

From the desk of MARTIN LIPTON

To _____

Date 4/25/83

This reflects my current thinking.

1. Open-market purchases. Retain present 13D procedures except require filing within two days of crossing 5% and require new filing and 45-day waiting period before crossing 10%. No 45-day restriction on crossing 10% if by tender offer or if by private purchase to be followed by an offer for all shares.

2. Offer period. 30 calendar days.

3. Proration and withdrawal. Same as offer period.

4. White knight offers. Competing offers stand on their own and do not extend first offer.

5. Price increases. Price increases extend offer period five days.

6. Cash and securities treated equally. Shorten S-14 to what is today the summary. Provide that 30-day offer period for securities offers starts with filing. Permit tenders prior to effectiveness but consummation would be conditioned on registration statement becoming effective.

7. Partial, two-tier and front-end loaded offers. Deter by providing for 45-day instead of 30-day offer period except if second step of two-tier is at same price as first step usual 30-day offer period would apply.

8. Lock-ups. Deter by providing for 45-day offer period if bidder has a lock-up. Note in report committee's doubt as to consistency with business judgment unless purpose is to get a higher bid.

9. Response to tender offer. Continue as is with state law business judgment rule applying. Do not require target to disclose white knight information to raider.

10. Preemption. Continue preemption of state takeover laws but no preemption or restriction on shark repellents in charters. Shark repellent proxy statements should have cover-page legend that anti-takeover measures are to be voted upon.

11. Greenmail. Repurchases at a premium must be by pro-rata tender offer or pursuant to shareholder approval.

12. Golden parachutes. Specific proxy statement disclosure of existing golden parachutes. Golden parachutes granted after offer announced subject to shareholder approval.

13. Disclosure. Eliminate present boilerplate and require cover page and tombstone that disclose clearly price, terms and conditions.

14. Shareholder lists. Target must supply within 48 hours of demand and must include computer tapes and all available nominee information.

15. Standstill agreements. Limit term to one year unless approved by shareholders.