B. Anderson

DBA:pr

Integrated Resources, Inc.

666 Third Avenue • New York, NY 10017 • 212-551-6000

RECEIVED
JAN 18 '88

Barton R. Sadowsky
Corporate Counsel

January 15, 1988

FEDERAL EXPRESS

Hon. Michael E. Harkins
Secretary of State
Townsend Building
Dover, Delaware 19901

Dear Sir:

Your invitation to furnish my views with respect to House Bill No. 396 is acknowledged and appreciated.

As the Synopsis of the Bill states, the need to limit abusive takeover tactics has been well documented and judicially recognized. I hereby express my general support for legislation addressed to such need. It appears that House Bill No. 396 is reasonably structured to achieve its stated goals and I therefore support it, with one exception. I am of the opinion that proposed subsection 203(b)(4)(iii) should be revised to decrease the stated number of record holders to substantially fewer than the present 2,000 in order that the legislation encompass additional major corporations. I cite Integrated Resources, Inc. as an example.

Currently, Integrated's common stockholders of record number only about 1,700. However, there are additional thousands of beneficial common, as well as preferred stockholders (non-voting). At the same time, Integrated is a major force in the securities industry world-wide, as ranked recently by Forbes magazine, with approximately $1 billion in capital and $6 billion in assets. A company of such size and significance in its industry should fall within the purview of House Bill No. 396.

Very truly yours,

for

Barton R. Sadowsky

BRS/dc

KCSI

Kansas City Southern Industries, Inc.

114 West 11th Street, Kansas City, Missouri 64105-1804

LANDON H. ROWLAND
President and
Chief Executive Officer

January 19, 1988

Mr. Michael E. Harkins
Secretary of State
Townsend Building
Dover, Delaware 19901

Dear Mr. Harkins: Re: Proposed Takeover Legislation

Reference is made to your letter dated January 13, 1988, wherein you solicited our comments regarding Delaware's proposed takeover legislation. As we understand, there are two relevant bills pending in the Delaware legislature, one in the House supported by the Delaware Bar Association ("H.B. 396") and a second in the Senate (the "Senate Bill").

Although we believe H.B. 396 is seriously flawed by two material gaps in its protections (discussed briefly below), we support adoption of H.B. 396 and favor its "opt-out" approach over the "opt-in" approach of the Senate Bill.

We strongly recommend and support amendment of H.B. 396 to cover both proxy contests and the spin-off of assets. Such amendments, as marked in the excerpts from the definitional section of H.B. 396 which are attached hereto, would significantly reduce the ability of corporate raiders to evade the protections otherwise afforded by the statute.

With respect to our first major concern (proxy contests), it is important and necessary to include a person who acquires voting power through proxies within the definitions of "interested stockholder" and "own" or "owned." Simple amendments can be made to Section 203(c)(5)(ii) and (c)(8) to reach this result. The current language of said provisions exempts proxies from coverage under the statute. Without the amendments to said provisions, the protections afforded by the statute, especially Section 203(a)(3), become null and void where proxies are or were acquired instead of the shares themselves.

Section 203(a)(3) establishes a specific procedure whereby disinterested stockholders can approve a business combination proposed after a person becomes an interested stockholder. Disinterested stockholders will never be allowed such a vote in the proxy takeover context.

Proxy disclosure rules are no more effective for providing adequate disclosure or allowing full consideration of business combinations after the proxy solicitation than are tender offer rules after the tender. The rationale for inclusion of Section 203(a)(3) in the tender offer context also requires its application in the proxy context.

As currently drafted, Section 203(a)(3) will encourage a shift in vehicles for abusive takeover tactics; it will not furnish the desired relief from such tactics.

With respect to our second major concern (spin-offs), Section 203(c)(3)(ii) can and should be amended to apply to spin-offs. The split-up of corporations through the spin-off (or syphoning-off) of assets is a tactic that is frequently abused in takeover situations. Specifically excluding such a tactic from the definition of "business combination" (as was done by including a clause in Section 203(c)(3)(ii) in one of the final drafts of the Bar Association) allows for the continuation of this often devastating abusive tactic. The late added clause should be withdrawn.

We hope that you and the Delaware legislature will take action to amend and improve H.B. 396 as suggested above. Without such amendments, there will be a continuation of the environment in which corporate raiders profoundly affect corporate decision-making. We certainly agree with the statement made by Governor Castle January 12, 1988, that such an environment is not conducive to the best long-term interest of stockholders or American businesses trying to compete in a global economy.

I would be happy to respond to any questions that you might have regarding the foregoing.

Sincerely,

cc: Kevin Groeneweg

KAISER ALUMINUM
& CHEMICAL CORPORATION

DAVID L. PERRY
VICE PRESIDENT & GENERAL COUNSEL

January 18, 1988

The Honorable Michael E. Harkins
Secretary of State
State of Delaware
Townsend Building
Dover, Delaware 19901

Re: House Substitute No. 1 to House Bill No. 396

Dear Sir:

This is in response to your letter of January 13, 1988 requesting comments on the above Bill.

I support the Bill in its current form as recommended by the Delaware Bar Association. In particular, I support the "opt-out" feature of the above Bill rather than the "opt-in" feature considered but rejected by the Delaware Bar Association, although I would have preferred to have seen the "opt-out" provision limited to action by the shareholders and not by the board of directors -- even for the brief 90-day period proposed.

Sincerely yours,

David L. Perry
Vice President
& General Counsel

P320

300 LAKESIDE DRIVE, OAKLAND, CALIFORN

KERR-McGEE CORPORATION
KERR-McGEE CENTER • OKLAHOMA CITY, OKLAHOMA 73125

RUSSELL G. HORNER, JR.
VICE PRESIDENT AND GENERAL COUNSEL

January 18, 1988

Mr. Michael E. Hawkins
Secretary of State
Townsend Building
Dover, Delaware 19901

Dear Mr. Hawkins:

Reference is made to your January 13, 1988 letter soliciting our view or to the proposed legislation introduced in the Delaware House of Representatives which would add a new § 203 to the Delaware General Corporation law. Kerr-McGee Corporation fully supports the adoption of proposed § 203. Additionally, Kerr-McGee Corporation agrees with the Delaware Bar Association and urges rejection of the Senate version which would provide for an opting-in process through a stockholder vote.

Very truly yours,

KERR-McGEE CORPORATION

R. G. Horner, Jr.

RGH/ss

436 Seventh Avenue
Pittsburgh, PA 15219
Telephone 412-227-2636

Donald H. Cuozzo
Vice President
Secretary & General Counsel

KOPPERS

(SENT BY TELECOPY)

January 18, 1988

Mr. Michael E. Harkins
Secretary of State
Townsend Building
Dover, Delaware 19901

Re: Delaware Takeover Legislation

Dear Mr. Harkins:

In response to your January 13, 1988 letter on the above captioned matter, please be advised that my Company strongly supports this legislation (House Bill NO. 396) as introduced in the House of Representatives.

We do not support the Senate Bill requiring stockholder approval.

Very truly yours,

Donald H. Cuozzo

DHC:nms

cc: Charles R. Pullin (Chief Executive Officer)

MAILGRAM

January 13, 1988

The Honorable Michael N. Castle
Governor of the State of Delaware
Legislative Hall
Dover, Delaware 19901

Dear Governor Castle:

Kraft, Inc. supports the enactment of proposed new Section 203 of the General Corporation law of the State of Delaware as approved by the Corporate Law Section of the Delaware Bar. It is a move toward an effective remedy for takeover abuses and the harm they cause to Delaware companies. I would appreciate it if you would share our views with the members of the State Legislature.

Sincerely,

William W. Crawford
Senior Vice President, General Counsel and Secretary
Kraft, Inc.

Litton
Corporate

Litton Industries, Inc
360 North Crescen
Beverly Hills, Califo
90210-4867
213 859-5987

Fred W. O'Green
Chairman of the Bo

January 19, 1988

The Honorable Michael E. Harkins
Secretary of State
State of Delaware
Townsend Building
Dover, Delaware 19901

Dear Sir:

Thank you for your letter of January 13, 1988, enclosing legislation with respect to certain business combinations as proposed by the Delaware Bar Association and introduced in the Delaware House of Representatives on January 13. While we would have preferred that certain of the provisions of the legislation have afforded stronger protection against transactions that do not benefit stockholders of a corporation as a whole, on balance we believe the proposed legislation represents a reasonable compromise between competing interests. Accordingly, this Company supports the enactment of the bill as introduced on January 13, 1988.

With respect to the second bill introduced in the Delaware Senate to which your letter refers, this Company would not favor legislation which requires "opting in" by vote of the directors and stockholders of a corporation.

We appreciate the opportunity to communicate our views on this important subject.

Sincerely,

Fred W. O'Green

FWO:ph

Lomas & Nettleton Financial Corporatio

2001 Bryan Tower
Post Office Box 655644
Dallas, Texas 75265
Phone: (214) 746-7111

January 19, 1988

The Honorable Michael E. Harkins
Secretary of State of Delaware
Townsend Building
Dover, DE 19901

Dear Mr. Secretary:

In response to your letter of January 13, 1988, please be advised that Lomas & Nettleton Financial Corporation, a Delaware corporation, supports the bill concerning corporate takeovers as recommended by the Delaware Bar Association, particularly including the omission of an opting-in provision.

Very truly yours,

James N. Sabin
Vice President - Legal

JNS/cr

bcc: Ted Enloe
Jim Crowson

MCI
Communications
Corporation
1133 19th St. NW
Washington, DC 20036
202 887 2016

John R. Worthington
Senior Vice President
and General Counsel

MCI

January 19, 1988

The Honorable Michael E. Harkins
Secretary of State
Townsend Building
Dover, Delaware 19901

Dear Mr. Harkins:

Responding to your letter of January 13, 1988, please be advised that MCI Communications Corporation supports the amendment to Section 203 of the Delaware Corporation Law proposed by the Corporate Law Section of the Delaware Bar Association as being in the best interests of MCI and its stockholders.

Sincerely,

John R. Worthington

MACMILLAN

BEVERLY C. CHELL
VICE PRESIDENT, GENERAL
COUNSEL AND SECRETARY

(212) 702-7812

January 18, 1987

VIA TELECOPIER

Secretary Michael E. Harkins
Secretary of State
Townsend Building
Dover, DE 19901

Dear Secretary Harkins:

Thank you for your letter of January 13, 1988 soliciting my comments on behalf of Macmillan, Inc., a Delaware corporation.

Macmillan supports the proposed bill in the form attached to your letter as a reasonable restraint on abusive takeover tactics.

Very truly yours,

B C Chell

Beverly C. Chell

BCC:dk

Marriott corporation

INTERNATIONAL HEADQUARTERS
Marriott Drive
Washington, D.C. 20058

Sterling D. Colton
Senior Vice President
General Counsel
TELEX: 89597
MARCORP BHDA

January 18, 1988

VIA TELECOPY

Mr. Michael E. Harkins
Secretary of State
Townsend Building
Dover, Delaware 19901

Dear Mr. Harkins:

Reference is made to your January 13, 1988 letter regarding proposed legislation introduced into the Delaware legislature regarding corporate takeovers and changes in the Delaware Corporation law relating thereto. This will confirm that Marriott Corporation supports the enactment of the first bill referred to in your letter.

Very truly yours,

Sterling D. Colton
General Counsel

CC: Bill Kafes

/slb

TOTAL P.02

Masco Corporation

21001 VAN BORN ROAD

Taylor, Michigan 48180

January 18, 1988

Mr. Michael E. Harkins
Secretary of State of Delaware
Townsend Building
Dover, Delaware 19901

Dear Mr. Harkins:

I wish to acknowledge receipt of your letter of January 13 concerning the proposal of the Corporate Law Section of the Delaware Bar Association to amend the Delaware Corporation Law, with relationship to corporate takeovers. I am responding to your letter on my own behalf and on behalf of our Chairman, Mr. Richard A. Manoogian and our President, Mr. Wayne B. Lyon, who have authorized this response.

We would like to express our support for the bar association's proposed amendment, but with reservations. In our opinion, the proposed amendment would not be very effective in protecting the company's stockholders against unfair and coercive takeover attempts. A corporation's board of directors should be vested with the effective power to exercise its business judgment to fairly evaluate any takeover attempts, and it appears that although the bar association's proposal would be of some assistance in that regard, it falls short in most respects as compared to statutes proposed or adopted in other states, including Michigan, the state in which our executive offices are located.

With respect to the second bill which has been introduced in the Senate, we believe that the bar association's rejection of an opting-in approach is valid, since we believe that matters of this nature should be for the consideration of a company's board of directors.

Very truly yours,

Gerald Bright
Vice President, General Counsel
and Secretary

GB:msl

Mattel Toys

Timothy R. Reames
Senior Vice President
General Counsel and Secretary
Telephone 213 978 6100

Mattel, Inc.
5150 Rosecrans Avenue
Hawthorne, CA 90250-6692
Telephone 213 978 5150
TELEX 188155 or 188170

January 19, 1988

The Honorable Michael E. Harkins
Secretary of State of Delaware
Townsend Building
Dover, Delaware 19901

Dear Mr. Harkins:

Attached is a copy of a letter that was recently sent to the Governor of the State of Delaware expressing our support for passage of the corporate takeover legislature. We feel that it is very important to Delaware corporations and their shareholders that this legislature be passed.

Sincerely,

Timothy P Reames

TPR/jb
Attachment

Mattel Toys

Timothy R. Reames
Senior Vice President,
General Counsel and Secretary
Telephone 213 978 6100

Mattel, Inc.
5150 Rosecrans Avenue
Hawthorne, CA 90250-6692
Telephone 213 978 5150
TEL FX 188155 or 188170

January 14, 1987

The Honorable Michael N. Castle
Governor, State of Delaware
Legislative Hall
Dover, Delaware 19901

Re: Proposed Takeover Legislation

Dear Governor Castle:

This letter is written to you to express our strong support for the passage by the Delaware Legislature of the proposed takeover legislation which is designated §203 of the Delaware Corporation Law. This legislation is important to all Delaware corporations because it gives the board of directors a better opportunity to obtain the maximum value for their shareholders in the event of a takeover and avoids abusive takeover actions which can only be to the detriment of the shareholders and the benefit of corporate raiders. We also urge passage of this legislation because we believe that failure to do so would place Delaware corporations and their shareholders at a distinct disadvantage in relation to the protection provided by similar legislation in other states.

We would appreciate it if you would share our views on this subject with members of the Delaware Legislature.

Sincerely,

Timothy R. Reames

TPR:mw

bcc: John Johnston, Esq.
Morris, Nichols, et.al.
12th & Market Streets
Wilmington, Delaware 19899

Maxus Energy Corporation
717 N. Harwood Street
Dallas, Texas 75201
214 953-2715

James F. Kelley
Senior Vice President
and General Counsel

MAXUS

January 15, 1988

Mr. Michael E. Harkins
Secretary of State
Townsend Building
Dover, Delaware 19901

Dear Mr. Harkins:

In response to your letter of January 13, Maxus has carefully followed the development of the legislation which has resulted in the anti-takeover bill attached to your letter.

As you may know this corporation, then known as Diamond Shamrock Corporation, was the target of three hostile takeover bids by affiliates of Mr. Pickens in late 1986 and early 1987. As a result we are knowledgeable about takeover activities in general and legislation of the type proposed by the Delaware Bar Association in particular. We concur with you and Governor Castle that Delaware ought to enact legislation on this subject. We defer to your judgment, and that of the Corporate Law Section, that this bill is the best that can be enacted.

Our present intention to opt out of the statute. We intend to do so because our Certificate of Incorporation now includes provisions which provide for shareholder approval of transactions with Interested Stockholders; there is a significant possibility that our existing provisions conflict with the provisions of the proposed legislation. Accordingly it would be inappropriate to express any comments on the merits of the bill.

We would be opposed to the bill introduced in the Delaware senate providing that takeover restrictions must be affirmatively opted for by a stockholder vote. Such a legislative approach would seriously delay the ability of Delaware corporations to avail themselves of the protections of the bill, and would in most cases require the substantial time and expense of formal

proxy solicitation. Moreover, this type of approach is inconsistent with the basic philosophy of Delaware corporate law that the Corporation my take any action not specifically prohibited by law. A statute requiring shareholder approval before the board can act runs counter to this basic concept.

Sincerely yours,

James F. Kelley

:dw

enc.

CINCINNATI MILACRON

January 18, 1988

Jack J. Earl
Secretary and
General Counsel

The Honorable Michael E. Harkins
Secretary of State
Townsend Building
Dover, Delaware 19901

Dear Secretary Harkins:

This Company appreciates the opportunity to respond to your letters of January 13, 1988, to Mr. J. A. D. Geier, Chairman, and to me.

This Company is in full support of the passage of House Bill No. 396 since we believe that there is a need to control what has become an abusive use of corporate takeover mechanisms presently available. It is our view that the result of the abuse has been to provide handsome profits to corporate raiders and arbitragers at the expense of shareholders left with ownership of enterprises saddled with extraordinary debt loads.

Concerning the "opt-out" of the House Bill or the "opt-in" of the Senate Bill, we prefer the "opt-out" version and believe that it is the more efficient in terms of corporate resources. We feel that it will be the exception that will want to "opt-out" and consequently fewer costly shareholder votes will be undertaken.

Should you desire additional comment, please contact me at 513-841-8533.

Very truly yours,

Jack J. Earl
/gl

cc: J. A. D. Geier

Cincinnati Milacron Inc 4701 Marburg Avenue
Cincinnati Ohio 45209

Office of General Counsel

Charlton Dietz
Vice President Legal Affairs
and General Counsel

January 18, 1988

Received

JAN 19 1988

Division of Corporation

3M

The Honorable Michael E. Harkins
Secretary of State
of Delaware
Townsend Building
Dover, Delaware 19901

Dear Mr. Secretary:

As you recognize, the Delaware position on regulating takeovers has national implications affecting Delaware corporations and shareholders, and upon corporate governance generally.

In view of Delaware's national role in establishing corporate legal policy, we support the consideration of House Bill No. 396 in this legislative session. With respect to the merits of this legislation, we align ourselves with those who question whether this legislation goes far enough in curbing takeover abuses; however, we have no present intention of opposing the adoption of House Bill No. 396. We are inclined to accept this Bill as a balanced compromise. We look forward to the legislative debate.

Very truly yours,

Charlton Dietz

CD:nk

Minnesota Mining and
Manufacturing Company

3M Center
St. Paul, Minnesota 55144
612/733 1190
612/736 9469 Facsimile

Mobil Corporation

150 EAST 42ND STREET
NEW YORK, NEW YORK 10017-5666
(212) 883-3787

J. EDWARD FOWLER
GENERAL COUNSEL

January 19, 1988

Honorable Michael E. Harkins
Secretary of State
Townsend Building
Dover, Delaware 19901

Dear Mr. Harkins:

Mobil Corporation's shareholders have previously adopted charter provisions similar in many respects to those of the proposed new Section 203 of the Delaware Corporation law. Nonetheless, Mobil supports adoption of these added protections for Delaware corporations since they reflect a balanced and fair-minded approach to the problem of abusive takeover tactics. With regard to the separately proposed opt-in provision, we believe it would be inconsistent with the purpose of the statute to require specific shareholder action in order to make it applicable.

Very truly yours,

J. Edward Fowler

J. Edward Fowler
General Counsel

JEF:ama

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FMS MICHAEL E. HARKINS
SECRETARY OF STATE
TOWNSEND BUILDING
DOVER DELAWARE 19910

RECEIVED
JAN 18
SECRETARY OF STATE

I STRONGLY URGE PROMPT PASSAGE OF THE LEGISLATION CURRENTLY BEFORE THE DELAWARE LEGISLATURE DEALING WITH UNFRIENDLY TENDER OFFERS. THIS LEGISLATION IS A REASONABLE COMPROMISE OF COMPETING POSITIONS. IT WILL BENEFIT SHAREOWNERS BY GIVING TO MANAGEMENT AND BOARDS OF DIRECTORS ADDITIONAL TIME TO DEAL REASONABLY WITH TAKEOVER BIDS. WE ALSO STRONGLY SUPPORT RETAINING THE PROPOSED OPT-OUT PROVISION WHICH WOULD REQUIRE AFFIRMATIVE ACTION TO DECLINE THE BENEFICIAL PROVISIONS OF THE PROPOSED LEGISLATION. TO DO OTHERWISE WOULD PLACE DELAWARE CORPORATION LAW IN A SUBSTANTIALLY INFERIOR POSITION COMPARED TO OTHER STATES ATTEMPTING TO BRING SOME BALANCE TO THIS AREA.

RICHARD W. DOESENBERG

SENIOR VICE PRESIDENT, GENERAL
COUNSEL AND SECRETARY
MONSANTO COMPANY
800 NORTH LINDBERGH BLVD.
ST. LOUIS, MISSOURI 63167

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/ REPLACES CHAR(S) ON SENDERS KEYBD UNAVAIL ON YOURS

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MORRISON KNUDSEN CORPORATION

EXECUTIVE OFFICE
MORRISON-KNUDSEN PLAZA
P.O. BOX 73/BOISE, IDAHO U.S.A. 83707
PHONE: (208) 386-5000

SAMUEL H. CROSSLAND
SENIOR VICE PRESIDENT, SECRETARY AND GENERAL COUNSEL

January 18, 1988

Mr. Michael E. Harkins
Secretary of State
Townsend Building
Dover, Delaware 19901

Dear Mr. Harkins:

In response to your letter dated January 13, 1988, my view is that the proposed bill, House Substitute No. 1 for House Bill No. 396, is in the best interests of our corporation. We would greatly appreciate your support of the bill.

You also asked whether the bill should be amended to provide that its restrictions could only apply to Delaware corporations who have "opted-in" through board of director action and a stockholder vote. We would not favor such an amendment.

If we may be of any further assistance, please let us know.

Very truly yours,

Samuel H. Crossland

SHC:pz

MORTON THIOKOL, INC.

James R. Stanley
Vice President for Legal Affairs
and General Counsel

January 13, 1988

Michael E. Harkins
Secretary of State
Townsend Building
Dover, Delaware 19901

Dear Mr. Harkins:

In response to your letters of January 13, 1988 to Mr. Charles S. Locke and Mr. Robert Bruce Gerrie, now retired, please be advised that Morton Thiokol fully supports the takeover reform statute proposed by the Delaware Bar Association. While it does not represent a perfect answer to the problem of abusive takeovers, certainly the proposed statute is a move in the right direction.

We would oppose the alternative opting-in bill previously considered and rejected by the Delaware Bar Association, primarily because this approach would delay the implementation of much-needed takeover reform.

Very truly yours,

J. R. Stanley

JRS:B

cc: Mr Charles S. Locke
Mr. P. M. Phelps

Richard H. Weise
Senior Vice President
General Counsel and Secretary

January 15, 1988

Mr. Michael E. Harkins
Secretary of State
Townsend Building
Dover, Delaware 19901

Dear Mr. Harkins:

Thank you for your letter of January 13, 1988. Because Motorola is organized under the laws of Delaware, I appreciate this opportunity to comment on the takeover reform bill currently pending in the Delaware Legislature.

I commend Delaware for considering this legislation. Delaware has traditionally been in the forefront of corporate law developments; and the commitment of Delaware to state-of-the-art corporate laws has induced many corporations including Motorola to do business under a Delaware charter. Our selection of a Delaware charter was based on the belief that Delaware would continue in the forefront of corporate law reform.

Delaware has fallen behind other states in reforming its laws in response to takeover developments. I believe that it is vital that Delaware act promptly to adopt a second generation takeover statute. I support such legislation because I believe it will reduce the coercive aspects of takeovers and allows stockholders to participate in a deliberative process to determine if an offer is in the best interests of the company.

Unfortunately, the bill currently pending in Delaware is substantially weaker than similar laws adopted in other states. While such a bill is preferable to none at all, I believe that the bill should be strengthened by raising the ownership exception to business combinations higher than 85% (§203(a)(2)). I also believe that director shares and all benefit plan shares should be counted when determining if that threshold has been met.

Offices: 1303 East Algonquin Road, Schaumburg, IL 60196 (312) 576-5009

You note in your letter that there is a debate over whether stockholder approval will be required for the statute to apply. I hope that Delaware does not require each corporation that supports this reform to go through the cumbersome process of seeking stockholder approval. I believe that Delaware abdicates its responsibility by passing legislation that merely enables corporations to implement reforms.

The recent Delaware legislation on director indemnification is instructive on this issue. That legislation merely enabled corporations to amend their charters to provide directors with enhanced protection rather than directly implementing the reform. The fact that most large Delaware corporations proposed charter amendments to protect their directors and that these proposals were routinely adopted by stockholders indicates to me that Delaware unduly complicated the implementation of a needed reform. If a corporation is to be regularly required by Delaware to go to its stockholders to implement statutory reform, Delaware will be a less attractive state in which to be incorporated.

Let me reiterate my believe that it is imperative that Delaware adopt a second generation takeover statute if it hopes to maintain its leadership position in corporate law.

Very truly yours,

Richard H. Weise

Richard H. Weise
Senior Vice President,
General Counsel and Secretary
MOTOROLA, INC.
RHW/lsl

Richard H. Weise
Senior Vice President
General Counsel and Secretary

January 15, 1988

Mr. Michael E. Harkins
Secretary of State
Townsend Building
Dover, Delaware 19901

Dear Mr. Harkins:

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Offices 1303 East Algonquin Road, Schaumburg, IL 60196 (312) 576-5009

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Let me reiterate my believe that it is imperative that Delaware adopt a second generation takeover statute if it hopes to maintain its leadership position in corporate law.

Very truly yours,

Richard H. Weise

Richard H. Weise
Senior Vice President,
General Counsel and Secretary
MOTOROLA, INC.
RHW/lsl

Jan 19,88 16:21

NATIONAL CITY CORPORATION
National City Center
Post Office Box 5756
Cleveland, OH 44101-0756
Phone 216/575-2867

EDWARD B. BRANDON
Chairman
Chief Executive Officer

January 19, 1988

The Honorable Michael E. Harkins
Secretary of State
Townsend Building
Dover, Delaware 19901

Dear Mr. Harkins:

National City Corporation, a Delaware corporation and a bank holding company with assets of fifteen billion dollars, urges passage of House Bill No. 396 concerning Business Combinations with Interested Stockholders. We oppose a statute that would apply to Delaware corporations only upon an opting-in through a stockholder vote.

We support initiatives to regulate abusive practices in takeover procedures by corporate raiders. The proposed statute protects stockholders against certain coercive two-tier or other unfair takeover bids.

As a Delaware registered company and a top franchise taxpayer, we encourage Delaware to continue its national leadership in corporate law, especially in view of the failure of the U.S. Congress to take appropriate action to curb these abusive practices.

Any opting-in provision would be costly and unwarranted as we believe a self-executing statute is clearly in the best interests of Delaware stockholders.

Very truly yours,

Edward B. Brandon

01/18/88 15:28 P.2 TOTAL P.2

National Semiconductor

2900 Semiconductor Drive
P.O. Box 58090
Santa Clara, California 95052-8090
(408) 721-5000

Cable: NATSEMIC
Telex: 346353
TWX: 910 339 924

January 18, 1988

Mr. Michael E. Harkins
Secretary of State
Townsend Building
Dover, Delaware 19901

Dear Mr. Harkins:

National Semiconductor Corporation, as a Delaware registered company, wishes to go on record as fully supporting the takeover reform amendments to the Delaware Corporation Law that have been recommended by the Delaware Bar Association. National Semiconductor believes that limiting the use of abusive takeover tactics is of critical importance to the long-term interests of American corporations and their stockholders, and sees the proposed legislation as a responsible approach to that end.

We understand that the Senate version of this bill would require corporations to "opt-in" to the legislation through stockholder vote. We recommend that Delaware adopt the House version of the legislation, which follows the Bar Association proposal in providing a mechanism for "opting-out" if a corporations's stockholders so choose.

If you have any questions or comments on the foregoing, please feel free to contact me at (408) 721-6521.

Very truly yours,

NATIONAL SEMICONDUCTOR CORPORATION

John G. Webb
Vice President, General Counsel
& Secretary

Twenty Years
Silicon Valley

JGW:fas

Navistar International Corporation
401 North Michigan Avenue
Chicago IL 60611
312 836 2504

Francis J Gerlits
General Counsel

January 15, 1988

Hon. Michael E. Harkins
Secretary of State
State of Delaware
Panafax No. 302-736-3811

NAVISTAR

Delaware Corporation Law
Relating to the Issue of Corporate Takeover

Dear Mr. Harkins:

On behalf of Navistar International Corporation, we strongly support the House Bill as recommended by the Corporate Law Section of the Delaware Bar Association.

In addition, we would oppose an opting-in statute that would only be applicable through a stockholder vote.

The adoption of such a takeover reform statute would go far to ease the concerns of comparing Delaware with other states that have adopted takeover laws and assure Delaware's role as the leader in setting corporate legal policy.

Very truly yours,

F. J. Gerlits

Francis J. Gerlits
General Counsel

INTERNATIONAL

NEWMONT MINING CORPORATION
THIRTY-SIXTH FLOOR
200 PARK AVENUE
NEW YORK, NEW YORK 10166-0196
(212) 953-6600

January 19, 1988

The Honorable Michael E. Harkins
Secretary of State
Townsend Building
Dover, Delaware 19901

Dear Mr. Secretary:

Your letter of January 13 requests Newmont Mining Corporation's statement of position on House Substitute No. 1 to House Bill No. 396. Newmont strongly supports passage of that legislation. As a Delaware registered company and substantial franchise taxpayer, and as a corporation that has lived with the issues to which the legislation would bring a constructive, stabilizing influence, it is our opinion that the public interest at both state and national levels will be served by its prompt passage.

The alternative Senate Bill, which requires "opting-in," would fragment the considerable economic and public policy issues which are coherently addressed by the legislation. The Senate Bill would sponsor a public relations battle between raiding forces and long-term builders of corporate value. The Senate Bill would fail to remedy any of the obvious causes of damage to the structure of corporate governance in Delaware, which the House Bill more fairly and squarely confronts.

Very truly yours,

Richard B. Leather

RBL/cr

Richard B. Leather
Executive Vice President

NYNEX Corporation
1113 Westchester Avenue White Plains NY 10604 3510
914 644 6424

Raymond F Burke
Vice President and General Counsel

NYNEX

January 18, 1988

Hon. Michael E. Harkins
Secretary of State
Townsend Building
Dover, DE 19901

Dear Mr. Hawkins:

I am writing to you in response to your January 13, 1988 letter to express the support of NYNEX Corporation for the proposed amendment to the Delaware General Corporation Law with respect to corporate takeovers (House Substitute No. 1 to House Bill No. 396, which would add a new Section 203).

Although NYNEX Corporation has not itself been a target of takeover actions, we believe that the proposal would constitute a major improvement in Delaware corporate law. The new statute would more fairly balance the relative positions of the bidder and the target company in a manner consistent with sound principles of corporate governance. Further, we believe that the House version of the bill is preferable to the Senate version (which would require a stockholder vote to opt-in to the provisions of the statute).

We believe that the proposed statute would protect stockholders against the coercive effects of a partial bid for less than 85% of the stock and, at the same time, would increase the likelihood that the bid would be a fair one. More importantly, the statute should cause most bidders to negotiate directly with the board of directors before becoming a 15% stockholder. Finally, we believe that the restriction against self-dealing transactions over a three-year period if the interested stockholder is unable to attain support for a freeze-out merger is a reasonable one.

We believe that it is important that Delaware continue to play its traditional role of leadership in the evolution of corporate law. The exhaustive deliberative process which culminated in the House bill is an admirable one and should not be subverted.

Sincerely,

R. F. Burke

R. F. Burke

Old Republic *International Corporation*

307 NORTH MICHIGAN AVENUE · CHICAGO, ILLINOIS 60601 · 312/346-8100

January 18, 1988

Honorable Michael Harkin
Secretary of State
State of Delaware
Townsend Building
Federal and Duke of York Streets
Dover, Delaware 19901

Re: House Substitute No. 1
to House Bill 396

Dear Secretary Harkin:

We have long been concerned about forceful and hostile takeover of corporations because often we believe such actions ultimately may not be in the best interest of shareholders.

Recently, as you are aware, a number of jurisdictions have dealt with the problem in one way or another or done nothing upon consideration of it. A "hodge podge" has resulted in raising concern among the ranks of company management and share owners as well.

We are thus delighted to fully support the captioned legislation in Delaware (our State of domicile) because it will provide added statutory strength for management to do a better job in the "takeover" area for our shareholders.

Respectfully,

Robert N. Tyler
Vice President/Assistant Secretary

RNT/cg

To be faxed: 302/736-3811 or 3813

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HONORABLE MICHAEL HARKINS
SECRETARY OF STATE STATE OF DELAWARE
TOWNSEND BLDG
DOVER DE 19901
URGE YOU TO ACT AS SOON AS POSSIBLE IN SUPPORT OF HOUSE SUBSTITUTE NUMBER ONE FOR HOUSE BILL 395 AS APPROVED BY THE DELAWARE BAR ASSOCIATION. THIS ANTI-TAKEOVER PROPOSAL IS SOUND, WORKABLE AND IN THE INTEREST OF CONTINUING THE HIGHLY RESPECTED BODY OF CORPORATE LAW DEVELOPED OVER THE YEARS IN THE STATE OF DELAWARE. ANY PROPOSAL CONTAINING AN "OPT IN" CONCEPT SHOULD BE DEFEATED.
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SECRETARY OF STATE STATE OF DELAWARE
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URGE YOU TO ACT AS SOON AS POSSIBLE IN SUPPORT OF HOUSE SUBSTITUTE
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PFIZER INC., 235 EAST 42nd STREET, NEW YORK, N.Y. 10017

PAUL S. MILLER
Vice President - General Counsel
(212) 573-8637

January 15, 1987

Hon. Michael E. Harkins
Secretary of State
State of Delaware
Towsend Building
Dover, Delaware 19901

Dear Secretary Harkins:

On behalf of the Company and Mr. Pratt, I want to thank you for affording us the opportunity to express our views on this legislation to you. I have discussed the matter with Mr. Pratt and advise you that we strongly support the bill proposed by the Corporate Law Section of the Delaware Bar Association and urge you to support that bill. The Supreme Court decision in the CTS case sanctioned state action in this area and a number of states have enacted statutes along the lines proposed in Delaware. As the premier state for incorporation it is important that Delaware take similar action to provide corporations with a means to resist abusive takeovers that are not in the best interest of their shareholders.

Specifically we strongly support the Delaware Bar Association opt out bill rather than the Senate opt in version and would urge you to seek amendment of the Senate version to accord with the Bar Association bill.

Sincerely,

Paul S. Miller

cc: Honorable Michael N. Castle
Governor, State of Delaware
Legislative Hall
Dover, Delaware 19901

PHILLIPS PETROLEUM COMPANY

BARTLESVILLE, OKLAHOMA 74004

C. J. SILAS
CHAIRMAN OF THE BOARD
AND CHIEF EXECUTIVE OFFICER

January 19, 1988

Honorable Michael E. Harkins
Secretary of State
State of Delaware
Townsend Building
Dover, Delaware 19901

Dear Sir:

Phillips Petroleum Company wishes to express its strong support for House Substitute No. 1 to House Bill No. 396, the proposed amendment adding a new Section 203 to the General Corporation Law. We support the proposal in the form approved by the Delaware Bar Association and are unequivocally opposed to any of the amendments to the proposal which have been publicly discussed.

We wish to register strenuous objection to the Senate proposal which would require a Delaware corporation to opt-in to Section 203 coverage by stockholder vote. Such a proposal would be unworkable and unacceptable.

We look forward to prompt enactment of the House Substitute into law and urge you to do all in your power to make our views known.

Sincerely yours,

C. J. Silas

cc: Honorable Michael N. Castle
Honorable Richard S. Cordrey
Honorable Thomas B. Sharp
Honorable Terry R. Spence
Honorable Joseph R. Petrilli

THE PILLSBURY COMPANY
EXECUTIVE OFFICES
MINNEAPOLIS, MINNESOTA 55402

EDWARD C. STRINGER
EXECUTIVE VICE PRESIDENT
GENERAL COUNSEL &
CHIEF ADMINISTRATIVE OFFICER

612/330-8862

January 18, 1988

Mr. Michael E. Harkins
Secretary of State
Townsend Building
Dover, Delaware 19901

Dear Mr. Harkins:

You have asked for our views with respect to Delaware's proposed corporate takeover legislation (House Bill No. 396). We appreciate this opportunity to share our views with you.

First, we concur with Governor Castle's observation that if Delaware is to continue its national leadership in corporate law, it can no longer be silent on this issue. We also share the view of those companies who have expressed a preference for a stronger statute. However, we also acknowledge that compromise was necessary to assure the adoption of some form of corporate takeover legislation. As a result, we support House Bill No. 396.

Second, we strongly favor the "opt-out" feature of the Bar Association proposal, and oppose any alternative proposal that would require companies to "opt-in" by action of their board of directors and/or stockholders.

Finally, although you did not specifically ask for comments on language in the legislation, we are taking the liberty of pointing out the following drafting issues for your consideration:

- Shouldn't the word "by" be inserted at the beginning of clause (ii) of subsection (a)(2)? (Alternatively, the "by" at the beginning of clause (i) could be moved before the "(i)".)

- Paragraph (6) of subsection (b) is so complicated as to be almost incomprehensible. Could the drafting of this subsection be improved?

- Shouldn't the word "with" at the beginning of subclause (B) of subsection (c)(3)(i) be deleted? (The word "with" already appears before subclause (A).)

- The drafting style of the Bill is to hyphenate "majority-owned"; but the hyphen is missing in clause (v) of subsection (c)(3).

Thank you again for this opportunity to express our views.

Yours very truly,

Edward C. Stringer

ECS:kjd

Pitney Bowes

Vice President, Secretary
and General Counsel

January 19, 1988

Mr. Michael E. Harkins
Secretary of State
Townsend Building
Dover, Delaware 19901

Dear Sir:

This is in answer to your January 13 letter asking for Pitney Bowes' views on the bill concerning takeovers, which is supported by the Delaware Bar Association's Corporate Law Section and Executive Committee.

Pitney Bowes believes that, while the bill has some obvious loopholes, on balance, it would tend to redress the imbalance which now favors the raider in takeover situations, and, accordingly, we urge that the bill be adopted in the form introduced.

Very truly yours,

Edward M. Harris

Edward M. Harris, Jr.

EMH/mas

Potlatch

Richard B. Madden
Chairman and Chief Executive Officer

Potlatch Corporation

P.O. Box 3591
San Francisco, California 94119-3591
Telephone (415) 576-8801

January 19, 1988

Mr. Michael E. Harkins
Secretary of State
Townsend Building
Dover, Delaware 19901

Dear Mr. Harkins:

As a Delaware registered company, we at Potlatch have reviewed with considerable interest Substitute No. 1 to House Bill No. 396 amending subchapter VI, Chapter I, Title 8, of the Delaware Code. This letter is being sent to you to indicate support for this legislation which has been thoughtfully considered by the Corporate Law Section and is unanimously supported by the Executive Committee of the Delaware Bar Association. We understand that a second bill, similar except for opt-in provisions, has been introduced in the Senate. On the basis of our review, we have concluded that the House bill better serves the interest of Delaware corporations and their stockholders.

Sincerely,

Richard B. Madden

RBM/rb

TOTAL P.02

PREMARK
INTERNATIONAL

John M. Costigan
Senior Vice President
and General Counsel

Premark International, Inc.
1717 Deerfield Road
Deerfield, Illinois 60015
312-405-6174

January 19, 1988

VIA TELECOPY

The Honorable Michael E. Harkins
Secretary of State
Townsend Building
Dover, DE 19901

Dear Mr. Harkins:

This is in response to your letter of January 13, 1988, to Mr. Warren L. Batts regarding the position of Premark International on House Bill No. 396.

Premark International supports the bill as a balanced step forward in preventing takeover abuses. We would have preferred a New York-style statute, and we would certainly oppose any further weakening of this bill. Nevertheless, we think the bill as presently drafted represents a reasonable compromise and a genuine reform. We look forward to its passage into law.

Very truly yours,

John M Costigan

JMC:jl

cc: W. L. Batts

FROM [illegible]
Prime Computer, Inc.
Prime Park
Natick, Massachusetts 01760
617 655-8000

Prime

January 19, 1988

Mr. Michael E. Harkins
Secretary of State
Townsend Building
Dover, Delaware 19901

Dear Mr. Harkins:

I am writing to give you our comments on proposed Section 203 of the Delaware General Corporation Law relating to a three-year "moratorium" on certain business combinations. I am writing in response particularly to your letter to me dated January 13, 1988.

While I have some general reservations about the effectiveness of the proposed statute as currently drafted, I will raise only our concern regarding the proposal to have the statute retroactively apply to December 23, 1987. In our view, the statute should not apply to any transaction commenced prior to the date of enactment.

Recognizing that the legislation is not intended to go as far as the New York style moratorium statute, I do believe the retroactive effectiveness of this statute should be stricken prior to enactment.

Very truly yours,

Richard L. Ballantyne
Vice President, General Counsel
and Secretary

RLB/lv

L670

Raytheon Company
Executive Offices
141 Spring Street
Lexington MA 02173

617 862 6600
Telex 92 3455
Cable Raytheonex

Raytheon

January 18, 1988

Governor Michael N. Castle
State of Delaware
State House
Legislative Building
Dover, Delaware 19901

Dear Governor Castle:

Raytheon Company has been continuously incorporated in Delaware since 1928.

Raytheon has been advised of and provided with copies of a proposed new Section 203 of the Delaware Corporation Law relating to Business Combinations with Interested Shareholders approved by the Council of the Corporation Law Section of the Bar Association. Raytheon endorses the proposed Section 203 as sound legislation striking a fair balance among interests and its adoption as proposed by the Section Council.

Very truly yours,

RAYTHEON COMPANY

By Thomas L. Phillips
Thomas L. Phillips
Chairman of the Board and
Chief Executive Officer

By
Charles H. Resnick
Senior Vice President
and General Counsel

CHR:lap

REYNOLDS ALUMINUM
REYNOLDS METALS COMPANY • RICHMOND, VIRGINIA 23261

SENIOR VICE PRESIDENT
AND GENERAL COUNSEL

TEL. (804)281-3869
TELEX: 442-7015 REYLAW
TELECOPY: (804)281-3740
CABLE: REYMETCO

January 19, 1988

Mr. Michael E. Harkins
Secretary of State
Townsend Building
Dover, Delaware 19901

Dear Mr. Harkins:

I am writing on behalf of Reynolds Metals Company to express our support of legislation to add a new Section 203 to the Delaware General Corporation Law. We view the proposal as an essential step by Delaware toward limiting coercive and unfair takeovers.

Reynolds Metals Company was incorporated in Delaware in 1928. We have watched with growing concern as other states, including Virginia and New York, where we have substantial operations took action to stop takeover abuses while Delaware stood still. We applauded the Delaware bar's decision to go forward on the issue and, in fact, urged that group to recommend measures stronger than proposed Section 203.

While we still would prefer a statute that does more in curbing coercive and unfair tactics, we believe that the current proposal represents an acceptable compromise. It offers a limited response to some of the worst abuses by addressing the potential for self-dealing and squeeze-outs of minority shareholders once control has been obtained by an acquiror.

The proposal is not, moreover, a management entrenchment device. It does nothing to deter would-be acquirors from bidding for control of a target company or, if control is achieved, from selling corporate assets to third party purchasers. It merely partially restores balance to the current takeover environment, which is heavily weighted in favor of acquirors.

You have also asked our opinion on a suggestion that the provisions of proposed Section 203 be applicable to a corporation only if approved by a vote of its shareholders. We believe this is inappropriate for several reasons:

1. If the suggestion were incorporated, proposed Section 203 would add nothing to current law, which already permits the inclusion of provisions similar to those proposed in a corporation's charter with approval of its shareholders.

2. Proposed Section 203 is narrowly drafted to protect shareholders and not to interfere with their economic interests. The additional requirement for shareholder approval is therefore unnecessary.

3. If shareholders of a particular company view proposed Section 203 as inappropriate, there is a mechanism for them to opt out of its coverage.

4. Such a requirement would be inconsistent with similar statutes in other states, which have not considered the requirement necessary.

Very truly yours,

John H. Galea

John H. Galea

Telephone (212) 841-7760

Rockefeller Center
Properties, Inc.

January 19, 1988

The Honorable Michael E. Harkins
Secretary of State
Townsend Building
Dover, Delaware 19901

Dear Sir:

I am writing in response to your request for support for the proposed Section 203 of the Delaware General Corporation Law. This Section is intended to limit abusive takeover tactics and has been submitted to the legislature in response to demands for such protection.

We support the proposed legislation believing that it strikes an appropriate balance between the need for control and the need for a free market.

We appreciate your soliciting our views on this matter.

Very truly yours,

ROCKEFELLER CENTER PROPERTIES, INC.

By _____
Jonathan D. Green, Secretary

** TOTAL PAGE.002 **

Santa Fe Southern Pacific Corporation

224 South Michigan Avenue
Chicago, Illinois 60604

January 18, 1988

Michael E. Harkins
Secretary of State
Townsend Building
Dover, Delaware 19901

Dear Mr. Harkins:

This is to advise you that Santa Fe Southern Pacific Corporation, a Delaware corporation, supports House Substitute No. 1 to House Bill No. 396 as proposed. We specifically reject the opting-in provision included in the bill introduced in the Senate.

Very truly yours,

Jerome F. Donohoe
Vice President-Law

Sonat Inc.
Post Office Box 2563
Birmingham AL 35202 2563
205 325 7106

William A Smith
Senior Vice President &
General Counsel

SONAT

Via Telecopy 302-736-3811

January 19, 1988

Michael E. Harkins
Secretary of State
Townsend Building
Dover, DE 19901

This is in response to your letter of January 13, 1988, requesting the views of Sonat Inc. on the proposed enactment of Section 203 dealing with business combinations with interested stockholders.

Sonat Inc., a publicly-held company listed on the New York Stock Exchange, is a Delaware corporation. We have watched with great interest the public debate regarding the appropriateness of legislation in Delaware to limit abusive takeover tactics.

Sonat Inc. supports the enactment of Section 203 of the General Corporation Law. The proposal reflects the need to protect the shareholders of Delaware corporations from abusive takeover tactics. Though we do not believe that Section 203 will eliminate every abuse or insure that any takeover which complies with the statute is in the best interest of shareholders--and the legislature and courts must recognize these limitations--we also feel it is an important and positive addition to the General Corporation Law.

With regard to the "opting-in" procedure, Sonat Inc. shares the Bar Association's view that the "opting-in" procedure not be a part of this legislation.

We appreciate the opportunity to comment on this extremely important proposal and compliment the State of Delaware for its judicious approach to this complex subject.

Yours very truly

William A. Smith

William A. Smith

sam

Southwestern Bell Corporation

Robert M. Lynch
General Attorney

One Bell Center
Fortieth Floor
St. Louis, Missouri 63101-3099
Phone (314) 235-5666

January 19, 1988

The Honorable Michael E. Harkins
Secretary of State
Townsend Building
Dover, Delaware 19901

Re: Proposed New Section 203 of the
Delaware General Corporation Law
(Chapter 1, Title 8 of the Delaware Code)

Dear Mr. Harkins:

This responds to your separate letters, dated January 13, 1988 to Messrs. Zane E. Barnes and Edgar Mayfield, Chief Executive Officer and Senior Vice President and General Counsel, respectively, of Southwestern Bell Corporation.

Over the past several months, Southwestern Bell has followed the progress of the above-referenced legislation with great interest. The undersigned personally provided comments on an earlier version of the bill to the Corporate Law Section of the Delaware Bar Association. The thrust of our comments was that while we generally supported the enactment of the proposed law, we did think it could stand improvement in certain respects. Although the proposed bill has not incorporated all our comments and has, of course, changed in other respects from the earlier version, we understand and appreciate the role of compromise in enacting a law of this nature. However, the legislation's principal purpose of limiting coercive and abusive takeover tactics remains unchanged. Consequently, Southwestern Bell Corporation strongly supports the adoption of the proposed legislation by the Delaware General Assembly.

Thank you for the opportunity to express our position on this important piece of legislation.

Very truly yours,



SQUIBB
Corporation

P.O. Box 4000
Princeton, NJ 08543-40
609 921-5217

Daniel A. Cuoco
Senior Vice President
General Counsel and
Secretary

January 19, 1988

The Honorable Michael E. Harkins
Secretary of State
Townsend Building
Dover, Delaware 19901

Dear Sir:

Squibb Corporation fully endorses the provisions of House Bill No. 396 and the similar bill recently introduced in the Senate. We feel that it is extremely important for the State Legislature to adopt this Bill and strongly urge its passage.

Very truly yours,

Daniel A. Cuoco

Copy: Senator Thomas B. Sharp
Delaware Senate Majority Leader
Legislative Hall
Dover, Delaware 19901

The Honorable Michael N. Castle
Governor
State of Delaware
Legislative Hall
Dover, Delaware 19901

StaleyContinental, Inc.

January 18, 1988

VIA TELECOPIER

Honorable Michael E. Harkins
Secretary of State
Townsend Building
Dover, DE 19901

Dear Sir:

We are very much in support of House Bill 396 relating to the issue of corporate takeovers.

Sincerely,

Robert Kent Scott
Senior Vice President-Law
and Secretary

9

StaleyContinental, Inc.

January 18, 1988

Honorable Senators
Delaware Senate
Dover, Delaware 19901

Dear Senators:

We are very much in support of House Bill 396 relating to the issue of corporate takeovers.

Sincerely,

Robert Kent Scott
Senior Vice President-Law
and Secretary

g

StaleyContinental, Inc.

January 18, 1988

Honorable Representatives
Delaware House of Representatives
Dover, Delaware 19901

Dear Representatives:

We are very much in support of House Bill 396 relating to the issue of corporate takeovers.

Sincerely,

Robert Kent Scott
Senior Vice President-Law
and Secretary

g

ONE CONTINENTAL TOWERS, 1701 GOLF ROAD, ROLLING MEADOWS, ILLINOIS 60008 (312) 981-1686

STERLING DRUG INC.
NINETY PARK AVENUE, NEW YORK, N.Y. 10016

JOHN M. PIETRUSKI
CHAIRMAN OF THE BOARD
AND
CHIEF EXECUTIVE OFFICER

January 19, 1988

Michael Harkins,
Secretary of State
State of Delaware
Department of State
Townsend Building
Dover, Delaware 19901

Dear Secretary Harkins:

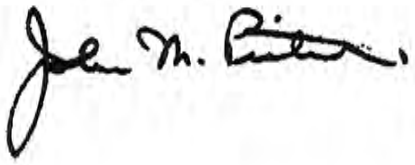
We have your letter of January 13, 1988 with regard to the proposed adoption of S203 of the Delaware General Corporation Law.

We are familiar with the legislative proposal and know its contents very well. We agree fully with Governor Castle's position as reflected in his statement on January 12, 1988 and strongly urge the members of the General Assembly to adopt proposed S203.

We believe that the long term interests of our stockholders and those of America's major corporations incorporated in Delaware require that Delaware join thirty-two other states and recognize the need for this reform. We are, at this very moment, the target of an opportunistic effort by a major Swiss corporation to take advantage of the depressed dollar and the recent decline in prices on the New York Stock Market to buy our company in a tender offer at a price that is grossly unfair to our shareholders. If this offer is successful, our shareholders will be denied the beneficial effects of Sterling's careful planning and development over the years at a time when the price of their shares is depressed due to market conditions that are beyond their control or ours.

We urge you to do anything you can to encourage the Delaware General Assembly to recognize the needs of corporations chartered in Delaware and pass this much needed law.

Sincerely,



STEVENS

J P Stevens & Co., Inc.
1185 Avenue of the Americas
New York, NY 10036
212 930 3500

Robert E. Mitchell
General Counsel

January 15, 1988

The Honorable Michael F. Harkins
Secretary of State
Townsend Building
Dover, Delaware 19901

Dear Secretary Harkins:

I have carefully reviewed House Bill No. 396 which I understand was introduced on January 13, 1988.

J. P. Stevens & Co., Inc. is a Delaware corporation and therefore will be affected by provisions of House Bill No. 396.

I have followed with great interest the development of this proposed legislation and in my opinion, House Bill No. 396 is a necessary and desirable amendment to the Corporation Law of the State of Delaware. Accordingly, please be advised that this Company wholeheartedly supports the enactment of the proposed legislation.

I understand that a similar bill has been introduced in the Senate which differs in that it provides that the provisions of the amendment can only be applicable to Delaware corporations if approved by the directors and shareowners. I do not feel that such a procedure is necessary or appropriate and therefore am opposed to the Senate version of the bill.

As you are aware, other states have enacted legislation of this type and by doing so, have established an environment which is conducive to the orderly conduct of corporate affairs. The failure of Delaware to enact the proposed legislation will require us to explore our options and to determine which environment will be the most advantageous for this Company, its shareowners, employees, customers and suppliers.

Sincerely yours,

Robert Mitchell

cc. The Honorable Michael N. Castle
The Honorable Tom Sharpe
The Honorable William Oberle

Super Valu Stores, Inc.

Corporate Offices
P.O. Box 990
Minneapolis, MN 55440
Telex: 290522

WILLIAM C. HUNT
Vice President
and
General Counsel
Telephone (612) 828-4151

January 19, 1988

Mr. Michael E. Harkins
Secretary of State
Townsend Building
Dover, DE 19901

Dear Mr. Harkins:

You have asked for our views on Delaware House Bill No. 396 prior to the House and Senate Judiciary Committee Joint Hearing on Wednesday, January 20, 1988. We appreciate this opportunity to share our views of this proposed legislation.

It is certainly clear that some legislation must be adopted by Delaware, not to prohibit all takeovers but rather to prevent abusive practices in takeover procedures. Significant measures are needed to protect the interests of corporations and their shareholders. Delaware has long been a leader in corporation law, and we would expect that leadership to continue in the area of takeover legislation as well as other areas.

We would support a stronger bill, and are sympathetic to the views of some commentators that Delaware should adopt the strongest measures available such as that adopted by New York. We believe it is essential that Delaware adopt effective takeover legislation to maintain its leadership in corporation law. Therefore, we view House Bill 396 as a reasonable first step, and support it only on that basis.

You requested our specific views on the choice between an opt-in and opt-out approach to the statute's applicability. We clearly support the Bar Association's rejection of the opt-in approach, and favor the opt-out procedure as it now appears in H.B. 396.

Thank you again for this opportunity to express our views.

Sincerely,

SUPER VALU STORES, INC.

William C. Hunt
Vice President and General Counsel

WCH:tlb

Tandy Corporation

Executive Offices 1800 One Tandy Center Post Office Box 17180 Fort Worth, Texas 76102 Telephone (817) 390-3700

January 19, 1988

Herschel C. Winn
Senior Vice President and Secretary
390-3752

The Honorable Michael E. Harkins
Secretary of State
State of Delaware
Townsend Building
Dover, Delaware 19901

Dear Mr. Secretary:

Thank you for soliciting the view of Tandy Corporation with respect to proposed new Section 203 of the Delaware Corporation Law. In our view, the proposed statute does not go nearly far enough to discourage the coercive takeover tactics which have adversely affected our nation's businesses and have made it difficult for companies to engage in the type of planning that may be in the best interest of their shareholders, employees and the nation's economy as a whole. It should be noted that the Bar Association's proposed statute would provide substantially less protection against takeover abuses than the statutes adopted by many other states.

While as indicated above I do not believe that the Delaware Bar Association's proposed statute goes far enough to redress the balance that now encourages the raiders and financial entrepeneurs, I do believe that the enactment of the statute is a small step in the right direction and, therefore, support its enactment.

I understand that another bill has been proposed allowing corporations to opt into its provisions through a shareholder vote. I believe such a provision is worthless. Substantially the same protections could be obtained under existing law through a shareholder-approved amendment to the certificate of incorporation. In the current environment, in which speculators and institutional investors are taking only a short term view of their ownership interests, many companies would not be able to obtain the necessary vote even though the provisions are in the long term interests of the company, Delaware and the nation.

We are aware that a number of states have already enacted legislation to curb these abuses, of which many, such as Indiana, are much stronger than those contemplated by the Delaware Legislature. As a major American company incorporated in Delaware, Tandy Corporation most respectfully requests that the Secretary of State inform the joint legislative hearings of our serious concerns for Delaware remaining the leading corporate state if toughter anti-takeover measures are not adopted.

Yours very truly,

H. C. Winn
Senior Vice President
and Secretary

HCW:cw
166/88.134.1

Tenneco Inc

Tenneco Building
P. O. Box 2511
Houston, Texas 77001
(713) 757-2731

Walter W. Sapp
Senior Vice President & General Counsel

January 18, 1988

The Honorable Michael E. Harkins
Secretary of State
State of Delaware
Townsend Building
Dover, Delaware 19901

Dear Mr. Harkins:

Thank you for your letter of January 13, 1988 regarding the proposed changes in the Delaware Corporation Law relating to corporate takeovers. As Senior Vice President of Tenneco Inc., the parent of Tennessee Gas Pipeline Company, I am pleased to inform you of my views regarding this proposed legislation.

By way of background, I might note that Tenneco Inc. is one of the largest industrial enterprises in the United States. Its book assets amount to well over $17 billion. It has approximately 148 million shares of Common Stock outstanding, held by over 275,000 shareholders. The current market value of its Common stock is over $6 billion; prior to the market decline this past October it was as high as $9 billion.

Tenneco strongly supports the proposed legislation in the form recommended by the Delaware Bar Association. We previously provided comments to the Bar Association regarding a prior draft of this legislation and, while indicating our support of the basic concept, we suggested that the stock ownership threshold be increased from 10% to 15% before the prohibitions are triggered and decreased from 90% to 85% to allow them to be escaped. This suggestion is reflected in the present proposal, and we believe it now represents a fair and even balance of the competing interests concerned.

Tenneco is certainly not as a matter of principle opposed to corporate acquisitions and mergers. Since our Company's inception some 40 years ago we have engaged in numerous business combinations; indeed, a substantial portion of our significant growth over that period has been by way of acquisition. None, however, have been hostile in nature. We have firmly believed that the long-term interests of the shareholders of both parties are best served when the business combination is the fruit of

careful evaluation, thorough understanding and good faith negotiation on both sides.

Although the threat of a hostile takeover tends to distract corporate management's attention from the operation of the underlying business and to discourage investment in long lead-time projects, however attractive the ultimate return, it may nonetheless in certain cases serve a useful purpose as a deterrent or corrective to corporate mismanagement. Under the proposed Delaware legislation, a hostile takeover would still be possible - either by recourse to the proxy machinery or by the acquisition of 85% of the corporation's outstanding stock - and therefore the disciplinary value would be preserved. At the same time, the legislation would discourage partial tender offers, which in our view have a great potential for abuse of the remaining shareholders who, by the nature of the process, are likely to include a disproportionate number of individuals whose situation - as elderly, retirees, employees, etc. - renders them particularly in need of protection.

We believe the proposed legislation reflects a statesmanlike design to preserve the benefits but palliate some of the greater evils inherent in hostile corporate takeovers. Accordingly, Tenneco Inc. urges its adoption by the Delaware legislature.

Sincerely yours,

Walter W. Sapp

0049A.LGL

TEXAS INSTRUMENTS

January 18, 1988

The Honorable Michael E. Harkins
Secretary of State of Delaware
Townsend Building
Dover, Delaware 19901

Dear Mr. Secretary:

We support House Bill No. 396 regarding business combinations with interested stockholders. While a stronger statute may be preferable, the bill does appear, as intended by its sponsors, to strike an appropiate "balance between the benefits of an unfettered market for corporate shares and the well documented and judicially recognized need to limit abusive takeover tactics."

In particular, we support the "opt-out" nature of the proposed statute. Since the thrust of the proposed statute appears to be the protection of minority stockholders, it would seem inappropriate for its benefits to be contingent upon a majority vote of stockholders.

Very truly yours,

Richard J. Agnich
Vice President, Secretary
and General Counsel

bb

TEXTRON

Thomas D. Soutter
Executive Vice President and
General Counsel
Textron Inc.

40 Westminster Street
Providence, R.I. 02903
401/421-2800

January 15, 1988

VIA TELEFAX

Hon. Michael E. Harkins
Secretary of State
Townsend Building
Dover, Delaware 19901

Dear Mr. Harkins:

Thank you for your letter requesting Textron's position on the proposed changes in the Delaware Corporation Law relating to takeovers.

Textron strongly supports the bill presented by the Corporate Law Section of the Delaware Bar Association. The Corporate Law Section has spent a considerable amount of time and effort in drafting this bill, which we think provides important protection for shareholders whose company is the subject of a partial takeover. Compared with similar legislation in other states, the Delaware bill is quite modest in the demands it places upon those who engage in partial takeovers.

Textron opposes the provision of the alternate bill that would require shareholder approval for the restrictions to be applicable. Since the restrictions are modest and reasonable, and are designed to protect the interests of almost all shareholders, there should be no need for companies to incur the time and expense necessary to obtain shareholder approval.

We appreciate the opportunity to comment on the proposed legislation. Please feel free to contact me if you desire any additional information or comments.

Sincerely,

Thomas D. Soutter

cc: B. F. Dolan

Transamerica

Transamerica Corporation
Box 7048
San Francisco, California 94120
600 Montgomery Street
(415) 983-4380

Maryellen B. Cattani
Senior Vice President
and General Counsel

January 15, 1988

BY TELECOPIER

The Honorable Michael E. Harkins
Secretary of State
State of Delaware
Townsend Building
Dover, Delaware 19901

Dear Mr. Secretary:

Thank you very much for your letter of January 13 regarding the bill which the Corporate Law Section of the Delaware Bar Association has recommended be adopted by the Legislature of the State of Delaware.

Please be advised the Transamerica Corporation, a Delaware corporation, strongly supports adoption of the recommended bill.

Please be further advised that Transamerica Corporation favors the recommended bill over the second bill introduced in the Senate which provides for an opting-in through a stockholder vote.

Very truly yours,

Maryellen B. Cattani

cc: James R. Harvey

Transco
Energy Company

2800 Post Oak Boulevard
P. O. Box 1396
Houston, Texas 77251
713-439-2000

January 18, 1988

Secretary of State
Townsend Building
Dover, Delaware 19901

Attention: Cheryl Wyatt

Dear Ms. Wyatt:

I have reviewed the proposed Delaware legislation regarding corporate takeovers for Mr. David E. Varner, Senior Vice President, General Counsel and Secretary of Transco Energy Company ("Transco"), a Delaware corporation. At his request I am sending Transco's response with respect to such legislation. While we would have liked to see even stronger restrictions with respect to takeovers, we support the legislation and agree that it is a good compromise.

Very truly yours,

Molly S. Williams
Senior Attorney
Transco Energy Company

MSW:1448

USAIR GROUP, INC.

J. MICHAEL BRADY
Assistant Secretary

January 18, 1988

Telecopy: 302/736-3811

Mr. Michael E. Harkins
Secretary of State
Townsend Building
Dover, Delaware 19901

Dear Mr. Harkins:

This will acknowledge your letter of January 13, 1988 addressed to Mr. Edwin I. Colodny, Chairman and President of USAir Group, Inc., concerning the issue of corporate takeovers. Mr. Colodny has requested that I review the matter and reply directly to you.

USAir Group, Inc. strongly supports the bill which was recommended by the Executive Committee of the Delaware Bar Association concerning the issue of corporate takeovers.

Sincerely,

JMB

J. Michael Brady

JMB:j

cc: E. I. Colodny
J. T. Lloyd

1911 JEFFERSON DAVIS HIGHWAY, ARLINGTON, VIRGINIA 22202

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RECEIVED

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PMS THE HONORABLE MICHAEL HARKINS, DLR
SECRETARY OF STATE
TOWNSEND BLDG
DOVER DE 19901

BT
WE ARE SUPPORTIVE OF THE PROPOSED LEGISLATION REGARDING TAKEOVERS. IT WILL HELP INSURE FAIR TREATMENT FOR ALL SHAREHOLDERS AND PROTECT THEIR RIGHTS. AS A CORPORATION HEADQUARTERED IN DELAWARE, WE URGE YOU TO VOTE IN FAVOR OF THE PROPOSAL.
EUGENE MILLER VICE CHAIRMAN
USG CORPORATION
101 S WACKER DR
CHICAGO IL 60606

NNNN
1554 EST
+

Robert J. Day
Chairman

USG Corporation
101 South Wacker Drive
Chicago, IL 60606-4385
312 606-3708

January 19, 1988

Mr. Michael E. Harkins
Secretary of State
Townsend Building
Dover, Delaware 19901

Dear Secretary Harkins:

This is in reply to your January 13 letter regarding Delaware Legislature House Bill No. 396. I appreciate very much an opportunity to comment.

I strongly support the legislation proposed in House Bill No. 396, and I oppose requiring an "opting-in" by shareholder vote.

My reason for favoring the legislation is that it is far too easy for "interested investors" under present law to create panic on the part of less-informed shareholders, so that they are hustled into decisions which may not be in their long-term interest, but which enormously benefit the short term speculator "interested investor."

It seems to me eminently reasonable to extend the decision time so that all stockholders are in a position to make informed and considered judgments as to whether or not they wish to sell their stock. It is also reasonable that the vote should exclude the recently arrived "interested shareholder" who is motivated by the desire for a quick cash gain--without regard for damage to the company, the economy, the employees, or the other shareholders.

I have listened to Mr. James Heard of United Shareholders, and have read Mr. Boone Pickens views on this subject--(and I am a Mesa shareholder). The few constructive suggestions they have are a cover for the destructive practices that they are desperate to perpetrate.

It is high time some balance is brought into the takeover "game"--and the Delaware legislature is uniquely positioned to do so.

Thank you again for the opportunity to express my view on this important subject.

Sincerely,

Robert J. Day
Chairman

Arthur G. Leisten
Vice President and General Counsel

USG Corporation
101 South Wacker Drive
Chicago, IL 60606-4385
312 606-3973

RECEIVED
JAN 18 '88
SECRETARY OF STATE

January 15, 1988

Mr. Michael E. Harkins
Secretary of State
Townsend Building
Dover, Delaware 19901

Dear Secretary Harkins:

Thank you for your January 13, 1988 letter soliciting our views with respect to House Bill No. 396 introduced in the Delaware legislature. I am pleased to advise you that we regard this bill as well reasoned and appropriate, and strongly urge its adoption as a measure calculated to reduce coercive takeovers not in the best interests of all stockholders. Indeed, it is my feeling that inaction by the Delaware legislature in light of the current environment would be exceedingly ill-advised and inconsistent with the leadership role in corporate law for which the jurisdiction is well recognized.

Responding to the second issue which you raised, I am inclined to favor the House Bill rather than the Senate version which would require affirmative action by the Board of Directors and the stockholders of a corporation.

I will be delighted to amplify these views when contacted by a member of your staff, if that will be helpful. Mr. R. A. Wason, Assistant General Counsel of the Corporation, is fully familiar with this legislation and in agreement with the positions here expressed. He will additionally be available to you for discussion on any matters helpful to the passage of this legislation.

Sincerely,

Arthur G. Leisten
Vice President and
General Counsel

AGL/stm

cc: 149 - R. A. Wason

Arthur G. Leisten
Vice President and General Counsel

USG Corporation
101 South Wacker Drive
Chicago, IL 60606-4385
312 606-3973

January 15, 1988

Mr. Michael E. Harkins
Secretary of State
Townsend Building
Dover, Delaware 19901

Dear Secretary Harkins:

Thank you for your January 13, 1988 letter soliciting our views with respect to House Bill No. 396 introduced in the Delaware legislature. I am pleased to advise you that we regard this bill as well reasoned and appropriate, and strongly urge its adoption as a measure calculated to reduce coercive takeovers not in the best interests of all stockholders. Indeed, it is my feeling that inaction by the Delaware legislature in light of the current environment would be exceedingly ill-advised and inconsistent with the leadership role in corporate law for which the jurisdiction is well recognized.

Responding to the second issue which you raised, I am inclined to favor the House Bill rather than the Senate version which would require affirmative action by the Board of Directors and the stockholders of a corporation.

I will be delighted to amplify these views when contacted by a member of your staff, if that will be helpful. Mr. R. A. Wason, Assistant General Counsel of the Corporation, is fully familiar with this legislation and in agreement with the positions here expressed. He will additionally be available to you for discussion on any matters helpful to the passage of this legislation.

Sincerely,

Arthur G. Leisten
Vice President and
General Counsel

AGL/stm

cc: 149 - R. A. Wason

600 Grant Street
Pittsburgh, PA 15230
412 433 1117
Telex 86 6425
Telecopier 412 433 2811

General Counsel

USX

January 15, 1988

VIA TELECOPIER

The Honorable Michael E. Harkins
Secretary of State
State of Delaware
Townsend Building
Dover, Delaware 19901

Dear Mr. Harkins:

On behalf of USX Corporation, I want to express to you in the strongest terms possible our total, complete, and unequivocal support for the legislation dealing with corporate takeovers that has been recommended to the Delaware Legislature by the Delaware Bar Association's Executive Committee, which appeared as House Bill No. 396, introduced on January 13. As a long-time Delaware corporation, we are vitally interested in the passage of this legislation.

The corporate takeover bill is a reasoned and rational approach to deal with the abuses that the corporate raiders perpetrate on this country, where their motivation is simply to make a killing for themselves without regard to the welfare of the corporate enterprise.

The second bill which has been introduced in the Senate that would add a stockholders opt-in provision would effectively negate the immediate efficacy of the Delaware bill that was proposed by the Corporate Law Section. We would object and oppose such a provision as simply a mechanism to thwart the effectiveness and purpose of the bill introduced in the House. We believe that the Bar

Marathon Oil Company
USS
U.S. Diversified Group
Texas Oil & Gas Corp.

USX

Association considered that opt-in approach and wisely rejected it. It is simply the corporate raiders' method of trying to gut the bill.

If we can be of any further assistance to you please do not hesitate to contact us or have anyone on your staff contact us because we attach truly major importance to the successful passage of the House Bill.

Very truly yours,

D. B. King

Hartford, Connecticut 06101
203/728-7643

Robert F. Daniell
Chairman and
Chief Executive Officer

January 19, 1988

Hon. Michael E. Harkins
Secretary of State
Townsend Building
Dover, Delaware 19901

Dear Mr. Harkins:

This letter is in response to your request for our viewpoint on the anti-takeover proposal soon to be discussed in the Delaware legislature. We understand that such proposed legislation will essentially prevent hostile raiders who acquire more than 15% of a target company's stock from completing a hostile takeover for three years unless (a) such raider manages to acquire 85% of the outstanding stock in the transaction that takes him over 15% or (b) such raider obtains approval of the target company's board and two-thirds of the shares outstanding, excluding shares held by such raider.

United Technologies Corporation generally favors legislation of the type being proposed in Delaware. We believe that the long-term interests of shareholders generally are better served by deterring junk-bond financed, bust-up takeovers. In that regard, our concern is that the proposed Delaware statute does not go far enough in the desired direction of deterring these takeovers.

While we support the proposed legislation, we believe that to more effectively deter bust-up takeovers, the exceptions to the three-year prohibition contained in the proposed bill should be deleted, as is the case in a number of other states including New York and New Jersey.

You also asked for our opinion on a second bill dealing with "opting-in" through stockholder vote. We believe that the more traditional Delaware corporate law approach of "opting-out" is preferable.

Very truly yours,

Robert F. Daniell

/bc

Unocal Corporation
1201 West 5th Street, P.O. Box 7600
Los Angeles, California 90051
Telephone (213) 977-6113

UNOCAL 76

January 15, 1988

Sam A. Snyder
Vice President and General Counsel

VIA FACSIMILE

The Honorable Michael E. Harkins
Secretary of State
Townsend Building
Dover, Delaware 19901

Dear Secretary Harkins:

I am writing you in response to your January 13, 1988 letter regarding proposed changes in Delaware Corporation Law relating to corporate takeovers.

Unocal supports passage of the proposed legislation (House Substitute No. 1 to House Bill No. 396). We believe that H.B. 396 would properly limit abusive takeover tactics and promote a more open and orderly market for corporate shares.

In 1985, Unocal Corporation was the subject of a hostile takeover attempt by Mesa Partners II, a Texas partnership headed by T. Boone Pickens. Unocal's directors determined that the Mesa bid was grossly inadequate and not in the best interests of the company and its shareholders. Unocal embarked on a number of defensive strategies which Mesa contested immediately. Ultimately, Unocal's actions were vindicated in Federal Court in Los Angeles and in the Supreme Court of Delaware: Unocal v. Mesa, 493 A.2d 946 (1985). The Court's reasoning in the Unocal case was most recently applied against Ivanhoe Partners, another Pickens' directed Texas partnership. In Ivanhoe Partners v. Newmont Mining Co., the Delaware Supreme Court held that the Newmont board could properly conclude that Ivanhoe's machinations were part of a "coercive partial tender offer and inadequate bid." ____ A.2d____(1987).

We believe that H.B. 396 will benefit Delaware corporations and their shareholders by acting to suppress the frenzy and irrationality that accompanies coercive two-tier front-end loaded tender offers, which the Delaware Supreme Court holds

in little regard. The proposed legislation, by forcing a bidder to choose essentially between an all out purchase or possible later business combination, protects minority shareholders from being squeezed out of the company for less than the fair value of their shares. It also gives all shareholders more time to deliberate before making any decision to sell, hold or buy stock.

The alternative of having the legislation pass, with it only being effective as to a particular corporation when and if that corporation's board and shareholders approve it, is, in my opinion, a cop-out. The practices of some raiders in using the two-tier tender, which creates fear in the minds of shareholders is, to say the least, a wicked practice and should be prohibited by state legislation. We are all too aware of the arguments that have and will be made by that small but exceedingly vocal group which has reaped tremendous profits by economic terrorism to the effect that any such legislation would aid "entrenched management" and stifle shareholders' rights. Entrenched management is perhaps an evil, but stability in the business environment is the sine qua non of long-term planning leading to real economic growth and progress. There are devices presently in the law that can remove a bad management. Entrenched management and shareholders' rights are only catchy phrases used by economic terrorists to mask their sole purpose, viz: money grubbing.

We strongly support the passage of legislation that would curtail these known evils.

Since your letter indicated that we may communicate via your facsimile machine, we are doing so. In addition, we are sending you a facsimile of Mr. Fred L. Hartley's letter to Governor Castle. We would appreciate your forwarding Mr. Hartley's letter to the Governor.

Yours truly,

James A. Sugg

SAS:jlm

Unocal Corporation
1201 West 5th Street, P.O. Box 7600
Los Angeles, California 90051
Telephone (213) 977-7000

UNOCAL 76

January 15, 1988

Fred L. Hartley
Chairman and
Chief Executive Officer

The Honorable Michael N. Castle
Governor of Delaware
Legislative Hall
Dover, Delaware 19901

Dear Governor Castle:

I am writing to you to express Unocal's support for your position on House Substitute No. 1 to House Bill No. 396, the proposed amendment to the Delaware Corporation Law relating to corporate takeovers.

Three years ago Unocal Corporation was the subject of a hostile takeover attempt by a group led by T. Boone Pickens. Unocal's defense against Pickens' raid was supported by the Unocal shareholders and was held to be lawful under Federal and Delaware Law. However, the costs of the defense were high: Unocal incurred billions of dollars of debt; the efforts of its executives and management in operating a successful petroleum business were diverted to fighting the hostile bid; all employees were distracted and demoralized by the takeover attempt; and the company's ability to respond to new opportunities remains hampered by its massive debt. The company and its shareholders were forced to this position against their will. I can say this with certainty because the shareholders voted overwhelmingly to support management in the proxy contest which was part of the takeover attempt.

We believe that House Bill No. 396 will curb the economic terrorism of abusive takeover tactics and coercive two tier bids. These abusive tactics have encouraged a speculative frenzy among arbitragers and other Wall Street "investors," and may well have caused the recent stock market crash. The proposed legislation will dampen the power of fast buck artists but will not discourage economically sensible mergers and acquisitions.

Very truly yours,

Fred L. Hartley

4

THE UPJOHN COMPANY
KALAMAZOO MICHIGAN 49001 U S A

GERARD THOMAS
Vice President, Secretary
and General Counsel
TELEPHONE (616) 323-6068

January 18, 1988

Mr. Michael E. Harkins
Secretary of State
State of Delaware
Townsend Building
Dover, Delaware 19901

Dear Mr. Harkins:

As Vice President, Secretary and General Counsel of The Upjohn Company, I want to express our support for enactment of the new Section 203 of the Delaware General Corporation Law. We believe that the proposed legislation reflects a reasoned and balanced approach to takeover abuses.

We prefer the current format of the legislation rather than providing that the legislation would only apply if specifically approved by the board of directors and stockholders. Because we believe that the proposed legislation reflects a balanced approach, we support using it as the governing law, unless, as provided in the legislation, a corporation elects not to have the section apply or a corporation seeks to provide additional provisions pursuant to an amendment of its certificate of incorporation which must be approved by the board of directors and stockholders.

I very much appreciate being given the opportunity to express our comments in support of the proposed legislation. If I can be of any further assistance now or in the future, please do not hesitate to contact me.

Very truly yours,

Gerard Thomas

Gerard Thomas
jf

2harkins.gt

VARIAN ASSOCIATES
EXECUTIVE OFFICES
PALO ALTO, CALIFORNIA 94303 (415) 493-4000

January 15, 1988

JOHN J. COOPER
VICE PRESIDENT AND
GENERAL COUNSEL

Via Facsimile # 302-736-3811

Michael E. Harkins
Secretary of State
Townsend Building
Dover, Delaware 19901

Dear Mr. Secretary:

Varian Associates firmly endorses House Bill No. 396 amending § 203 of the Delaware Code. We believe this legislation is essential to a full and fair offer that would protect the rights of all our stockholders from abusive takeover tactics. The Board of Directors and management of Varian Associates are strongly committed to the protection of the Company's stockholders and fully recognize their fudiciary duties and loyalties to them in responding to any attempts to effect any change of control of this corporation.

Please feel free to contact me if we may be helpful in supporting this legislation.

Cordially,

John Cooper

cc: W. Moore

Waste Management, Inc.
3003 Butterfield Road • Oak Brook, Illinois 60521

January 18, 1988

Mr. Michael E. Harkins
Secretary of State
Townsend Building
Dover, Delaware 19901

Dear Mr. Harkins:

Waste Management, Inc., a Delaware Corporation, supports House Bill No. 396, relating to business combinations with interested stockholders. We do not support the Senate version which has the opting-in feature.

Very truly yours,

WASTE MANAGEMENT, INC.

J Steven Bergerson

Dean L. Buntrock
Chairman of the Board

J. Steven Bergerson
Vice President and General Counsel

DLB/JSB/clr

312/572-8800 • Telex: 253094 • TWX: 910-651-0029

JAN 18 '88 16:20 WASTE MGT OAK BROOK P.02

Westvaco

January 18, 1988

Mr. Michael E. Harkins
Secretary of State
Townsend Building
Dover, Delaware 19901

Dear Mr. Harkins:

Mr. David L. Luke III Chief Executive Officer of Westvaco has asked me to respond to your letter of January 13, 1988 inquiring about Westvaco's position regarding the proposed changes in the Delaware Corporation Law relating to takeovers.

We support the legislation recommended by the Delaware Bar Association. We oppose the bill introduced by Senator Sharp which we understand is an opt-in approach.

From our perspective the Bar Association proposals represent a balanced approach, a reasonable compromise between the position of those strongly favoring takeovers and those strongly opposing takeovers. We believe the proposals provide additional protection for shareholders in that fair bids will be encouraged. Coercive partial or thinly capitalized takeover bids would be deterred.

We do not support an opt-in approach. Such an approach entails considerable delay in implementing the legislation. For example the proxy material has already been sent out for our next annual meeting February 23, 1988. Thus it would be 1989 before our shareholders could obtain the benefits of this legislation under an opt-in approach. The Delaware Bar Association rejected such an approach. It seems to us the opt-in proposals may be simply a tactical fall back position for those opposed to the legislation who want to continue the fight through proxy contests.

We commend Delaware for not rushing to judgment on this matter but if Delaware is to retain its leadership position in corporate governance matters this legislation should be enacted now.

We have made our position known to key members of the General Assembly including those near our plant in Newark.

Please let us know if there is anything else we can do to help pass this important legislation Feel free to call me or Ned Massee.

Very truly yours,

Thomas R. Long

Thomas R. Long
Senior Vice President and
General Counsel

TRL/v

Westvaco Building
299 Park Avenue
New York, NY 10171
Telephone 212 688 5000

JAN-18-88 MON 12:41 STEP-INC. P.02

Westvaco

January 14, 1988

The Honorable Michael Harkins
Secretary of State
Townsend Building
Dover, DE 19901

Dear Secretary Harkins:

I am writing to indicate to you Westvaco's support for the position you have taken in supporting the takeover proposal that is presently being considered by the General Assembly (House Substitute 1 for House Bill 396). After careful study we believe, overall, it is a fair and necessary approach badly needed at this time to bring some balance to the takeover arena. Raiders have been able to operate with impunity, whereas the managers of corporations are subjected to a number of checks and balances imposed at the federal as well as the state level. We believe the proposed legislation will protect stockholder interests.

Delaware has long been considered the leader in the corporate governance arena, and we believe that the General Assembly has taken a well-reasoned approach to this issue by not rushing to change current law as a result of the 1987 U.S. Supreme Court's validation of Indiana's takeover law in CTS Corp. v. Dynamics Corp. of America. The Delaware Bar Association's months-long review and ultimate endorsement of the current legislative approach was achieved after careful consideration of the various aspects of corporate law with input from a good cross section of the Bar as well as corporations.

Westvaco, a major paper, packaging, and chemical corporation, was incorporated in the State of Delaware in 1899 and has operated its Newark facility located at 2000 Ogletown Road since 1962. The current employment at this folding carton facility is 300.

Please feel free to contact us if we can be of further assistance in this matter.

Sincerely,

W. Ross Gay
General Manager
Folding Carton Division

Folding Carton Division
2000 Ogletown Road
Newark, DE 19711
Telephone 302 453 -7210

KENT R. STEPHENSON
Senior Vice President,
General Counsel & Secretary

ZAPATA
CORPORATION

January 18, 1988

The Honorable Michael E. Harkins,
Secretary of State
Townsend Building
Dover, Delaware 19901

RE: House Substitute No. 1 to
House Bill No. 396

Dear Mr. Secretary:

In response to your letter of January 13, 1988, this is to advise that Zapata Corporation joins the Corporation Law Section and the Executive Committee of the Delaware Bar Association in support of the referenced legislation.

The conflict between the short-term objectives of corporate raiders and the longer-term objectives of responsibly-managed corporations must be resolved in some manner. The proposed legislation will resolve the conflict without foreclosing any business combination which is based on a sound economic rationale.

Zapata prefers the referenced legislation to an opting-in statute. An opting-in statute would likely result in a large number of publicly-held Delaware corporations seeking stockholder approval of restrictions on corporate takeovers in situations where there is no opposition to such provisions. There is no reason for the effort and expense involved in those solicitations. If a stockholder objects to the applicability of the statute to his corporation, he can use available means for having an appropriate proposal presented to his fellow stockholders. Only once the issue is joined is there reason for the effort and expense of a solicitation of stockholder views.

The experience of Zapata and many other Delaware corporations with a recent opting-in statute, Section 102(b)(7) of the Delaware General Corporation Law, is instructive. In Zapata's case, over three pages of proxy material, carefully reviewed and commented upon by the S.E.C., were devoted to the proposed limitation of director liability. The proposal met with absolutely no controversy, and received the overwhelming approval of those stockholders who were interested enough to vote on the proposal. I understand that the experience of other Delaware corporations was the same. The Delaware legislature is certainly able to and should recognize and resolve corporate governance

issues in the first instance, rather than forcing Delaware corporations to spend far more in time and effort to reach the same conclusion on a corporation-by-corporation basis.

The State of Delaware has a national constituency in this matter, and represents the only such forum for its proper consideration and resolution. Zapata joins Governor Castle in urging a resolution without undue delay. The issue has been debated long enough.

I appreciate the opportunity to present the views of Zapata's management on the subject. I am confident that the foregoing also reflects the opinion of Zapata's Board of Directors, although the directors have not been polled on the matter.

Sincerely,

Kent R. Stephenson

KRS/kaf

ZENITH ELECTRONICS CORPORATION □ 1000 MILWAUKEE AVENUE □ GLENVIEW, ILLINOIS 60025-2493

JOHN BORST, JR.
CORPORATE VICE PRESIDENT
AND GENERAL COUNSEL
(312) 391-8068

January 15, 1988

VIA FACSIMILE

The Honorable Michael E. Harkins
Secretary of State
Townsend Building
Dover, Delaware 19901

Dear Mr. Secretary:

Zenith supports Delaware House Bill No. 396 relating to business combinations with interested shareholders. It will significantly enhance the ability of boards of directors to deal with corporate raiders and prevent abusive takeovers.

Very truly yours,

John Borst, Jr.

JB/bjp