

merger

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January 19, 1962

Mr. Simon Present
Counsellor at Law
55 Liberty Street
New York 5, New York

AIEE-IRE MERGER
DISCUSS WITH TOBIN

Dear Mr. Present:

I have just had a telephone call from President Chase which I outline to you a few minutes later. In response to your request, I am dictating here the four questions that Mr. Chase requests you and Mr. Tobin to discuss and advise upon.

1) CHARTER - The Eight-Man Committee has a preference for using the AIEE New York State Charter of Incorporation and asks whether it is suitable to be the base for the new consolidated organization. If it is unsuitable, I suppose it would be interesting to know whether the IRE Charter is more nearly suitable.

2) SUBJECT OF MEMBER VOTE - The question is just what has to be put before the membership either in an assembled meeting or by letter ballot or gratification to support an application to the court for approval of this consolidation. It is assumed that the members will have to approve the following:

- a) A merger agreement between the two existing corporations.
- b) The new Constitution for the consolidated organization.
- c) The amended Certificate of Incorporation.

d) BYLAWS. Does the membership have to vote on the new Bylaws for the consolidated organization? Your answer to the effect that, if, the Bylaws and the method of their adoption and amendment is defined in the Constitution as not requiring a vote by the membership, the approval of the Constitution would be sufficient.

3) SIXTEEN-MAN COMMITTEE - Would it be possible and legally feasible for the Boards of the two present Institutes to create a joint Sixteen-Man Committee to carry on certain steps in setting up the new organization. The thought is that each Board should elect an additional four men, making eight from each Board (including the four designated by the October Resolution) for the purpose of setting up the organization which is expected to start functioning on January 1, 1963. The things that this Sixteen-Man Committee would be expected to do on the basis of authority voted to them by the Boards of the two present Institutes would be as follows:

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a) Nominate the corporate officers and directors to be elected by the membership to take office on January 1, 1963.

b) Hire a General Manager and set up a business organization staffed to serve the new consolidated organization as of January 1, 1963.

c) Otherwise, take such steps as required to implement the creation of the new corporation as a going concern on January 1, 1963.

4) MEMBERSHIP BUSINESS MEETINGS. As you are aware, AIEE elects its directors and officers and amends its Constitution by direct membership mail ballot. The results of these mail ballots are announced at the Annual Meeting each year when the new officers are inducted and the Annual Report is made to the assembled membership. Only on one recent occasion was a careful count made of the eligible voters and provision made for proxy voting. This was in connection with the amendment of our Certificate of Incorporation. However, it should be noted that we do have these Annual Meetings and we are prepared to act at those Annual Meetings in case there is anything to act upon. We accept the mail ballot as conclusive, however, in the election of officers and in the amendments of the Constitution.

On the other hand, I understand that IRE transacts its corporate business in an Annual Assembly in which the membership is represented by Delegates who elect about a quarter of the Board of Directors and conduct other corporate business.

Now, the question that the Eight-Man Committee seems to be asking you and Mr. Tobin to answer is what is the best method for membership action in the new consolidated organization. It must, of course, strictly conform to the laws of the state of New York; but within that area there may be more convenient and more effective ways to do the job. Your advice is requested.

As I understand it, the Eight-Man Committee will be wanting advice on these four topics very soon. They are meeting, as you know, in Dallas on January 20 and probably will meet again within a few weeks thereafter.

Cordially yours,

N. S. Hibshman
Executive Secretary

NSH:amd

cc: Mr. W. H. Chase