

655 Third Ave., New York, N.Y. 10017
Tel. (212) 972-1840

Gabelli & Company, Inc.

May 16, 1988

**MAGNA CARTA
OF
SHAREHOLDER RIGHTS**

There has been a great deal of dialogue among fund sponsors, especially among corporate sponsors, about the voting of proxies. The U.S. Department of Labor has focused on this as well. We thought it timely to share with you our thought process on the voting of proxies.

The MAGNA CARTA (a) of Shareholder Rights

As we have stated in the past, we are neither for nor against management. We are for shareholders.

As security analysts we are best informed (sic!) to make the decisions on matters that will affect the economic value of investments. We believe a Magna Carta of Shareholder Rights should exist. What do you as a professional in the investment business think?

We feel there are issues that affect corporate governance. The following list outlines our position on these issues:

We are in favor of:

Cumulative Voting
Golden Parachutes
One Share: One Vote
Cash Incentives
Pre-emptive Rights

We will vote against:

Greenmail
Poison Pills
Supermajority Voting
Blank Check Preferreds
Super-Dilutive Stock Options

This is our policy. We will make exceptions when we encounter management that demonstrates superior sensitivity to the needs of shareholders. What are you doing?

(a) The MAGNA CARTA (L. great charter) was signed in June 1215 at Runnymede on the Thames. It was the decisive step forward in the establishment of constitutional government in England.