

1	05:01:53:00	05:01:56:13	WE DON'T ALL START LIFE
2	05:01:56:15	05:01:58:13	ON AN EVEN PLAYING FIELD,
3	05:01:58:15	05:02:02:03	BUT THE RULES ARE THAT
			WE PLAY BY THE RULES
			OF HONESTY AND ETHICS.
4	05:02:02:05	05:02:03:28	BEFORE I TOOK THAT CASE,
5	05:02:04:00	05:02:06:28	I AGREED I WOULD
			DO ANYTHING ETHICAL
6	05:02:07:00	05:02:09:18	TO DEFEND THAT MAN.
7	05:02:09:20	05:02:11:25	I'LL DO MY BEST.
8	05:02:11:27	05:02:14:01	IS IT IMPERFECT?
			YOU BET.
9	05:02:14:03	05:02:16:13	IS IT AWFUL?
			WELL, MAYBE SO.
10	05:02:16:15	05:02:17:28	ISN'T THERE A POINT
11	05:02:18:00	05:02:20:13	WHERE ONE MAN
			HAS TO BE WILLING
12	05:02:20:15	05:02:23:11	TO STEP OUTSIDE
			THE SYSTEM AND SAY,
13	05:02:23:13	05:02:25:17	"I CANNOT DO THIS,
			IT'S WRONG"?
14	05:02:25:19	05:02:29:16	I THINK WE'RE AT THAT POINT,
			WHICH IS NICE, ETHICALLY,
15	05:02:29:18	05:02:33:11	WHERE WE DON'T HAVE
			THE RULES TO PROTECT US.
16	05:02:33:13	05:02:35:29	WE AGONIZE WITH OURSELVES
			AND OUR CONSCIENCE.
17	05:02:43:13	05:02:45:25	COMPETITION
			IN THE MARKETPLACE
18	05:02:45:27	05:02:48:26	WAS AT THE HEART
			OF ADAM SMITH'S VISION
19	05:02:48:28	05:02:50:27	IN <i>THE WEALTH OF NATIONS</i> .
20	05:02:50:29	05:02:54:11	TODAY ONE CAN BUY EVERYTHING
			FROM CARS TO CLOTHESPINs,
21	05:02:54:13	05:02:57:11	BUT THE HOTTEST COMMODITY
			ON THE MARKET
22	05:02:57:13	05:02:59:26	SEEMS TO BE
			NO INDIVIDUAL PRODUCT,
23	05:02:59:28	05:03:01:26	BUT ENTIRE CONGLOMERATES.
24	05:03:01:28	05:03:03:10	IN THE 1980s,
25	05:03:03:12	05:03:05:12	CORPORATIONS
			ARE MERGING WITH
26	05:03:05:14	05:03:07:15	AND ACQUIRING
			OTHER CORPORATIONS
27	05:03:07:17	05:03:09:17	AT AN ASTOUNDING RATE.
28	05:03:09:19	05:03:12:26	THE AMOUNT OF MONEY INVOLVED
			BOGGLES THE MIND.
29	05:03:12:28	05:03:15:25	FROM WALL STREET
			TO MAIN STREET,
30	05:03:15:27	05:03:18:26	THE IMPACT
			HAS BEEN TREMENDOUS.
31	05:03:18:28	05:03:21:27	BUT WHERE IMMENSE AMOUNTS
			OF MONEY CHANGE HANDS,
32	05:03:21:29	05:03:24:10	ETHICAL CONCERNS ALSO ARISE.
33	05:03:24:12	05:03:27:10	WHOSE BEST ECONOMIC INTERESTS
			ARE PARAMOUNT?

34	05:03:27:12	05:03:30:24	DOES THE GOVERNMENT
			HAVE A ROLE TO PLAY
35	05:03:30:26	05:03:33:24	IN THIS GAME
			OF HIGH FINANCE?
36	05:03:33:26	05:03:36:23	THIS PROGRAM EXPLORES
			THE HYPOTHETICAL CASE STUDY
37	05:03:36:25	05:03:39:12	OF A CORPORATE TAKEOVER.
38	05:03:39:14	05:03:42:07	OUR MODERATOR IS LEWIS KADEN.
39	05:03:43:11	05:03:46:24	I'M HARRY OLDMAN.
40	05:03:46:26	05:03:52:07	MR. MERCER, ONE DAY
			I CALL YOU TO MY OFFICE
41	05:03:52:09	05:03:56:12	BECAUSE I WANT TO TALK TO YOU
			ABOUT MY PET PROJECT--
42	05:03:56:14	05:03:58:25	AN EXPENSIVE LONG-TERM
			RESEARCH PROGRAM
43	05:03:58:27	05:04:01:00	TO DEVELOP
			A HYPERSONIC AIRPLANE
44	05:04:01:02	05:04:05:10	THAT WILL FLY
			FROM NEW YORK TO TOKYO
			IN TWO OR THREE HOURS.
45	05:04:05:12	05:04:07:23	SUDDENLY I SLUMP BACK
			INTO THE COUCH,
46	05:04:07:25	05:04:09:13	AND I TELL YOU
47	05:04:09:15	05:04:12:12	THAT I CAN'T FEEL ANYTHING
			ON MY LEFT SIDE.
48	05:04:12:14	05:04:14:19	MY SPEECH
			STARTS TO SLUR.
49	05:04:14:21	05:04:17:09	THEY TAKE ME
			TO THE HOSPITAL.
50	05:04:17:11	05:04:20:24	YOU GET A CALL
			FROM THE DOCTOR,
51	05:04:20:26	05:04:22:20	WHO SAYS,
			"IT'S TOO EARLY TO TELL,
52	05:04:22:22	05:04:24:13	"BUT I THINK
			IT'S A STROKE.
53	05:04:24:15	05:04:26:15	I CAN'T TELL
			HOW SERIOUS."
54	05:04:26:17	05:04:27:27	IT'S NOW 3:30 P.M.
55	05:04:27:29	05:04:30:12	YOU'RE GETTING READY
			FOR AN APPOINTMENT
56	05:04:30:14	05:04:31:26	WITH MS. QUINN,
57	05:04:31:28	05:04:33:23	A NATIONAL
			NEWS WEEKLY REPORTER.
58	05:04:33:25	05:04:37:17	SHE WANTS TO TALK ABOUT
			WHERE PEACHTREE IS HEADED.
59	05:04:37:19	05:04:41:02	DO YOU GO AHEAD
			WITH THE INTERVIEW?
60	05:04:41:04	05:04:44:25	YES, BUT WE AVOID
			WHAT'S HAPPENED TO HARRY.
61	05:04:44:27	05:04:47:11	MS. QUINN,
			DO YOU WANT
			TO INTERVIEW?
62	05:04:47:13	05:04:50:08	YES. I'VE COME HERE
			BECAUSE I'M INTERESTED
63	05:04:50:10	05:04:53:22	IN THE LONG-TERM
			RESEARCH AND

DEVELOPMENT PROGRAM

64 05:04:53:24 05:04:55:22 MR. OLDMAN  
WAS TALKING ABOUT.

65 05:04:55:24 05:04:58:15 BY THE WAY,  
WHERE IS MR. OLDMAN?

66 05:04:58:17 05:05:01:06 HE MAY BE BACK,  
UH...LATER.

67 05:05:01:08 05:05:02:28 HA HA HA HA!

68 05:05:03:00 05:05:05:25 WHY ISN'T HE HERE?

69 05:05:05:27 05:05:10:22 IS THERE SOME REASON  
YOU DON'T WANT ME  
TO TALK TO MR. OLDMAN?

70 05:05:10:24 05:05:14:11 WE WERE GOING TO DISCUSS  
OUR LONG-TERM PROSPECTS.

71 05:05:14:13 05:05:16:11 LET'S GET ON WITH IT.

72 05:05:16:13 05:05:21:17 YOU'RE NOT GOING  
TO TELL HER ABOUT  
MR. OLDMAN'S CONDITION?

73 05:05:21:19 05:05:24:09 NOT NOW.  
I DON'T KNOW HIS CONDITION.

74 05:05:24:11 05:05:27:06 THE DOCTOR SAID  
IT LOOKS LIKE A STROKE.

75 05:05:27:08 05:05:30:14 HE DOESN'T KNOW EITHER.  
IT LOOKS LIKE A STROKE.

76 05:05:30:16 05:05:34:03 WE'LL HAVE TO WAIT  
FOR A GOOD RESPONSE.

77 05:05:34:05 05:05:36:10 MR. BERE,  
YOU'RE CONDUCTING  
THE INTERVIEW.

78 05:05:36:12 05:05:39:15 YOU'D TELL HER  
ABOUT MR. OLDMAN'S  
CONDITION?

79 05:05:39:17 05:05:43:07 I WOULD SAY HE'S ILL  
AND IN THE HOSPITAL.

80 05:05:43:09 05:05:46:12 WE DON'T KNOW  
THE CONSEQUENCES OF THE EVENT.

81 05:05:46:14 05:05:48:03 SUPPOSE HARRY,  
AS HE LEFT,

82 05:05:48:05 05:05:50:03 WITH HIS SLURRED  
SPEECH SAID,

83 05:05:50:05 05:05:53:08 "MR. BERE, ONE THING  
I ASK YOU.

84 05:05:53:10 05:05:55:20 DON'T TELL ANYBODY  
ABOUT THIS."

85 05:05:55:22 05:05:57:23 DOES THAT  
CHANGE YOUR MIND?

86 05:05:57:25 05:06:00:08 NO. I BELIEVE  
THERE'S AN OBLIGATION

87 05:06:00:10 05:06:03:07 TO THE STOCKHOLDER  
AND OTHER STAKEHOLDERS.

88 05:06:03:09 05:06:05:28 CONSEQUENTLY, WE MUST  
CONVEY THAT NEWS

89 05:06:06:00 05:06:09:01 BECAUSE IT'S  
IMPORTANT NEWS  
TO THE ORGANIZATION.

90 05:06:09:03 05:06:13:21 IF I'D BEEN DOING THE INTERVIEW

91 05:06:13:23 WITH THESE TWO PEOPLE  
 05:06:17:26 AND ACCEPTED WHAT BOB SAID,  
 92 05:06:17:28 AND WE TALKED MORE ABOUT R & D,  
 05:06:21:18 THEN I FOUND OUT  
 93 05:06:21:20 LATER THAT HE'D LIED TO ME,  
 05:06:25:24 I WOULD HAVE A STRONG FEELING  
 94 05:06:25:26 ABOUT HIM AND HIS COMPANY.  
 05:06:27:26 WHAT ABOUT THAT,  
 95 05:06:27:28 MR. MERCER?  
 05:06:30:03 I DIDN'T LIE TO YOU.  
 96 05:06:30:05 05:06:33:04 I DID NOT GIVE YOU  
 INFORMATION I DIDN'T HAVE.  
 97 05:06:33:06 05:06:35:04 YOU DID LIE!  
 98 05:06:35:06 05:06:37:19 I SAID,  
 "WHERE IS HE?"  
 99 05:06:37:21 05:06:39:19 YOU CONCEALED  
 THE FACT...  
 100 05:06:39:21 05:06:42:03 "HE'LL COME BACK  
 SOME TIME."  
 101 05:06:42:05 05:06:44:02 YOU DELIBERATELY  
 MISLED ME!  
 102 05:06:44:04 05:06:46:25 SUPPOSE IN THE MIDDLE  
 OF THE INTERVIEW  
 103 05:06:46:27 05:06:49:20 YOU GOT ANOTHER CALL  
 FROM THE DOCTOR.  
 104 05:06:49:22 05:06:52:06 YOU TOOK IT  
 IN ANOTHER ROOM.  
 105 05:06:52:08 05:06:55:03 THE DOCTOR SAID,  
 "IT WAS A STROKE.  
 106 05:06:55:05 05:06:57:05 WE CAN'T TELL  
 HOW SERIOUS."  
 107 05:06:57:07 05:07:00:17 DO YOU TELL HER  
 AFTER THE SECOND  
 PHONE CALL?  
 108 05:07:00:19 05:07:02:28 NOT AT THIS POINT.  
 109 05:07:03:00 05:07:04:13 WHEN IT COMES OUT,  
 110 05:07:04:15 05:07:07:03 I'LL SAY, "DOGGONE!  
 THERE I WAS!  
 111 05:07:07:05 05:07:08:13 HERE'S THIS STORY!"  
 112 05:07:08:15 05:07:11:17 IT MAY BE IN THE OBITS  
 NEXT I KNOW.  
 113 05:07:11:19 05:07:14:17 YOU DIDN'T TELL ME.  
 YOU DELIBERATELY  
 MISLEAD ME.  
 114 05:07:14:19 05:07:16:19 I HAVE  
 A DIFFERENT VIEW  
 115 05:07:16:21 05:07:19:22 OF TRUSTING  
 WHAT YOU OR  
 YOUR COMPANY SAYS  
 116 05:07:19:24 05:07:21:08 IN THE FUTURE.  
 117 05:07:21:10 05:07:23:22 SUDDENLY WE DON'T  
 GET ALONG, JANE.  
 118 05:07:23:24 05:07:26:11 IT WAS  
 INEVITABLE, BOB.  
 119 05:07:26:13 05:07:30:08 MR. BUFFET, IF YOU  
 WERE A MAJOR SHAREHOLDER

120	05:07:30:10	05:07:34:08	IN PEACHTREE, WOULD YOU WANT TO KNOW THIS INFORMATION ABOUT HARRY'S CONDITION?
121	05:07:34:10	05:07:36:08	I WOULD WANT TO KNOW.
122	05:07:36:10	05:07:38:28	IT WOULD DEPEND ON OTHER CONDITIONS...
123	05:07:39:00	05:07:41:24	HOW IMPORTANT HARRY WAS TO THE COMPANY.
124	05:07:41:26	05:07:43:17	HARRY'S VERY IMPORTANT.
125	05:07:43:19	05:07:45:08	HE'S THE SPIRITUAL LEADER...
126	05:07:45:10	05:07:47:23	IDENTIFIED THAT WAY IN THE COMMUNITY.
127	05:07:47:25	05:07:51:15	IF HE'S IMPORTANT, I WOULD WANT TO KNOW.
128	05:07:51:17	05:07:55:19	HOW WOULD YOU REACT TO MR. MERCER NOT TELLING YOU?
129	05:07:55:21	05:07:57:10	HE'LL PROBABLY TELL ME.
130	05:07:57:12	05:07:59:13	MR. MERCER, IS THAT RIGHT?
131	05:07:59:15	05:08:01:02	SURE, I'D TELL HIM.
132	05:08:01:04	05:08:03:02	YOU'D TELL HIM, BUT NOT HER.
133	05:08:03:04	05:08:06:02	WE HAD A PURPOSE FOR THIS INTERVIEW.
134	05:08:06:04	05:08:08:28	I WANT TO SEE THAT PURPOSE ACCOMPLISHED
135	05:08:09:00	05:08:10:28	AND THE COMPANY'S FORWARD PLANS
136	05:08:11:00	05:08:12:20	PROMOTED AND DEVELOPED.
137	05:08:12:22	05:08:15:22	YOU'D USE ME AS A PROMOTIONAL ARM,
138	05:08:15:24	05:08:19:05	RATHER THAN SOMEBODY GETTING OUT THE FACTS ABOUT THE COMPANY.
139	05:08:19:07	05:08:21:09	I'M NOT YOUR PR DEPARTMENT.
140	05:08:21:11	05:08:23:08	JANE, YOU UNDERSTOOD THAT
141	05:08:23:10	05:08:25:28	WHEN WE AGREED TO MAKE THE APPOINTMENT
142	05:08:26:00	05:08:28:03	AND HAVE THE INTERVIEW.
143	05:08:28:05	05:08:30:10	MR. FLOM, SHOULD THEY TELL HER
144	05:08:30:12	05:08:31:24	HARRY'S CONDITION?
145	05:08:31:26	05:08:33:06	AT THE VERY LEAST...
146	05:08:33:08	05:08:38:11	I WOULD TELL HER THAT HE WAS ILL,
147	05:08:38:13	05:08:41:24	AND I DID NOT WANT TO DISCUSS IT FURTHER.
148	05:08:41:26	05:08:46:06	YOU'D CREATE LEGAL LIABILITIES
149	05:08:46:08	05:08:50:15	IF YOU WERE TO PUT OUT FALSE INFORMATION ABOUT IT.
150	05:08:50:17	05:08:54:15	YOU WOULD ALSO CREATE

INSIDER-TRADING LIABILITIES

151 05:08:54:17 05:08:57:20 IF YOU GAVE SELECTIVE PERSONS  
THAT INFORMATION.

152 05:08:57:22 05:08:59:05 IN THIS  
PARTICULAR CASE,

153 05:08:59:07 05:09:02:04 THE LAW AND FAIRNESS  
SEEM TO COINCIDE.

154 05:09:02:06 05:09:04:25 MR. LIMAN,  
IF MR. MERCER  
ASKED YOU FIRST

155 05:09:04:27 05:09:08:24 WHETHER HE SHOULD TELL,  
WHAT WOULD YOU SAY?

156 05:09:08:26 05:09:12:22 I'D SAY YOU'D HAVE TO SAY  
THAT HE'S IN THE HOSPITAL

157 05:09:12:24 05:09:14:15 OR CANCEL THE INTERVIEW.

158 05:09:14:17 05:09:15:29 YOU CAN'T  
MISLEAD HER.

159 05:09:16:01 05:09:17:28 YOU CANNOT MISLEAD HER--

160 05:09:18:00 05:09:20:03 I'LL GIVE YOU  
TWO REASONS--

161 05:09:20:05 05:09:23:03 ONE IS THE LEGAL REASON  
THAT JOE MENTIONED.

162 05:09:23:05 05:09:26:13 THE OTHER IS YOU WILL  
DESTROY THE CREDIBILITY

163 05:09:26:15 05:09:28:16 OF THE COMPANY AND YOURSELF.

164 05:09:28:18 05:09:31:11 THE SHAREHOLDERS  
WILL PAY A PRICE

165 05:09:31:13 05:09:33:10 FOR DESTROYING  
THAT CREDIBILITY.

166 05:09:33:12 05:09:36:13 YOU JUST CANNOT MISLEAD  
A REPORTER.

167 05:09:36:15 05:09:38:25 HEAR! HEAR!

168 05:09:38:27 05:09:40:11 HA HA HA!

169 05:09:40:13 05:09:41:21 MR. PICKENS,

170 05:09:41:23 05:09:44:16 LET'S ASSUME THAT  
PEACHTREE IS A COMPANY

171 05:09:44:18 05:09:48:04 THAT YOU'VE BEEN  
FOLLOWING FOR A WHILE.

172 05:09:48:06 05:09:50:27 MAYBE IF HARRY  
WEREN'T IN THE PICTURE,

173 05:09:50:29 05:09:53:20 YOU MIGHT BE INTERESTED  
IN THIS COMPANY.

174 05:09:53:22 05:09:57:03 THE ODDS ARE,  
IF HARRY GOES,

175 05:09:57:05 05:09:58:22 THE PRICE GOES UP.

176 05:09:58:24 05:09:59:28 BECAUSE...

177 05:10:00:00 05:10:02:16 IT BECOMES  
A PROSPECT FOR SELLOUT.

178 05:10:02:18 05:10:05:07 LET ME MAKE  
HIS CONDITION  
A LITTLE WORSE.

179 05:10:05:09 05:10:08:12 YOU HAVE A SERIOUS INTEREST  
IN THIS COMPANY.

180 05:10:08:14 05:10:12:12 YOU GET A CALL FROM  
SOMEONE YOU'VE MET  
ONCE OR TWICE--

181	05:10:12:14	05:10:14:00	DESMOND GRUNTLED.
182	05:10:14:02	05:10:17:14	HE USED TO WORK FOR MR. MERCER OVER AT PEACHTREE
183	05:10:17:16	05:10:20:20	TILL THEY HAD A DISAGREEMENT A FEW WEEKS AGO
184	05:10:20:22	05:10:22:03	AND HE WAS FIRED.
185	05:10:22:05	05:10:24:23	DESMOND CALLS UP AND SAYS,
186	05:10:24:25	05:10:27:20	"HARRY OLDMAN WON'T BE WITH US VERY LONG.
187	05:10:27:22	05:10:31:00	"PEOPLE DON'T KNOW YET, BUT HE HAD A STROKE.
188	05:10:31:02	05:10:34:06	THE DOCTORS SAY HE MAY NOT LAST A WEEK."
189	05:10:34:08	05:10:38:25	CAN YOU BUY THE STOCK AFTER GETTING THAT CALL?
190	05:10:38:27	05:10:41:06	NO. YOU'VE HAD INSIDER INFORMATION
191	05:10:41:08	05:10:42:25	FROM DES.
192	05:10:42:27	05:10:45:26	WHY DOES THAT STOP YOU?
193	05:10:45:28	05:10:47:22	BECAUSE I KNOW SOMETHING
194	05:10:47:24	05:10:49:22	THE OTHER STOCKHOLDERS DON'T KNOW.
195	05:10:49:24	05:10:51:14	THAT'S UNFAIR TO THEM?
196	05:10:51:16	05:10:52:20	YES.
197	05:10:52:22	05:10:54:20	BUYING BASED ON THAT INFORMATION
198	05:10:54:22	05:10:56:11	IS A PROBLEM, MR. GIULIANI?
199	05:10:56:13	05:11:00:09	HE DEFINITELY HAS A PROBLEM. PRIVATE PLAINTIFFS WILL SUE HIM.
200	05:11:00:11	05:11:02:15	THE SEC WILL INVESTIGATE HIM.
201	05:11:02:17	05:11:06:11	HE'LL PROBABLY END UP, BASED ON YOUR HYPOTHETICAL--
202	05:11:06:13	05:11:09:29	THAT YOU CAN PROVE THAT WAS THE SPECIFIC REASON.
203	05:11:10:01	05:11:12:28	PROBABLY WITH THOSE CIRCUMSTANTIAL FACTS YOU COULD.
204	05:11:13:00	05:11:15:18	THE SEC WILL BRING AN ENFORCEMENT ACTION.
205	05:11:15:20	05:11:19:15	THE CRIMINAL JUDGMENT WHETHER TO INDICT HIM IS DIFFICULT.
206	05:11:19:17	05:11:22:11	I DON'T KNOW HOW YOU WOULD DECIDE IT.
207	05:11:22:13	05:11:25:05	WHO ARE WE PROTECTING BY THIS RULE
208	05:11:25:07	05:11:29:15	THAT HE CAN'T BUY THE STOCK BASED ON THAT INFORMATION?
209	05:11:29:17	05:11:31:17	YOU'RE PROTECTING THE OTHER STOCKHOLDERS
210	05:11:31:19	05:11:33:16	WHO DON'T HAVE THAT INFORMATION,

211 05:11:33:18 05:11:36:20 AND WHO WILL SELL  
 AT A DIFFERENT PRICE  
 212 05:11:36:22 05:11:38:21 AS A RESULT OF THAT.  
 213 05:11:38:23 05:11:41:05 YOU'RE MAKING  
 THE PLAYING FIELD EVEN?  
 214 05:11:41:07 05:11:42:20 ABSOLUTELY.  
 215 05:11:42:22 05:11:47:07 MR. LIMAN, DO YOU AGREE  
 WITH MR. GIULIANI?  
 216 05:11:47:09 05:11:50:21 SOMEWHAT, EXCEPT  
 I START WITH THE PROPOSITION  
 217 05:11:50:23 05:11:54:15 THAT EVERY TIME  
 A SENIOR EXECUTIVE  
 OF A PUBLIC COMPANY  
 218 05:11:54:17 05:11:56:00 GOES TO THE DOCTOR,  
 219 05:11:56:02 05:12:00:09 HE DOES NOT HAVE TO PUBLISH  
 THE RESULTS OF HIS CARDIOGRAM,  
 220 05:12:00:11 05:12:04:24 EVEN THOUGH IT MIGHT HAVE  
 SOME INTEREST TO THE MARKET.  
 221 05:12:04:26 05:12:06:25 I ALSO ASSUME THAT  
 222 05:12:06:27 05:12:13:05 FOR PEOPLE WHO SEE THE EXECUTIVE  
 AT WORK OR ON THE GOLF COURSE  
 223 05:12:13:07 05:12:16:20 AND REACH A CONCLUSION  
 THAT HE DOESN'T LOOK WELL,  
 224 05:12:16:22 05:12:21:08 THAT THAT DOESN'T MEAN THEY  
 HAVE TO ABSTAIN FROM THE MARKET.  
 225 05:12:21:10 05:12:23:23 IN A RATIONAL  
 SYSTEM OF LAW,  
 226 05:12:23:25 05:12:25:23 IT SHOULDN'T MAKE  
 ANY DIFFERENCE  
 227 05:12:25:25 05:12:28:23 WHETHER YOU SEE HIM  
 WHEELED INTO THE HOSPITAL,  
 228 05:12:28:25 05:12:32:24 OR WHETHER YOU FIND OUT  
 FROM A DOCTOR OR NURSE.  
 229 05:12:32:26 05:12:36:16 I'M TRYING TO FIND, MR. FLOM,  
 WHAT WE'RE PROTECTING HERE.  
 230 05:12:36:18 05:12:39:22 YOU CAN'T HAVE  
 A PERFECT PLAYING FIELD.  
 231 05:12:39:24 05:12:41:29 IT'S NEVER GOING TO HAPPEN.  
 232 05:12:42:01 05:12:45:25 WHAT THE LAW HAS TRIED TO DO  
 IS TO SAY  
 233 05:12:45:27 05:12:48:28 THERE ARE CERTAIN PEOPLE  
 THAT HAVE A DUTY  
 234 05:12:49:00 05:12:50:23 TO THE SHAREHOLDERS,  
 235 05:12:50:25 05:12:55:08 AND THEY SHOULDN'T BE ABLE  
 TO USE THE INFORMATION THEY HAVE  
 236 05:12:55:10 05:12:58:08 AGAINST THE INTERESTS  
 OF THOSE SHAREHOLDERS  
 237 05:12:58:10 05:13:01:07 WHERE THEY HAVE  
 A DUTY TO THEM.  
 238 05:13:01:09 05:13:04:09 SO THE INSIDER  
 IN THE COMPANY  
 239 05:13:04:11 05:13:07:23 HAS TO OPERATE FOR THE BENEFIT  
 OF THE SHAREHOLDERS  
 240 05:13:07:25 05:13:11:20 AND, THEREFORE, NOT GIVE  
 THE INFORMATION OUT SELECTIVELY.  
 241 05:13:11:22 05:13:14:08 BUT THE COMPANY



INSIDER'S OBLIGATIONS

242 05:13:14:10 05:13:16:12 DON'T EXTEND TO THE DOCTOR?

243 05:13:16:14 05:13:18:04 NO, THEY DO NOT.

244 05:13:18:06 05:13:20:03 IF YOU'RE  
THE COMPANY LAWYER,

245 05:13:20:05 05:13:22:03 DO THEY EXTEND TO YOU?

246 05:13:22:05 05:13:25:15 THEY CLEARLY EXTEND TO ME  
AS A COMPANY LAWYER

247 05:13:25:17 05:13:28:00 BECAUSE I AM  
IN THAT DIRECT CHAIN.

248 05:13:28:02 05:13:31:27 SENATOR WIRTH,  
DO THESE DISTINCTIONS  
MAKE SENSE TO YOU?

249 05:13:31:29 05:13:34:20 THE CONGRESS HAS BEEN  
WRESTLING WITH THIS

250 05:13:34:22 05:13:37:17 FOR THE LAST  
THREE OR FOUR YEARS.

251 05:13:37:19 05:13:41:01 MANY OF US WANTED TO LEAVE THIS  
DELIBERATELY AMBIGUOUS.

252 05:13:41:03 05:13:42:07 WHY?

253 05:13:42:09 05:13:44:22 WE WOULD RATHER  
LEAVE IT AMBIGUOUS,

254 05:13:44:24 05:13:47:06 AND COMPANY MANAGEMENT  
AND COMPANY RAIDERS

255 05:13:47:08 05:13:49:27 ARE A LITTLE AFRAID  
OF THAT,

256 05:13:49:29 05:13:52:11 AFRAID AN AMBITIOUS D.A.  
OUT THERE

257 05:13:52:13 05:13:54:01 MIGHT GO AFTER THEM.

258 05:13:54:03 05:13:55:22 SO, THEREFORE,  
THEY'LL BEHAVE

259 05:13:55:24 05:13:58:21 AND STAY WITHIN  
THAT AMBIGUOUS LINE

260 05:13:58:23 05:14:01:21 THAT MANY PEOPLE  
HAVE TALKED ABOUT.

261 05:14:01:23 05:14:06:14 MR. EPSTEIN, DOES THIS  
MAKE SENSE TO YOU?

262 05:14:06:16 05:14:08:14 IT DOES,  
BUT NOT REALLY.

263 05:14:08:16 05:14:11:01 I THINK YOU'RE  
PROTECTING AN ILLUSION.

264 05:14:11:03 05:14:13:28 IF YOU CAN'T HAVE  
A LEVEL PLAYING FIELD,

265 05:14:14:00 05:14:17:09 THEN WHY TRY TO CREATE  
THE ILLUSION THERE IS ONE?

266 05:14:17:11 05:14:21:29 THE ALTERNATIVE--LET THE MARKET  
FIX THE PRICE OF THE STOCK.

267 05:14:22:01 05:14:23:28 WITHOUT  
ANY OF THESE RULES?

268 05:14:24:00 05:14:27:00 WITH THE RULES  
THAT PROTECT PEOPLE'S DUTY

269 05:14:27:02 05:14:28:15 TO THEIR CORPORATION,

270 05:14:28:17 05:14:31:05 A CORPORATE EXECUTIVE'S  
TO HIS CORPORATION.

271 05:14:31:07 05:14:33:29 HE CAN'T TRADE.  
HIS LAWYERS CAN'T TRADE.

272 05:14:34:01 05:14:37:14 BUT SEEING SOMEONE WHEELED IN  
 FROM A GOLF COURSE...  
 273 05:14:37:16 05:14:40:08 YOU WANT THAT INFORMATION  
 IN THE MARKET.  
 274 05:14:40:10 05:14:43:14 BUT IF SIR JAMES  
 GETS THE INFORMATION  
 FROM THE DOCTOR,  
 275 05:14:43:16 05:14:45:00 THAT'S OK?  
 276 05:14:45:02 05:14:48:10 ABSOLUTELY. THERE'S NO BREACH  
 OF FIDUCIARY DUTY THERE.  
 277 05:14:48:12 05:14:51:00 MR. GIULIANI,  
 DO YOU AGREE?  
 278 05:14:51:02 05:14:53:24 THE LAST ONE  
 IS A CLOSER QUESTION  
 279 05:14:53:26 05:14:57:28 THAN AN ABSOLUTELY  
 NO-BREACH-OF-FIDUCIARY-DUTY.  
 280 05:14:58:00 05:15:01:19 IF YOU GUESS WRONG  
 ABOUT THESE QUESTIONS  
 WE'VE BEEN DISCUSSING,  
 281 05:15:01:21 05:15:03:15 YOU MIGHT GET INDICTED.  
 282 05:15:03:17 05:15:06:09 IF YOU GUESS WRONG,  
 YOU'LL GET SUED.  
 283 05:15:06:11 05:15:09:14 IF YOU'RE DELIBERATELY WRONG,  
 YOU'LL GET INDICTED.  
 284 05:15:09:16 05:15:12:13 IF YOU MEAN IT  
 WHEN YOU GUESS WRONG.  
 285 05:15:12:15 05:15:13:27 RIGHT!  
 286 05:15:16:04 05:15:20:05 IF MS. QUINN, WHEN SHE FOUND OUT  
 ABOUT HARRY OLDMAN,  
 287 05:15:20:07 05:15:22:28 BEFORE GOING BACK  
 TO WRITE THE STORY,  
 288 05:15:23:00 05:15:25:12 CALLED HER BROKER  
 AND BOUGHT SOME STOCK...  
 289 05:15:25:14 05:15:27:12 IS SHE IN ANY TROUBLE?  
 290 05:15:27:14 05:15:30:08 I WOULD SAY SHE'S  
 DEFINITELY IN TROUBLE.  
 291 05:15:30:10 05:15:33:08 YOU HAVE TO DEFINE  
 THE LEVEL OF TROUBLE.  
 292 05:15:33:10 05:15:34:23 HOW MUCH TROUBLE?  
 293 05:15:34:25 05:15:37:22 TROUBLE IN TERMS  
 OF CIVIL LAWSUITS  
 294 05:15:37:24 05:15:40:07 FROM PEOPLE  
 WHO CLAIM TO BE  
 295 05:15:40:09 05:15:42:22 ON THE OTHER SIDE  
 OF THE TRANSACTION.  
 296 05:15:42:24 05:15:46:25 SHE'S MISUSING HER POSITION  
 AS A REPORTER BY DOING THAT.  
 297 05:15:46:27 05:15:48:23 MS. QUINN?  
 298 05:15:48:25 05:15:51:11 I WOULD EXPECT  
 TO BE INVESTIGATED.  
 299 05:15:51:13 05:15:54:13 I DON'T KNOW  
 IF IT'S ILLEGAL,  
 300 05:15:54:15 05:15:58:29 BUT I THINK IT'S UNETHICAL,  
 IMMORAL, AND FATTENING.  
 301 05:15:59:01 05:16:00:14 WHY?  
 302 05:16:00:16 05:16:01:26 MY JOB IS

303 05:16:01:28 05:16:04:23 TO DO THE STORY  
 304 05:16:04:25 05:16:06:23 I CONSIDER THAT  
 305 05:16:06:25 05:16:09:29 IT WOULD BLOW MY CAREER  
 306 05:16:10:01 05:16:13:12 IT'S MY DUTY  
 307 05:16:13:14 05:16:15:14 YOUR DUTY TO WHOM?  
 308 05:16:15:16 05:16:18:08 YOU DON'T HAVE ANY DUTY  
 309 05:16:18:10 05:16:23:00 I HAVE A DUTY TO THE READERS,  
 310 05:16:23:02 05:16:26:01 IT'S TOTALLY UNETHICAL  
 311 05:16:26:03 05:16:27:20 AND SHOULD NEVER BE DONE.  
 312 05:16:27:22 05:16:31:03 PROFESSOR THUROW?  
 313 05:16:31:05 05:16:33:04 WE'RE SOUNDING ALL  
 314 05:16:33:06 05:16:35:15 TERRIBLY ANGLO-SAXON.  
 315 05:16:35:17 05:16:37:01 LOTS OF WORLD STOCK MARKETS  
 316 05:16:37:03 05:16:40:14 DON'T HAVE OUR INSIDER  
 317 05:16:40:16 05:16:42:22 TRADING LAWS  
 318 05:16:42:24 05:16:45:13 OR DON'T ENFORCE THEM.  
 319 05:16:45:15 05:16:48:18 I HAVE NO EVIDENCE THEY HAVE  
 320 05:16:48:20 05:16:50:17 ANY MORE FRAUD THAN US.  
 321 05:16:50:19 05:16:52:27 I WOULD SQUARE  
 322 05:16:52:29 05:16:55:15 MR. EPSTEIN'S COMMENTS--  
 323 05:16:55:17 05:16:59:15 YOU CAN'T MAKE  
 324 05:16:59:17 05:17:02:14 THE LEVEL PLAYING FIELD.  
 325 05:17:02:16 05:17:05:25 THEREFORE, YOU TELL PEOPLE  
 326 05:17:05:27 05:17:07:25 THIS IS VERY UNLEVEL,  
 327 05:17:07:27 05:17:10:25 THERE ARE LAND MINES  
 328 05:17:10:27 05:17:13:29 EVERYWHERE,  
 329 05:17:14:01 05:17:15:23 AND JOE SIX-PACK  
 330 05:17:15:25 05:17:18:05 DOESN'T HAVE  
 331 05:17:18:07 05:17:20:10 AN EQUAL CHANCE  
 332 05:17:20:12 05:17:22:10 WITH WARREN BUFFET.  
 333 05:17:22:12 05:17:25:15 ANYBODY WHO TELLS JOE SIX-PACK  
 334 05:17:25:17 05:17:28:29 HE DOES IS LYING TO HIM.  
 335 05:17:28:29 05:17:31:03 THESE INSIDER-TRADING LAWS  
 336 05:17:31:03 05:17:33:04 ARE HIGH-LEVEL LYING.  
 337 05:17:33:04 05:17:35:15 THEY'RE TELLING THE PUBLIC  
 338 05:17:35:15 05:17:37:01 SOMETHING THAT ISN'T TRUE.  
 339 05:17:37:01 05:17:39:01 IT'S MORE THAN THE ILLUSION.  
 340 05:17:39:01 05:17:41:01 IT'S REALLY FRAUD  
 341 05:17:41:01 05:17:43:01 AT A HIGH-ORDER SENSE.  
 342 05:17:43:01 05:17:45:01 EVERYBODY HERE WHO IS  
 343 05:17:45:01 05:17:47:01 PARTICIPATING IN THAT PROCESS  
 344 05:17:47:01 05:17:49:01 IS CONTRIBUTING TO FRAUD.  
 345 05:17:49:01 05:17:51:01 IF NOBODY  
 346 05:17:51:01 05:17:53:01 IN THE STOCK MARKET  
 347 05:17:53:01 05:17:55:01 HAD INFORMATION  
 348 05:17:55:01 05:17:57:01 BEFORE ANYBODY ELSE--  
 349 05:17:57:01 05:17:59:01 A REAL LEVEL PLAYING FIELD--  
 350 05:17:59:01 05:18:01:01 THERE WOULD BE NO POINT  
 351 05:18:01:01 05:18:03:01 HAVING THE STOCK MARKET.  
 352 05:18:03:01 05:18:05:01 THE SEARCH IS FOR INFORMATION

335 05:17:29:01 AHEAD OF SOMEBODY ELSE.  
 05:17:31:14 MR. GIULIANI,  
 336 05:17:31:16 05:17:34:27 IS USE YOUR RESOURCES  
 ON DRUG DEALERS  
 AND MOBSTERS.  
 337 05:17:34:29 05:17:36:28 IT'S PRECISELY THE SAME THING.  
 338 05:17:37:00 05:17:39:28 HE'S REALLY SAYING BECAUSE  
 YOU CAN'T ACHIEVE PERFECTION,  
 339 05:17:40:00 05:17:43:21 DON'T TRY EXERCISING CONTROL.  
 LET IT GET OUT OF CONTROL.  
 340 05:17:43:23 05:17:46:22 EXPLAIN  
 OTHER STOCK MARKETS  
 THAT DON'T DO THIS.  
 341 05:17:46:24 05:17:50:07 DO YOU THINK  
 WE'RE MORE ETHICAL  
 THAN THE JAPANESE?  
 342 05:17:50:09 05:17:51:28 THAT'S ABSOLUTELY SILLY.  
 343 05:17:52:00 05:17:54:28 WHAT YOU ARE SAYING  
 WOULD BE SUGGESTING  
 344 05:17:55:00 05:17:58:14 THAT IF YOU CAN'T STOP  
 ALL PEOPLE FROM STEALING,  
 345 05:17:58:16 05:18:01:19 IT SHOULDN'T BE OUTLAWED.  
 PERMIT EVERYBODY TO STEAL.  
 346 05:18:01:21 05:18:05:06 EVERYBODY COULD EQUALLY STEAL  
 FROM EVERYONE ELSE.  
 347 05:18:05:08 05:18:06:27 THAT'S AN ABSURD MODEL.  
 348 05:18:06:29 05:18:08:12 LET'S MOVE ON.  
 349 05:18:08:14 05:18:10:10 MR. PICKENS,  
 350 05:18:10:12 05:18:13:29 LET'S ASSUME YOU DO  
 HAVE AN INTEREST IN PEACHTREE.  
 351 05:18:14:01 05:18:16:13 WHY ARE YOU  
 IN THIS BUSINESS  
 352 05:18:16:15 05:18:19:29 OF INVESTING IN COMPANIES,  
 TAKING OVER COMPANIES?  
 353 05:18:20:01 05:18:21:22 TO MAKE MONEY.  
 354 05:18:21:24 05:18:23:11 THAT'S IT?  
 355 05:18:23:13 05:18:25:17 THAT IS  
 THE PRIMARY REASON  
 356 05:18:25:19 05:18:27:10 THAT YOU WOULD, UH...  
 357 05:18:27:12 05:18:31:25 I SEE MY ROLE AS ONE THAT...  
 I'M A FIDUCIARY.  
 358 05:18:31:27 05:18:37:07 I HAVE TO DO THE BEST I CAN WITH  
 THE CAPITAL AVAILABLE TO ME.  
 359 05:18:37:09 05:18:40:03 WHAT DO YOU  
 CALL YOURSELF,  
 BY THE WAY?  
 360 05:18:40:05 05:18:42:16 I'M A GEOLOGIST.  
 361 05:18:42:18 05:18:46:11 SIR JAMES, ARE YOU  
 A GEOLOGIST, TOO?  
 362 05:18:46:13 05:18:47:29 I'M A GROCER.  
 363 05:18:48:01 05:18:49:16 YOU'RE A GROCER!  
 364 05:18:49:18 05:18:52:16 IS IT UNFAIR TO  
 CALL YOU A RAIDER?  
 365 05:18:52:18 05:18:54:27 IS THAT  
 A NAME YOU LIKE?

366 05:18:54:29 05:18:57:11 THAT'S ONE  
OF THE THINGS I DO.

367 05:18:57:13 05:18:59:11 WHAT NAME  
DO YOU PREFER?

368 05:18:59:13 05:19:01:12 CHOOSE THE NAME YOU LIKE.

369 05:19:01:14 05:19:03:02 I PREFER ANOTHER NAME--

370 05:19:03:04 05:19:06:07 A LARGE INVESTOR  
THAT SOMETIMES  
BECOMES ACTIVE.

371 05:19:06:09 05:19:08:01 SIR JAMES,  
WHEN YOU DECIDE

372 05:19:08:03 05:19:09:29 WHAT BUSINESSES  
TO BE IN,

373 05:19:10:01 05:19:13:20 WHAT ARE THE THINGS  
THAT DRIVE YOU?

374 05:19:13:22 05:19:17:07 YOU CAN DO SOMETHING  
BECAUSE IT'S A START-UP.

375 05:19:17:09 05:19:20:22 YOU SEE AN OPPORTUNITY,  
THE RIGHT GROUP OF PEOPLE,

376 05:19:20:24 05:19:23:09 AND YOU WANT  
TO BACK THEM.

377 05:19:23:11 05:19:25:10 THAT IS A START-UP.

378 05:19:25:12 05:19:27:10 IT WORKS OR DOESN'T WORK,

379 05:19:27:12 05:19:30:28 DEPENDING ON THE JUDGMENT OF  
THE OPPORTUNITY AND THE PEOPLE.

380 05:19:31:00 05:19:34:09 THE OPPOSITE THING IS  
SOMEBODY'S MISTAKE OF THE PAST.

381 05:19:34:11 05:19:38:08 THE MARKET MUST BE FREE  
TO CLEAN UP THAT MISTAKE.

382 05:19:38:10 05:19:40:25 LET ME EXPLAIN  
WHAT I MEAN.

383 05:19:40:27 05:19:42:10 DURING THE 1960s,

384 05:19:42:12 05:19:44:10 THE FASHION WAS  
TO CONGLOMERATE.

385 05:19:44:12 05:19:45:25 THAT WASN'T INDUSTRY.

386 05:19:45:27 05:19:48:24 THE PURPOSE OF CONGLOMERATION  
WAS BUILDING BIG GROUPS

387 05:19:48:26 05:19:51:24 BY FINANCIAL USE  
OF MARKET MULTIPLES.

388 05:19:51:26 05:19:54:23 THEY COULDN'T DO IT  
IN AN INTEGRATED WAY

389 05:19:54:25 05:19:57:19 BECAUSE THE LAW STOPPED IT  
IN ANTITRUSTS,

390 05:19:57:21 05:19:59:19 SO THEY HAD TO CONGLOMERATE.

391 05:19:59:21 05:20:02:00 THEY CREATED THESE  
EXTRAORDINARY CONTRAPTIONS

392 05:20:02:02 05:20:03:22 OF MULTI-INDUSTRY  
COMPANIES,

393 05:20:03:24 05:20:06:22 COMPANIES THAT DID  
EVERY KIND OF THING--

394 05:20:06:24 05:20:09:29 FROM MAKING SOCKS  
TO MAKING ELECTRONIC ENGINES

395 05:20:10:01 05:20:12:25 TO MAKING AEROSPACE  
TO WHATEVER YOU LIKE.

396 05:20:12:27 05:20:14:24 THESE CONGLOMERATES  
DIDN'T WORK.

397 05:20:14:26 05:20:17:19 THERE ARE TWO WAYS  
 TO HANDLE THAT--  
 398 05:20:17:21 05:20:20:02 EITHER ENSHRINE THEM,  
 OSSIFY THEM,  
 399 05:20:20:04 05:20:23:08 MAKE THEM INTO A MONUMENT,  
 AND ALL SAY, "WONDERFUL,  
 400 05:20:23:10 05:20:26:22 THEY DIDN'T WORK,  
 BUT THEY'RE THERE,  
 LIKE A MONUMENT."  
 401 05:20:26:24 05:20:29:20 THEN YOU HAVE  
 INEFFICIENT INDUSTRY FOREVER.  
 402 05:20:29:22 05:20:32:17 OR YOU CAN SAY,  
 "LET THE MARKET FREE,  
 403 05:20:32:19 05:20:35:02 AND LET THE MARKET  
 CLEANSE ITSELF."  
 404 05:20:35:04 05:20:38:22 SOMEBODY--INSTEAD OF A START-UP  
 AS I WAS TALKING ABOUT--  
 405 05:20:38:24 05:20:41:14 HAS TO DO A *RESTART-UP*,  
 406 05:20:41:16 05:20:44:03 WHICH IS CLEANSING  
 THROUGH MARKET ACTION  
 407 05:20:44:05 05:20:46:03 A STRUCTURE  
 WHICH WAS WRONG,  
 408 05:20:46:05 05:20:49:23 LIBERATE THE PIECES SO THEY CAN  
 BECOME VALID COMPANIES,  
 409 05:20:49:25 05:20:52:08 AND, OF COURSE,  
 MAKE A PROFIT.  
 410 05:20:52:10 05:20:54:08 YOU'RE  
 A CLEANSING  
 AGENT.  
 411 05:20:54:10 05:20:57:22 THAT IS JUST AS CONSTRUCTIVE  
 A THING TO DO  
 412 05:20:57:24 05:21:00:22 AS THE START-UP  
 BY WHICH I STARTED.  
 413 05:21:00:24 05:21:02:15 YOU'RE  
 THE CLEANSING  
 AGENT...  
 414 05:21:02:17 05:21:06:01 THE AJAX  
 OF THE CORPORATE  
 WORLD.  
 415 05:21:06:03 05:21:08:08 THE INITIATOR  
 AND THE AJAX, YES.  
 416 05:21:08:10 05:21:11:13 YOU TAKE OVER COMPANIES  
 THAT NEED SOMETHING.  
 417 05:21:11:15 05:21:14:14 I DON'T KNOW  
 OF A WELL-MANAGED COMPANY  
 418 05:21:14:16 05:21:17:14 THAT HAS BEEN  
 TAKEN OVER BY FORCE.  
 419 05:21:17:16 05:21:20:14 I ONLY KNOW OF THOSE  
 THAT HAVEN'T BEEN GOOD.  
 420 05:21:20:16 05:21:22:27 WELL-MANAGED COMPANIES  
 HAVE GOT BETTER  
 421 05:21:22:29 05:21:25:17 BY THE FEAR  
 OF BEING TAKEN OVER.  
 422 05:21:25:19 05:21:29:21 TAKE AWAY THAT FEAR,  
 THEY'LL GO DOWN  
 LIKE THE BAD ONES.

423	05:21:29:23	05:21:31:22	WHY DO YOU DO IT?
424	05:21:31:24	05:21:35:11	TO CLEAN IT UP, FOR THE MONEY, OR BOTH?
425	05:21:35:13	05:21:38:08	IF I'M IN BUSINESS, IT'S FOR MONEY.
426	05:21:38:10	05:21:42:02	THAT'S THE BEST REASON FOR ANYBODY TO BE IN BUSINESS.
427	05:21:42:04	05:21:44:16	THE DEMAGOGUE WILL TELL YOU
428	05:21:44:18	05:21:47:07	HE'S IN BUSINESS FOR THESE CONSTITUENCIES
429	05:21:47:09	05:21:49:21	OF SUPPLIERS, COMMUNITIES, EMPLOYEES.
430	05:21:49:23	05:21:51:09	THAT'S NOT TRUE.
431	05:21:51:11	05:21:53:21	IF IT'S TRUE, IT'S A MISTAKE
432	05:21:53:23	05:21:56:29	BECAUSE IF YOU START TALKING THIS NONSENSE--
433	05:21:57:01	05:22:00:02	"WE'RE IN THIS BUSINESS FOR OUR EMPLOYEES ONLY"--
434	05:22:00:04	05:22:04:00	YOU'LL FEATHERBED, BECOME UNCOMPETITIVE, AND LET THEM ALL DOWN.
435	05:22:04:02	05:22:05:17	IT'S PURE DEMAGOGUERY.
436	05:22:05:19	05:22:09:03	WHILE YOU'RE CLEANSING... YOU'LL MAKE A LITTLE MONEY?
437	05:22:09:05	05:22:11:17	CERTAINLY. THAT'S WHY I'M IN BUSINESS.
438	05:22:11:19	05:22:13:17	I'M NOT IN RELIGION OR POLITICS,
439	05:22:13:19	05:22:16:28	THOUGH I'M NOT CERTAIN YOU DON'T MAKE MONEY IN POLITICS.
440	05:22:17:00	05:22:19:29	TO CLEAN IT UP, YOU'D JOIN THE PEACE CORPS.
441	05:22:20:01	05:22:22:27	I DON'T AGREE WITH THE PEACE CORPS.
442	05:22:22:29	05:22:25:23	I MIGHT JOIN THE CHURCH.
443	05:22:25:25	05:22:29:09	MR. PICKENS, AS WE FOCUS IN ON PEACHTREE...
444	05:22:29:11	05:22:33:22	I LIVE IN PEACHTREE. I GREW UP THERE.
445	05:22:33:24	05:22:35:28	I OWN A FEW SHARES.
446	05:22:36:00	05:22:39:00	WHEN YOU THINK ABOUT INVESTING IN PEACHTREE...
447	05:22:39:02	05:22:40:18	PERHAPS TAKING PEACHTREE OVER...
448	05:22:40:20	05:22:43:15	DO YOU THINK ABOUT ME AT ALL?
449	05:22:43:17	05:22:46:10	WELL, NOT YOU

SPECIFICALLY, NO.

450 05:22:46:12 05:22:48:12 PEOPLE LIKE ME?

451 05:22:48:14 05:22:49:15 YES.

452 05:22:49:17 05:22:51:21 THOSE PEOPLE  
IN PLUM VALLEY?

453 05:22:51:23 05:22:52:28 SURE.

454 05:22:53:00 05:22:54:26 YOU REMEMBER MY RECORD.

455 05:22:54:28 05:22:56:26 IN OUR OFFER  
FOR PHILLIPS,

456 05:22:56:28 05:22:59:17 I SAID I'D MOVE  
TO BARTLESVILLE, OKLAHOMA.

457 05:22:59:19 05:23:01:16 THAT'S A REAL CONCESSION.

458 05:23:01:18 05:23:03:02 HA HA!

459 05:23:01:18 05:23:03:02 HA HA!

460 05:23:04:27 05:23:07:15 YOUR JOB IS TO PURSUE  
YOUR BUSINESS INTERESTS

461 05:23:07:17 05:23:10:05 AND TO USE  
YOUR BUSINESS  
JUDGMENT

462 05:23:10:07 05:23:13:04 IN DECIDING WHAT TO DO  
WITH THAT COMPANY

463 05:23:13:06 05:23:14:25 IF YOU OWN IT.

464 05:23:14:27 05:23:16:01 FAIR?

465 05:23:16:03 05:23:17:27 THAT'S FAIR, YES.

466 05:23:17:29 05:23:20:16 IF THERE ARE  
CONSEQUENCES TO THAT...

467 05:23:20:18 05:23:22:01 TO THAT TOWN...

468 05:23:22:03 05:23:24:16 SOMEBODY ELSE  
HAS TO WORRY ABOUT IT.

469 05:23:24:18 05:23:25:28 NO.

470 05:23:24:18 05:23:25:28 NO.

471 05:23:26:00 05:23:27:19 THAT'S NOT RIGHT.

472 05:23:27:21 05:23:30:28 LOOK BACK OVER THE HISTORY  
OF THE PEOPLE INVOLVED.

473 05:23:31:00 05:23:33:29 I DON'T THINK  
YOU CAN CATEGORICALLY SAY

474 05:23:34:01 05:23:36:23 THAT I'M INTERESTED  
IN MAKING THE MONEY,

475 05:23:36:25 05:23:39:22 I DON'T CARE  
ABOUT THE PEOPLE OR TOWN,

476 05:23:39:24 05:23:41:10 WHICH IS UNTRUE.

477 05:23:41:12 05:23:45:09 LET'S GET ON  
WITH OUR INTEREST  
IN PEACHTREE.

478 05:23:45:11 05:23:49:18 THEN WE CAN SEE WHAT  
THE CONSEQUENCES  
MIGHT BE.

479 05:23:49:20 05:23:53:23 MR. PICKENS, YOU DECIDED  
TO GO AFTER IT.

480 05:23:53:25 05:23:55:18 MR. JOSEPH HERE

481 05:23:55:20 05:23:57:28 IS YOUR  
INVESTMENT BANKER.

482 05:23:58:00 05:24:00:18 MR. LIMAN'S  
YOUR LAWYER.

483 05:24:00:20 05:24:03:23 THEY PUSHED ME INTO IT.

484 05:24:07:01 05:24:09:08 MR. JOSEPH,



IS THAT CONCEIVABLE?

485 05:24:09:10 05:24:11:06 THAT IS CONCEIVABLE.

486 05:24:11:08 05:24:13:12 IT'S PART OF OUR BUSINESS.

487 05:24:13:14 05:24:16:09 WHAT WOULD YOU GET  
OUT OF IT?

488 05:24:16:11 05:24:19:09 IT WOULD BE A COMPANY  
WE WERE ANALYZING,

489 05:24:19:11 05:24:22:08 AND WE THOUGHT  
IT COULD BE RUN BETTER,

490 05:24:22:10 05:24:25:15 THAT IT WOULD FIT IN  
TO HIS COMPANIES BETTER.

491 05:24:25:17 05:24:27:01 HE'S A CLIENT.

492 05:24:27:03 05:24:30:02 HE'S PROBABLY ASKED US  
TO LOOK FOR ACQUISITIONS,

493 05:24:30:04 05:24:33:17 TO SHOW THEM  
ACQUISITION OPPORTUNITIES  
IN THE MARKETPLACE.

494 05:24:33:19 05:24:36:01 WE GET A FEE OUT OF IT.

495 05:24:36:03 05:24:39:01 IF HE LIKES  
THAT IDEA AND GOES AHEAD?

496 05:24:39:03 05:24:40:16 YES, SIR.

497 05:24:40:18 05:24:42:06 WHAT KIND OF FEE?

498 05:24:42:08 05:24:45:17 A PERCENT  
OF THE DOLLAR AMOUNT  
OF THE INVESTMENT.

499 05:24:45:19 05:24:47:17 IF HE BUYS  
THIS COMPANY,

500 05:24:47:19 05:24:50:02 IT WILL COST HIM  
\$5 BILLION.

501 05:24:50:04 05:24:52:17 HOW MUCH WILL  
YOUR ADVICE COST?

502 05:24:52:19 05:24:55:16 MAYBE 5 MILLION  
IF HE DOES THE DEAL

503 05:24:55:18 05:24:58:16 AND EXCLUDING  
ANY FEES WE MIGHT GET

504 05:24:58:18 05:25:02:08 FOR RAISING THE MONEY  
FOR HIM TO MAKE  
THE ACQUISITION.

505 05:25:02:10 05:25:03:21 THAT'S EXTRA!

506 05:25:03:23 05:25:05:03 THAT'S EXTRA.

507 05:25:05:05 05:25:08:17 WHAT DOES HE GET  
FOR THE 5 MILLION?

508 05:25:08:19 05:25:11:22 IT'S PARTIALLY OUR INCENTIVE  
TO BRING HIM THE IDEA.

509 05:25:11:24 05:25:15:29 WE WILL WORK WITH HIM  
ON THE STRATEGY AND TACTICS

510 05:25:16:01 05:25:19:12 OF HOW TO CONSUMMATE  
THE ACQUISITION,

511 05:25:19:14 05:25:21:11 BRING HIM  
OUR ANALYTICAL WORK.

512 05:25:21:13 05:25:24:01 IF HE HAS TO DISPOSE  
OF SOME PIECES,

513 05:25:24:03 05:25:27:25 WE MIGHT ASSIST HIM  
IN THOSE DISPOSITIONS.

514 05:25:27:27 05:25:30:24 RAISING THE MONEY  
WOULD COST HIM MORE.

515	05:25:30:26	05:25:32:09	HOW MUCH MORE?
516	05:25:32:11	05:25:35:09	A PERCENT OF THE DOLLAR AMOUNT WE RAISED
517	05:25:35:11	05:25:36:29	BASED ON THE MARKET.
518	05:25:37:01	05:25:40:15	THE ONGOING COMMISSIONS FOR RAISING THAT KIND OF MONEY...
519	05:25:40:17	05:25:43:00	HIGH-GRADE DEBT MIGHT BE 1%,
520	05:25:43:02	05:25:45:14	LOW-GRADE DEBT MIGHT BE 3%,
521	05:25:45:16	05:25:47:14	EQUITY MIGHT BE 4%-5%.
522	05:25:47:16	05:25:50:26	THAT MIGHT BE A COUPLE HUNDRED MILLION DOLLARS.
523	05:25:50:28	05:25:54:12	MIGHT BE, DEPENDING ON THE SIZE OF THE DEAL.
524	05:25:54:14	05:25:57:18	SIR JAMES, YOU'VE DECIDED TO GO AFTER PEACHTREE.
525	05:25:57:20	05:26:00:18	DO YOU WANT TO BUY ANY PEACHTREE STOCK?
526	05:26:00:20	05:26:02:29	AS THE LAW CURRENTLY STANDS, YES.
527	05:26:03:01	05:26:04:14	WHY?
528	05:26:04:16	05:26:06:21	TO HAVE ENOUGH OF A BASE
529	05:26:06:23	05:26:09:21	SO THAT IF I WASN'T THE ULTIMATE HIGHEST BIDDER,
530	05:26:09:23	05:26:12:24	AT LEAST I WOULD GET BACK MY SUBSTANTIAL COSTS
531	05:26:12:26	05:26:15:19	FROM THE SHARES WHICH I HAD ACCUMULATED.
532	05:26:15:21	05:26:18:05	IT'S LIKE PROTECTING THE DOWN SIDE.
533	05:26:18:07	05:26:21:29	YOU BUY THE STOCKS SO YOU DON'T LOSE, NO MATTER WHAT.
534	05:26:22:01	05:26:23:27	SO IF SOMEBODY COUNTERBIDS,
535	05:26:23:29	05:26:27:05	BIDS MORE THAN ME, THINKS IT'S WORTH MORE,
536	05:26:27:07	05:26:31:01	THEN AT LEAST I WOULD HAVE COVERED THOSE SUBSTANTIAL COSTS.
537	05:26:31:03	05:26:34:12	MR. LIMAN, THERE'S NO PROBLEM WITH HIM
538	05:26:34:14	05:26:36:29	BUYING A FEW SHARES?
539	05:26:37:01	05:26:37:29	NO.
540	05:26:38:01	05:26:39:26	THAT'S NOT INSIDER TRADING,
541	05:26:39:28	05:26:42:11	EVEN THOUGH HE KNOWS WHAT HE'LL DO?
542	05:26:42:13	05:26:44:02	IT'S NOT INSIDER TRADING
543	05:26:44:04	05:26:47:02	TO TRADE ON THE BASIS OF YOUR OWN INTENTIONS.
544	05:26:47:04	05:26:49:05	MR. GIULIANI, RIGHT?

545 05:26:49:07 05:26:51:00 THAT'S RIGHT.  
 546 05:26:51:02 05:26:54:18 EVEN THOUGH WHAT  
 HE WILL DO WILL  
 AFFECT THE MARKET,  
 547 05:26:54:20 05:26:57:18 IF HE GOES AHEAD  
 WITH THIS TAKEOVER.  
 548 05:26:57:20 05:27:00:17 THAT'S RIGHT,  
 UNTIL HE GETS TO HIS 5%,  
 549 05:27:00:19 05:27:04:02 THEN HAS TO DISCLOSE  
 IT ALL TO THE MARKET.  
 550 05:27:04:04 05:27:05:17 BECAUSE  
 CONGRESS SAID  
 551 05:27:05:19 05:27:07:07 AFTER  
 YOU GET 5%,  
 552 05:27:07:09 05:27:09:22 YOU'VE GOT TO  
 TELL THE WORLD.  
 553 05:27:09:24 05:27:13:20 THAT'S THE RULE. CONGRESS  
 COULD HAVE SAID 2%, 1%--  
 554 05:27:13:22 05:27:15:08 OR 20%.  
 555 05:27:15:10 05:27:17:08 \$100,000,  
 BUT THEY SAID 5%.  
 556 05:27:17:10 05:27:19:15 MR. PICKENS,  
 HOW WILL YOU DECIDE  
 557 05:27:19:17 05:27:22:13 WHETHER YOU'D GO THE NEXT JUMP,  
 GOING OVER,  
 558 05:27:22:15 05:27:26:26 SO YOU HAVE TO TELL PEOPLE  
 YOU OWN MORE THAN 5%?  
 559 05:27:26:28 05:27:30:25 THE DECISION WOULD BE  
 WE'RE GOING OVER THE 5%.  
 560 05:27:30:27 05:27:32:25 WE'LL FILE A 13-D.  
 561 05:27:32:27 05:27:37:24 WE HAVE THE 10-DAY RUNNING TIME  
 BEFORE FILING A 13-D.  
 562 05:27:37:26 05:27:40:01 FILING A 13-D  
 TELLS THE WORLD  
 563 05:27:40:03 05:27:42:04 YOU OWN  
 MORE THAN 5%?  
 564 05:27:42:06 05:27:45:26 RIGHT. WE FILE WITH THE SEC  
 WHAT OUR INTENTIONS ARE.  
 565 05:27:45:28 05:27:49:02 THEN THE STRATEGY  
 IS HOW HARD DO YOU GO  
 566 05:27:49:04 05:27:51:17 IN THE 10-DAY  
 RUNNING PERIOD.  
 567 05:27:51:19 05:27:55:07 HOW DO YOU DECIDE  
 TO BUY MORE OR NOT?  
 568 05:27:55:09 05:27:56:26 YOU'LL, UH...  
 569 05:27:56:28 05:28:00:10 THE MARKET ACTION AND ALL  
 IS GOING TO HAVE--  
 570 05:28:00:12 05:28:02:05 WHAT THE PRICE IS.  
 571 05:28:02:07 05:28:03:12 SURE.  
 572 05:28:03:14 05:28:07:02 SIR JAMES, YOU WANT  
 TO TALK TO PEACHTREE.  
 573 05:28:07:04 05:28:09:12 HOW DO YOU DO IT?  
 574 05:28:09:14 05:28:13:01 I CALL THE CHAIRMAN  
 OR THE CHIEF EXECUTIVE.  
 575 05:28:13:03 05:28:15:15 THE CHAIRMAN'S  
 STILL GOT SOME PROBLEMS.

576	05:28:15:17	05:28:17:10	THE CHIEF EXECUTIVE.
577	05:28:17:12	05:28:20:07	LET'S SAY MR. BERE IS THE CHIEF EXECUTIVE.
578	05:28:20:09	05:28:21:24	CALL HIM UP.
579	05:28:21:26	05:28:23:14	MR. BERE...
580	05:28:23:16	05:28:26:19	I'VE GOT SOME STOCK IN YOUR COMPANY.
581	05:28:26:21	05:28:30:27	YOU PROBABLY NOTICED SOME BUYING OF SHARES IN YOUR COMPANY RECENTLY.
582	05:28:30:29	05:28:32:17	YES.
583	05:28:32:19	05:28:35:16	MR. BERE, YOU READY TO TALK TO HIM?
584	05:28:35:18	05:28:39:15	SURELY, AND I WOULD BE SHOCKED IF I WAS SURPRISED
585	05:28:39:17	05:28:41:14	BECAUSE OF TODAY'S COMMUNICATIONS.
586	05:28:41:16	05:28:46:17	PROBABLY DORFMAN HAD THAT ON HIS PROGRAM SIX WEEKS AGO.
587	05:28:46:19	05:28:48:16	SO I SAY, "LET'S MEET,"
588	05:28:48:18	05:28:50:09	AND WE'D PROBABLY MEET.
589	05:28:50:11	05:28:52:00	MR. BERE?
590	05:28:52:02	05:28:54:06	YES, WE WOULD MEET.
591	05:28:54:08	05:28:57:21	BOTH SIDES WOULD HAVE BEEN BRIEFED BY THEIR LAWYERS
592	05:28:57:23	05:29:00:20	AS TO WHAT COULD AND COULDN'T BE SAID.
593	05:29:00:22	05:29:05:06	THE GROUND RULES WOULD BE THAT EVERYTHING SAID DURING THE MEETING
594	05:29:05:08	05:29:07:17	WOULD APPEAR ON 13-D,
595	05:29:07:19	05:29:10:19	AND, THEREFORE, WOULD BECOME PUBLIC KNOWLEDGE.
596	05:29:10:21	05:29:13:29	MR. LIMAN WILL HELP YOU PREPARE A SCRIPT FOR THIS MEETING?
597	05:29:14:01	05:29:18:23	I'LL DISCUSS WITH HIM WHAT SHOULD I SAY, WHAT SHOULD I AVOID,
598	05:29:18:25	05:29:22:21	WHERE I COULD TRAP MYSELF INTO BECOMING AN INSIDER
599	05:29:22:23	05:29:26:14	AND, THEREFORE, NOT BE ABLE TO BUY MORE STOCK.
600	05:29:26:16	05:29:28:11	MR. FLOM REPRESENTS MR. BERE.
601	05:29:28:13	05:29:30:19	WILL YOU ADVISE HIM?
602	05:29:30:21	05:29:33:22	HE'S ALREADY VIOLATED THE ADVICE I'VE GIVEN HIM.
603	05:29:33:24	05:29:36:17	WHICH IS, "STAY AWAY FROM THAT FELLOW!"
604	05:29:36:19	05:29:38:28	WHICH IS, SAY,

605 05:29:39:00 "I'LL GET BACK TO YOU,"  
 606 05:29:40:20 05:29:40:18 THEN CALL YOUR LAWYER.  
 05:29:43:03 YOU'LL TELL HIM  
 HE SHOULDN'T MEET?  
 607 05:29:43:05 05:29:47:04 I'LL TELL HIM  
 I'D LIKE TO DO RESEARCH  
 ON THE CALLER.  
 608 05:29:47:06 05:29:50:04 I'D LIKE TO KNOW MORE  
 ABOUT WHAT WAS INVOLVED.  
 609 05:29:50:06 05:29:53:05 IN SOME CIRCUMSTANCES,  
 I MIGHT SAY DON'T MEET  
 610 05:29:53:07 05:29:56:26 UNLESS YOU GET A STANDSTILL  
 AGREEMENT BEFORE YOU MEET.  
 611 05:29:56:28 05:29:59:22 AN AGREEMENT  
 THAT HE WON'T  
 GO AGAINST YOU?  
 612 05:29:59:24 05:30:04:11 THAT HE WON'T GO AGAINST ME  
 AND WILL MEET IN GOOD FAITH.  
 613 05:30:04:13 05:30:08:05 ON THE OTHER HAND,  
 IF HE'S ALREADY GOT 4.9%,  
 614 05:30:08:07 05:30:10:21 I MIGHT SAY TO MR. BERE,  
 615 05:30:10:23 05:30:13:05 "IT'S TOO LATE.  
 YOU'RE PREGNANT.  
 616 05:30:13:07 05:30:16:06 SO YOU MAY AS WELL  
 GO FIND OUT--"  
 617 05:30:16:08 05:30:18:21 DOES IT MATTER  
 WHO IT IS?  
 618 05:30:18:23 05:30:22:25 WILL YOU MEET  
 WITH MR. PICKENS  
 AND NOT SIR JAMES,  
 619 05:30:22:27 05:30:24:24 OR THE OTHER WAY  
 AROUND?  
 620 05:30:24:26 05:30:27:19 THERE ARE PEOPLE I WOULD SAY  
 DON'T MEET WITH.  
 621 05:30:27:21 05:30:31:02 MR. MERCER, SUPPOSE  
 YOU'RE THE CHIEF EXECUTIVE.  
 622 05:30:31:04 05:30:34:05 YOU'LL MEET AFTER TALKING  
 TO FLOM AND GUTFREUND?  
 623 05:30:34:07 05:30:38:05 LIKE YOGI BERRA SAID, "THIS  
 IS DEJA VU ALL OVER AGAIN."  
 624 05:30:38:07 05:30:41:10 I KNOW ONE  
 OF THESE FELLAS,  
 625 05:30:41:12 05:30:43:19 AND, YES,  
 WE HAD THE MEETING.  
 626 05:30:43:21 05:30:45:18 I AM READY TO MEET.  
 627 05:30:45:20 05:30:47:18 OK, LET'S HAVE  
 THE MEETING.  
 628 05:30:47:20 05:30:50:20 MR. MERCER,  
 WHY DON'T WE START OUT  
 629 05:30:50:22 05:30:53:19 WITH YOU MEETING  
 WITH MR. PICKENS.  
 630 05:30:53:21 05:30:57:10 THIS IS THE FIRST MEETING  
 I'VE HAD WITH ANOTHER CEO.  
 631 05:30:57:12 05:31:00:19 YOU MEAN, BECAUSE  
 YOU DON'T SEEK THE MEETING?  
 632 05:31:00:21 05:31:04:03 YES, I MEAN--BUT NOBODY

633 05:31:09:07 EVER MEETS WITH ME.  
 05:31:12:11 THIS MAY BE  
 634 05:31:12:13 ONE OF YOUR REAL SUCCESSES.  
 05:31:15:03 ALREADY. ALREADY  
 635 05:31:15:05 I'VE HAD A SUCCESS.  
 05:31:17:04 LET'S HAVE  
 636 05:31:17:06 THE DISCUSSION.  
 05:31:20:11 MR. PICKENS  
 637 05:31:20:13 AND MR. MERCER.  
 05:31:22:22 MR. PICKENS,  
 638 05:31:22:24 WE'VE NEVER MET,  
 05:31:25:18 BUT I'M DELIGHTED TO  
 639 05:31:25:20 GET ACQUAINTED WITH YOU.  
 05:31:29:11 I UNDERSTAND YOU'RE NOW  
 640 05:31:29:13 MY LARGEST SHAREHOLDER,  
 05:31:33:02 AND THAT'S VERY EXCITING  
 641 05:31:33:04 FOR A LOT OF US.  
 05:31:35:22 DO YOU HAVE  
 642 05:31:35:24 SOMETHING IN MIND  
 05:31:38:14 BEYOND THE FACT THAT  
 643 05:31:38:16 YOU'RE ADMIRING THE SUCCESS  
 05:31:40:21 WE'VE CREATED  
 644 05:31:40:23 WITH THIS CORPORATION?  
 05:31:43:04 I DO HAVE  
 645 05:31:43:06 SOMETHING IN MIND.  
 05:31:45:04 TELL ME ABOUT IT.  
 646 05:31:45:06 05:31:48:19 WE'D LIKE TO MAKE  
 AN OFFER FOR YOUR COMPANY.  
 647 05:31:48:21 05:31:51:03 TELL ME  
 WHAT THE OFFER IS  
 648 05:31:51:05 05:31:54:05 AND THEN WHAT  
 YOU HAVE IN MIND  
 649 05:31:54:07 05:31:56:13 AFTER YOU  
 ACQUIRE THE COMPANY.  
 650 05:31:56:15 05:32:00:19 WHEN YOU GET TO THE POINT  
 OF MAKING THE OFFER,  
 651 05:32:00:21 05:32:02:19 STOCK'S SELLING AT 20,  
 652 05:32:02:21 05:32:05:19 YOU'VE DECIDED WITH  
 YOUR ADVISERS TO MAKE IT 30.  
 653 05:32:05:21 05:32:08:00 WILL YOU TELL HIM  
 THAT NOW?  
 654 05:32:08:02 05:32:12:19 AT THIS POINT, I'M READY  
 TO GIVE YOU MY BEST OFFER.  
 655 05:32:12:21 05:32:14:20 I DON'T CARE  
 ABOUT TRADING.  
 656 05:32:14:22 05:32:17:19 WE BELIEVE YOU'RE WORTH  
 \$30 A SHARE.  
 657 05:32:17:21 05:32:19:19 WE'RE WILLING  
 TO PAY THAT.  
 658 05:32:19:21 05:32:22:04 AND THEN WHAT  
 ARE YOUR INTENTIONS?  
 659 05:32:22:06 05:32:25:08 TO RUN IT AND DO BETTER  
 THAN YOU'VE DONE.  
 660 05:32:25:10 05:32:28:18 DO YOU HAVE A PLAN  
 THAT I CAN TAKE  
 661 05:32:28:20 05:32:31:04 TO MY BOARD

662 05:32:31:06 OF DIRECTORS?  
 05:32:34:18 WE WANT TO GIVE  
 YOUR STOCKHOLDERS  
 \$30 A SHARE,  
 663 05:32:34:20 05:32:37:17 AND THE STOCK'S  
 SELLING AT 20.  
 664 05:32:37:19 05:32:41:02 JUST KNOW THAT WE'RE  
 GOING TO RUN THE COMPANY,  
 665 05:32:41:04 05:32:44:29 AND WE'RE GOING TO  
 PAY A BIG PRICE FOR IT.  
 666 05:32:45:01 05:32:49:14 YOU'VE BEEN UNABLE  
 TO GET THE PRICE  
 TO \$30 A SHARE.  
 667 05:32:49:16 05:32:52:17 YOU THINK I COULD  
 TELL MY BOARD  
 OF DIRECTORS,  
 668 05:32:52:19 05:32:55:16 "I JUST PLAN  
 TO DO A BETTER JOB"  
 669 05:32:55:18 05:32:58:17 AND HANG ON TO  
 MY JOB DOING THAT?  
 670 05:32:58:19 05:33:00:16 THEY WOULDN'T  
 ACCEPT THAT.  
 671 05:33:00:18 05:33:02:18 THE OWNERS  
 OF THE COMPANY  
 672 05:33:02:20 05:33:05:18 WOULD BE DELIGHTED  
 WITH A \$30 OFFER,  
 673 05:33:05:20 05:33:07:17 WHO ARE THE SHAREHOLDERS.  
 674 05:33:07:19 05:33:09:17 SOME 68,000  
 OF MY OWNERS  
 675 05:33:09:19 05:33:12:08 HAVE BEEN  
 VERY HAPPY WITH  
 THE CORPORATION.  
 676 05:33:12:10 05:33:14:07 I'M NOT  
 QUESTIONING THAT.  
 677 05:33:14:09 05:33:17:01 I'M SAYING THAT  
 NOW THEY HAVE  
 AN OPPORTUNITY  
 678 05:33:17:03 05:33:20:03 TO GET A 50% PREMIUM  
 TO MARKET.  
 679 05:33:20:05 05:33:22:05 THEY WILL TAKE  
 \$30 A SHARE  
 680 05:33:22:07 05:33:25:11 IF THEY HAVE AN OPPORTUNITY  
 TO MAKE THAT DECISION.  
 681 05:33:25:13 05:33:28:02 YOU'RE GOING TO  
 ARGUE WITH HIM?  
 682 05:33:28:04 05:33:30:15 YES. BECAUSE  
 THERE ISN'T A PLAN  
 683 05:33:30:17 05:33:32:14 THAT'S BENEFICIAL  
 TO THE CORPORATION.  
 684 05:33:32:16 05:33:34:15 IT'S A ONE-TIME HIT.  
 685 05:33:34:17 05:33:37:16 WE GET A SPIKE  
 IN THE SHARE PRICE.  
 686 05:33:37:18 05:33:39:16 WE CASH OUT  
 A CORPORATION  
 687 05:33:39:18 05:33:42:15 INSTEAD OF  
 OPERATING IT

AS A VIABLE ENTITY.

688 05:33:42:17 05:33:45:14 SIR JAMES, IF YOU WERE  
MEETING WITH MR. BERE

689 05:33:45:16 05:33:48:02 WOULD YOU SAY  
WHAT MR. PICKENS DID?

690 05:33:48:04 05:33:50:14 I WOULD EXPLAIN WHY,  
I THINK,

691 05:33:50:16 05:33:52:18 WHAT I WOULD DO,  
692 05:33:52:20 05:33:55:02 WHAT THE PLAN  
WOULD BE.

693 05:33:55:04 05:33:58:16 DO YOU TELL HIM  
YOU'RE READY  
TO PAY \$30?

694 05:33:58:18 05:34:01:29 I WOULDN'T BE  
AT THAT STAGE  
AT THIS MEETING,

695 05:34:02:01 05:34:03:15 UNLESS HE ASKED.  
696 05:34:03:17 05:34:05:00 MR. BERE?  
697 05:34:05:02 05:34:08:16 MY REACTION IS THAT  
THIS IS AN INFORMATION MEETING.

698 05:34:08:18 05:34:11:15 I WOULD BE DELIGHTED  
TO HEAR HIS PLANS

699 05:34:11:17 05:34:14:16 AND HIS ARTICULATION  
OF HIS EVALUATION OF MY COMPANY,  
700 05:34:14:18 05:34:17:22 ONE THAT I POSSIBLY  
SHOULD KNOW WELL,

701 05:34:17:24 05:34:21:00 TO DETERMINE  
WHAT FUTURE PLANS HE HAS,  
702 05:34:21:02 05:34:24:29 WHY CAN HE OPTIMIZE  
SHAREHOLDER VALUE WITH THE PLAN

703 05:34:25:01 05:34:26:28 THAT HE IS INDICATING.  
704 05:34:27:00 05:34:29:14 SUPPOSE, LIKE  
MR. PICKENS,  
HE SAID,

705 05:34:29:16 05:34:33:07 "I WANT TO BUY  
YOUR COMPANY  
FOR \$30 A SHARE."

706 05:34:33:09 05:34:35:14 I WOULDN'T ANSWER HIM.  
707 05:34:35:16 05:34:37:28 I WOULD TAKE THAT  
AS INFORMATION.

708 05:34:38:00 05:34:41:06 I WOULD TALK TO MY COUNSEL  
ON BOTH SIDES

709 05:34:41:08 05:34:44:13 AND DISCUSS WHAT'S HAPPENED  
WITH MY BOARD OF DIRECTORS.

710 05:34:44:15 05:34:47:13 YOU MUST GO  
TO THE BOARD OF DIRECTORS?

711 05:34:47:15 05:34:50:14 I FEEL I DO.  
THAT'S WHO I WORK FOR.

712 05:34:50:16 05:34:52:00 MR. MERCER?  
713 05:34:52:02 05:34:54:16 THEY REPRESENT  
THE SHAREHOLDERS,

714 05:34:54:18 05:34:57:13 AND I WORK FOR  
THE BOARD  
OF DIRECTORS.

715 05:34:57:15 05:34:59:27 YOU MUST MEET  
WITH THE BOARD?



716	05:34:59:29	05:35:01:03	YES.
717	05:35:01:05	05:35:03:01	WE'LL HAVE
			THAT MEETING NOW.
718	05:35:03:03	05:35:04:26	MR. FLOM,
			YOU'RE THE LAWYER,
719	05:35:04:28	05:35:06:29	MR. GUTFREUND,
			THE INVESTMENT BANKER.
720	05:35:07:01	05:35:09:07	THE BOARD
			INCLUDES BOTH OF YOU.
721	05:35:09:09	05:35:11:05	I'M OUT OF THE HOSPITAL,
722	05:35:11:07	05:35:12:12	HARRY OLDMAN.
723	05:35:12:14	05:35:14:13	I'M IN
			THE CHAIRMAN'S SEAT.
724	05:35:14:15	05:35:17:26	DEAN THUROW IS THE DEAN
			OF THE BUSINESS SCHOOL
725	05:35:17:28	05:35:19:14	IN PLUM VALLEY.
726	05:35:19:16	05:35:21:14	HE'S ON YOUR BOARD.
727	05:35:21:16	05:35:24:09	MAYOR GOLDIN, HERE,
728	05:35:24:11	05:35:27:27	HE'S BEEN A LONG-TIME SUPPORTER
			OF YOUR COMPANY,
729	05:35:27:29	05:35:30:23	IS ALSO A MEMBER...
			OF THE BOARD.
730	05:35:30:25	05:35:34:09	LET'S SAY SENATOR WIRTH HAS BEEN
			RETIRED FROM THE SENATE,
731	05:35:34:11	05:35:37:25	BECOME THE PRESIDENT
			OF PLUM VALLEY UNIVERSITY,
732	05:35:37:27	05:35:41:20	AND HE'S ON THE BOARD
			AS WELL.
733	05:35:41:22	05:35:44:26	YOU PRESENT
			THE PROPOSAL TO THEM.
734	05:35:44:28	05:35:47:26	MR. FLOM,
			IF THEY ASK YOU
735	05:35:47:28	05:35:49:25	TO DESCRIBE
			THE COMPANY'S OPTIONS,
736	05:35:49:27	05:35:52:08	WHAT DO YOU SAY?
737	05:35:52:10	05:35:54:10	WELL, FIRST
			IN THESE MEETINGS,
738	05:35:54:12	05:35:57:26	YOU EXPLAIN TO THE BOARD THEIR
			DUTIES AND RESPONSIBILITIES.
739	05:35:57:28	05:35:59:11	WHAT ARE THEY?
740	05:35:59:13	05:36:02:11	THEY ARE TO CONSIDER THE OFFER
			IN GOOD FAITH,
741	05:36:02:13	05:36:05:26	TO CONSIDER WHAT THE INTERESTS
			OF THE SHAREHOLDERS ARE.
742	05:36:05:28	05:36:07:26	YOU'VE GOT TO RECOGNIZE
743	05:36:07:28	05:36:10:27	THAT THE SHAREHOLDERS
			ARE NOT A SINGLE ENTITY.
744	05:36:10:29	05:36:13:20	THERE ARE ALL KINDS
			OF SHAREHOLDERS.
745	05:36:13:22	05:36:16:12	YOU WOULD POINT OUT
			THAT THE INVESTMENT BANKER
746	05:36:16:14	05:36:19:10	WILL BE ADVISING THEM
			ON WHETHER THIS OFFER
747	05:36:19:12	05:36:22:07	IS FAIR, MORE THAN FAIR,
			OR UNFAIR.
748	05:36:22:09	05:36:25:05	IF SOMEBODY OFFERS

749	05:36:25:07	05:36:28:14	WHAT YOUR HOUSE IS WORTH, THERE'S NO REASON TO SELL IT.
750	05:36:28:16	05:36:31:10	IF SOMEONE OFFERS MORE THAN IT'S WORTH,
751	05:36:31:12	05:36:34:09	YOU'VE GOT A DIFFERENT LOOK.
752	05:36:34:11	05:36:37:01	MAYOR GOLDIN, SUPPOSE YOU JUST RETIRED AS MAYOR,
753	05:36:37:03	05:36:40:08	STILL HAVE THE SAME INTEREST IN THAT PLANT,
754	05:36:40:10	05:36:42:29	IN THAT COMMUNITY,
755	05:36:43:01	05:36:44:28	STILL HAVE THE SAME CONCERNS
756	05:36:45:00	05:36:46:28	ABOUT WHAT SIR JAMES' PLANS
757	05:36:47:00	05:36:49:01	MIGHT MEAN FOR PLUM VALLEY,
758	05:36:49:03	05:36:51:02	BUT YOU'RE NO LONGER MAYOR.
759	05:36:51:04	05:36:53:24	I NOW HAVE AN INSTITUTIONAL DUTY.
760	05:36:53:26	05:36:55:24	I HAVE A CORPORATE DUTY.
761	05:36:55:26	05:36:59:02	I HAVE INTERESTS AS A CITIZEN, AS A FATHER--
762	05:36:59:04	05:37:02:25	CAN YOU BRING THOSE OTHER INTERESTS TO THIS MEETING?
763	05:37:02:27	05:37:04:25	I'M NOT UNMINDFUL OF THEM,
764	05:37:04:27	05:37:08:09	BUT THE PRIMACY OF MY DUTY IS TO SHAREHOLDERS
765	05:37:08:11	05:37:11:14	BECAUSE THAT'S THE INSTITUTIONAL ROLE I'M DISCHARGING.
766	05:37:11:16	05:37:13:15	THEREFORE, I CAN DO NOTHING
767	05:37:13:17	05:37:15:29	TO VINDICATE OTHER INTERESTS AND ROLES
768	05:37:16:01	05:37:19:10	WHICH IN ANY WAY DILUTES OR DETRACTS
769	05:37:19:12	05:37:22:08	FROM THIS INSTITUTIONAL OBLIGATION I HAVE AS A DIRECTOR.
770	05:37:22:10	05:37:24:09	MR. FLOM, IS HE RIGHT?
771	05:37:24:11	05:37:25:27	HE'S ABSOLUTELY RIGHT.
772	05:37:25:29	05:37:28:09	HIS FIRST OBLIGATION... TO SHAREHOLDERS?
773	05:37:28:11	05:37:30:22	YES. NOW, THERE ARE SOME STATES
774	05:37:30:24	05:37:32:22	WHICH HAVE NOW PASSED LAWS
775	05:37:32:24	05:37:35:07	SAYING THAT

776 05:37:35:09 THE BOARD OF DIRECTORS  
 05:37:37:21 CAN TAKE INTO ACCOUNT  
 777 05:37:37:23 OTHER CONSTITUENCIES.  
 05:37:39:08 IN WHICH CASE,  
 778 05:37:39:10 05:37:41:20 THE DECISION-MAKING PROCESS  
 IS DIFFERENT.  
 779 05:37:41:22 05:37:43:23 SOME CORPORATIONS  
 HAVE A PROVISION  
 780 05:37:43:25 05:37:45:22 WHICH WOULD  
 CHANGE THE THING.  
 781 05:37:45:24 05:37:48:28 SHOULD HE BE ABLE  
 TO ENTER THAT BOARD MEETING  
 782 05:37:49:00 05:37:51:15 AND BALANCE  
 THE SHAREHOLDERS' INTERESTS  
 783 05:37:51:17 05:37:53:11 AGAINST THESE  
 COMMUNITY INTERESTS?  
 784 05:37:53:13 05:37:55:05 I THINK THE ANSWER IS  
 785 05:37:55:07 05:37:57:22 THE SHAREHOLDERS  
 SHOULD HAVE THE SAY,  
 786 05:37:57:24 05:37:59:08 NOT THE DIRECTORS.  
 787 05:37:59:10 05:38:03:06 THE BOARD OF DIRECTORS  
 IS THERE TO MIND THE STORE,  
 788 05:38:03:08 05:38:06:28 NOT TO DETERMINE WHETHER  
 TO SELL THE STORE, ULTIMATELY.  
 789 05:38:07:00 05:38:10:07 DEAN THUROW,  
 WHAT SHOULD THE RULES BE?  
 790 05:38:10:09 05:38:12:08 I THINK  
 BOONE IS RIGHT  
 791 05:38:12:10 05:38:15:29 THERE'S NO EVIDENCE THAT IF  
 THE CURRENT MANAGER GETS FIRED  
 792 05:38:16:01 05:38:18:07 BECAUSE HE'S  
 BEEN INCOMPETENT  
 793 05:38:18:09 05:38:20:20 THAT YOU'LL CLOSE  
 THE LOCAL FACILITY.  
 794 05:38:20:22 05:38:22:16 THERE ISN'T  
 ANY CONFLICT YET  
 795 05:38:22:18 05:38:24:17 BETWEEN MY  
 COMMUNITY INTEREST--  
 796 05:38:24:19 05:38:26:08 AS A DIRECTOR,  
 797 05:38:26:10 05:38:28:05 I DON'T HAVE  
 AN OBLIGATION  
 798 05:38:28:07 05:38:30:06 TO PRESERVE  
 THE PRESIDENT'S JOB.  
 799 05:38:30:08 05:38:31:19 MR. BUFFET,  
 800 05:38:31:21 05:38:33:18 IF YOU WERE  
 ON THIS BOARD,  
 801 05:38:33:20 05:38:35:28 AND YOU WERE  
 A SUBSTANTIAL  
 SHAREHOLDER,  
 802 05:38:36:00 05:38:39:17 WHAT WOULD YOU WANT  
 THE DIRECTORS TO DO?  
 803 05:38:39:19 05:38:41:20 I'D ANALYZE  
 THE COMPANY'S OPTIONS.  
 804 05:38:41:22 05:38:44:20 IT WOULD DEPEND  
 ON THE SHAREHOLDER BASE,  
 805 05:38:44:22 05:38:46:21 OTHERS THAT

WERE INTERESTED,  
806 05:38:46:23 05:38:49:21 AND THE COMPANY'S POSSIBILITIES  
OVER A LONG TIME.  
807 05:38:49:23 05:38:53:13 I WOULD TRY DOING THE BEST THING  
FOR THE SHAREHOLDERS.  
808 05:38:53:15 05:38:56:05 I'M STIPULATING  
THAT THE COMMUNITY  
WILL BE HURT  
809 05:38:56:07 05:38:58:20 BECAUSE THEY WILL  
CLOSE THAT PLANT,  
810 05:38:58:22 05:39:01:25 AND THEY THINK  
THAT'S A GOOD  
BUSINESS DECISION.  
811 05:39:01:27 05:39:04:21 THE PROBLEM  
OF WHO PROTECTS  
THAT COMMUNITY  
812 05:39:04:23 05:39:08:00 SHOULD NOT BE  
IN THAT BOARD ROOM.  
813 05:39:08:02 05:39:10:05 IS THAT  
WHAT YOU'RE SAYING?  
814 05:39:10:07 05:39:12:05 YOU CAN TELL  
THE SHAREHOLDERS,  
815 05:39:12:07 05:39:15:08 "IN DECIDING WHETHER  
TO ACCEPT THIS OFFER,  
816 05:39:15:10 05:39:17:19 "YOU SHOULD CONSIDER  
THAT MR. PICKENS' OFFER  
817 05:39:17:21 05:39:19:06 "CLOSES THE PLANT.  
818 05:39:19:08 05:39:21:01 "IF WE CONTINUE  
RUNNING IT,  
819 05:39:21:03 05:39:22:17 "IT WON'T CLOSE.  
820 05:39:22:19 05:39:24:16 YOU SHOULD  
VOTE ON THAT."  
821 05:39:24:18 05:39:27:12 SENATOR WIRTH,  
AS A BOARD MEMBER,  
822 05:39:27:14 05:39:29:12 WHAT SHOULD  
YOUR RESPONSIBILITY--  
823 05:39:29:14 05:39:31:18 I'M NOT ON THE BOARD  
824 05:39:31:20 05:39:33:18 BECAUSE I'M  
AN INVESTMENT BANKER.  
825 05:39:33:20 05:39:37:18 I'M ON THE BOARD BECAUSE  
I'M PRESIDENT OF THE UNIVERSITY  
826 05:39:37:20 05:39:40:04 BECAUSE THE SHAREHOLDERS  
HAVE SOME VALUE  
827 05:39:40:06 05:39:43:12 IN MY BEING ABLE  
TO FOUL UP BOONE PICKENS.  
828 05:39:43:14 05:39:46:11 THERE IS ALSO A DEEP  
RELATIONSHIP BETWEEN PEACHTREE  
829 05:39:46:13 05:39:49:02 AND THE UNIVERSITY  
AND THE COMMUNITY.  
  
830 05:39:49:04 05:39:53:13 I'M ON THE BOARD NOT ONLY  
TO REPRESENT THOSE SHAREHOLDERS,  
831 05:39:53:15 05:39:55:21 BUT ALSO THE UNIVERSITY  
AND COMMUNITY.  
832 05:39:55:23 05:39:59:04 I'M NOT THERE  
BECAUSE I'M A FINANCIAL GURU.

833	05:39:59:06	05:40:01:28	I REPRESENT OTHER CONSTITUENCIES
			THAT WERE REFERRED TO EARLIER.
834	05:40:02:00	05:40:03:18	AS A RESULT,
835	05:40:03:20	05:40:07:03	BEFORE I GO ALONG
			WITH WHATEVER THIS MAY BE,
836	05:40:07:05	05:40:10:03	I WANT TO TALK TO
			WHOEVER IT IS,
837	05:40:10:05	05:40:14:12	MAKE MY BEST JUDGMENT
			AS TO WHAT THEY'RE GOING TO DO.
838	05:40:14:14	05:40:18:06	THERE ARE A VARIETY
			OF OTHER VALUES AT STAKE ALSO.
839	05:40:18:08	05:40:21:02	IF YOU COULD
			WRITE THE LAWS
			IN WASHINGTON--
840	05:40:21:04	05:40:23:15	THIS CORPORATION
			HAS WRITTEN THE LAWS
841	05:40:23:17	05:40:26:14	IN ASKING ME
			TO COME ON THE BOARD.
842	05:40:26:16	05:40:29:16	I WILL REFLECT
			MY RESPONSIBILITIES
			TO THE SHAREHOLDERS
843	05:40:29:18	05:40:31:29	AND TO THE COMMUNITY
			I REPRESENT.
844	05:40:32:01	05:40:35:15	MR. LIMAN,
			WHAT SHOULD HAPPEN
			IN THAT BOARD ROOM?
845	05:40:35:17	05:40:40:16	I DON'T SEE HOW A BOARD
			ELECTED BY SHAREHOLDERS
846	05:40:40:18	05:40:44:26	CAN BE EXPECTED
			TO PROTECT, FOR EXAMPLE,
847	05:40:44:28	05:40:48:14	THE INTERESTS
			OF A COMMUNITY
848	05:40:48:16	05:40:52:07	OR THE INTERESTS
			IN DIVERSITY IN THE ECONOMY.
849	05:40:52:09	05:40:56:01	THAT, PERHAPS, HAS TO COME
			FROM THE RULES OF THE GAME
850	05:40:56:03	05:40:58:00	THAT ARE ESTABLISHED
			BY GOVERNMENT,
851	05:40:58:02	05:40:59:21	BY DEMOCRATIC PROCESSES.
852	05:40:59:23	05:41:01:15	BOARDS HAVE TO
			REPRESENT SHAREHOLDERS.
853	05:41:01:17	05:41:03:01	SENATOR WIRTH?
854	05:41:03:03	05:41:06:17	WE'VE BEEN ARGUING
			FOR 100 YEARS IN THIS COUNTRY
855	05:41:06:19	05:41:09:02	ABOUT THE RESPONSIBILITIES
			CORPORATIONS HAVE
856	05:41:09:04	05:41:10:16	TO THEIR COMMUNITIES.
857	05:41:10:18	05:41:13:03	WE'VE TRIED
			FOR A LONG TIME
858	05:41:13:05	05:41:15:01	TO GET CORPORATIONS
			MORE RESPONSIBLE.
859	05:41:15:03	05:41:17:01	WE'VE DONE IT
			AT PEACHTREE.
860	05:41:17:03	05:41:19:11	WE'RE REACHING OUT,
			SUPPORTING THIS UNIVERSITY,
861	05:41:19:13	05:41:21:11	SUPPORTING

CULTURAL ACTIVITIES.

862 05:41:21:13 05:41:24:17 WE ARE WHAT AMERICA BELIEVES  
CORPORATE RESPONSIBILITY IS.

863 05:41:24:19 05:41:26:16 YOU LAWYERS  
FROM WALL STREET

864 05:41:26:18 05:41:29:03 ARE TELLING US  
WHAT TO DO

865 05:41:29:05 05:41:31:29 WITH OUR COMMUNITY  
AND OUR RESPONSIBILITIES.

866 05:41:32:01 05:41:34:28 WE'LL MAKE IT  
AS DIFFICULT AS POSSIBLE

867 05:41:35:00 05:41:36:26 FOR YOU  
TO ACCOMPLISH THIS.

868 05:41:36:28 05:41:39:25 I WANT TO GET  
MR. MERCER'S VIEWS.

869 05:41:39:27 05:41:41:25 WE'RE MISSING  
SOME TERMS HERE.

870 05:41:41:27 05:41:44:16 WE KEEP TALKING ABOUT  
SHAREHOLDER VALUE

871 05:41:44:18 05:41:49:01 WHEN REALLY WHAT THESE GENTLEMEN  
ARE TALKING ABOUT IS PRICE.

872 05:41:49:03 05:41:52:04 BECAUSE VALUE  
IS PRICE AND QUALITY.

873 05:41:52:06 05:41:54:17 QUALITY HAS SOME  
ENDURING TIME PERIOD,

874 05:41:54:19 05:41:56:16 WHEREAS WE'RE  
TALKING SHORT-TERM.

875 05:41:56:18 05:41:59:01 IF YOU'RE  
IN FRONT OF A CRT

876 05:41:59:03 05:42:01:00 AND THAT SPIKE  
COMES UP,

877 05:42:01:02 05:42:03:27 AND YOU HAVE  
A FIDUCIARY RESPONSIBILITY

878 05:42:03:29 05:42:06:20 TO THAT FUND  
THAT YOU'RE MANAGING,

879 05:42:06:22 05:42:08:17 THAT STOCK IS GONE.

880 05:42:08:19 05:42:10:17 WHAT SHOULD  
THE RULES BE?

881 05:42:10:19 05:42:13:17 THE RULES CURRENTLY  
ARE THAT THE DIRECTORS

882 05:42:13:19 05:42:16:01 MUST LOOK AFTER  
THE SHAREHOLDER'S INTEREST,

883 05:42:16:03 05:42:18:01 AND WITH  
THAT INTEREST,

884 05:42:18:03 05:42:21:14 I SAY THAT WE HAVE TO  
HAVE A PLAN

885 05:42:21:16 05:42:24:14 THAT MEANS THAT  
THE CORPORATION WILL SURVIVE,

886 05:42:24:16 05:42:26:14 WILL BECOME  
MORE COMPETITIVE,

887 05:42:26:16 05:42:28:00 WILL INCREASE JOBS,

888 05:42:28:02 05:42:31:14 AND ENHANCE ITS VALUE  
OVER A PERIOD OF TIME,

889 05:42:31:16 05:42:34:15 AND NOT JUST  
IN ONE-SHOT PRICE.

890 05:42:34:17 05:42:37:04 SO WE HAVE TO

COMPARE PLANS.

891 05:42:37:06 05:42:38:28 BY THE WAY,  
MR. BUFFET,

892 05:42:39:00 05:42:40:29 AS THIS FIGHT UNFOLDS,

893 05:42:41:01 05:42:42:27 WHO ARE  
THE SHAREHOLDERS?

894 05:42:42:29 05:42:44:15 HAVE THEY CHANGED?

895 05:42:44:17 05:42:46:14 IF THE NEWS IS PUBLIC.

896 05:42:46:16 05:42:48:00 IT'S PUBLIC.

897 05:42:48:02 05:42:50:16 IT'S CHANGED  
IN A HURRY.

898 05:42:50:18 05:42:52:21 WHO OWNS  
PEACHTREE NOW?

899 05:42:52:23 05:42:55:28 IF THE PRICE  
HAS BEEN ANNOUNCED AS 30,

900 05:42:56:00 05:42:58:14 IT WILL BE  
SELLING ABOVE 30

901 05:42:58:16 05:43:02:00 ON THE SPECULATION THAT  
A BETTER BID IS FORTHCOMING,

902 05:43:02:02 05:43:05:00 OR IT WILL BE SELLING  
CLOSE TO 30.

903 05:43:05:02 05:43:07:29 THE OWNERS WILL  
BE CHANGING VERY QUICKLY

904 05:43:08:01 05:43:11:14 TO, UH, IN VERY LARGE PART,  
TO ARBITRAGE FIRMS.

905 05:43:11:16 05:43:14:19 WHAT IS  
AN ARBITRAGE FIRM?

906 05:43:14:21 05:43:16:19 WELL, AN ARBITRAGE FIRM

907 05:43:16:21 05:43:19:21 OR AN ARBITRAGE  
DEPARTMENT OF A FIRM

908 05:43:19:23 05:43:22:21 IS AN ACTIVITY  
THAT INVOLVES GOING IN

909 05:43:22:23 05:43:24:28 TO ANNOUNCE DEALS,  
PROPOSE DEALS,

910 05:43:25:00 05:43:27:12 TRANSACTIONS  
TO TAKE OVER COMPANIES,

911 05:43:27:14 05:43:29:12 TO PROFIT  
BETWEEN THE DIFFERENCE

912 05:43:29:14 05:43:31:11 BETWEEN THE ANTICIPATED  
SELLING PRICE

913 05:43:31:13 05:43:32:27 AND THE CURRENT PRICE.

914 05:43:32:29 05:43:34:23 THE PROFESSIONAL  
INVESTORS

915 05:43:34:25 05:43:37:18 ARE INCREASINGLY  
THE OWNERS  
OF PEACHTREE?

916 05:43:37:20 05:43:40:12 THOSE PEOPLE WILL TAKE  
BIG POSITIONS

917 05:43:40:14 05:43:44:12 FOR WHAT THEY HOPE  
WILL BE SHORT PERIODS OF TIME.

918 05:43:44:14 05:43:46:12 THEY HOPE TO PROFIT

919 05:43:46:14 05:43:49:10 BETWEEN THE PRESENT MARKET PRICE  
AND THE DEAL PRICE.

920 05:43:49:12 05:43:51:26 THE MARKET PRICE  
WILL HAVE ADVANCED.

921 05:43:51:28 05:43:55:22 THAT WILL CAUSE PEOPLE

SITTING AT 20 TO SELL AT 28.

922 05:43:55:24 05:43:58:25 LET'S ASSUME THAT THE BOARD,  
AFTER THIS DISCUSSN,

923 05:43:58:27 05:44:00:22 HEARS AN OPINION  
FROM MR. GUTFREUND

924 05:44:00:24 05:44:02:20 THAT THE \$30  
IS INADEQUATE.

925 05:44:02:22 05:44:05:00 HOW DO YOU FIGHT IT?

926 05:44:05:02 05:44:07:26 AND YOU GATHER TOGETHER  
YOUR TEAM AGAIN.

927 05:44:07:28 05:44:10:23 MR. FLOM, WHAT ARE  
THEIR OPTIONS?

928 05:44:10:25 05:44:15:04 WELL, YOU HAVE  
A NUMBER OF POSSIBILITIES.

929 05:44:15:06 05:44:17:18 FIRST, YOU'VE  
GOT TO DECIDE

930 05:44:17:20 05:44:19:27 WHETHER YOU CAN  
RECAST THE COMPANY

931 05:44:19:29 05:44:22:10 IN TERMS OF  
BEGGING YOURSELF TENDER,

932 05:44:22:12 05:44:23:29 ACQUIRING SHARES,

933 05:44:24:01 05:44:25:25 BUY IN YOUR OWN SHARES.

934 05:44:25:27 05:44:28:01 IN OTHER WORDS,

935 05:44:28:03 05:44:30:27 WHETHER YOU CAN  
COMPETE WITH THEM

936 05:44:30:29 05:44:34:04 BY GOING YOURSELF  
DIRECTLY TO  
THE SHAREHOLDERS?

937 05:44:34:06 05:44:36:25 THAT, COUPLED WITH  
WHAT KIND OF OPERATING ECONOMIES

938 05:44:36:27 05:44:38:20 YOU CAN EFFECTUATE.

939 05:44:38:22 05:44:40:01 THAT'S ONE ALTERNATIVE.

940 05:44:40:03 05:44:41:15 IN OTHER WORDS,

941 05:44:41:17 05:44:44:05 GET INTO  
AN ECONOMIC CONTEST

942 05:44:44:07 05:44:46:10 FOR THE HEARTS AND MINDS  
OF THE SHAREHOLDERS?

943 05:44:46:12 05:44:47:25 AND THE DOLLARS.

944 05:44:47:27 05:44:49:19 AND THE DOLLARS.  
WHAT ELSE?

945 05:44:49:21 05:44:53:10 THE COMPANY CAN CONSIDER  
WHETHER TO RUN AN AUCTION,

946 05:44:53:12 05:44:56:09 DECIDE TO BE SOLD  
TO THE HIGHEST BIDDER.

947 05:44:56:11 05:44:58:08 ANYTHING ELSE?

948 05:44:58:10 05:45:01:11 YES, YOU CAN  
ENTER INTO AN AGREEMENT

949 05:45:01:13 05:45:07:08 WITH A THIRD PARTY TO BUY  
A PERCENTAGE OF YOUR STOCK

950 05:45:07:10 05:45:09:25 WHEN, SAY,  
IT'S AT BLOCKING POSITION,

951 05:45:09:27 05:45:12:10 ON AN ECONOMICALLY  
SATISFACTORY BASIS,

952 05:45:12:12 05:45:14:10 WHICH GIVES YOU  
A CHANCE

953 05:45:14:12 05:45:17:09 TO REALIZE THE LONG-TERM VALUES



954 05:45:17:11 THAT YOU SEE.  
 05:45:20:19 WHAT ABOUT  
 955 05:45:20:21 DEALING WITH THEM?  
 05:45:23:23 YOU COULD DECIDE  
 956 05:45:23:25 TO DEAL WITH THEM.  
 05:45:25:23 I'LL COVER  
 THE WHOLE THING.  
 957 05:45:25:25 05:45:30:23 YOU COULD TRY BUYING THEM OUT,  
 WHICH IS CALLED GREENMAIL.  
 958 05:45:30:25 05:45:33:22 BY PAYING THEM  
 MORE THAN  
 THEY COULD GET  
 959 05:45:33:24 05:45:36:08 AND SELLING IT  
 IN THE MARKET?  
 960 05:45:36:10 05:45:39:23 THAT'S CORRECT,  
 OR BY PAYING  
 WHAT THEY CAN GET  
 961 05:45:39:25 05:45:42:08 BECAUSE THE MARKET  
 IS ARTIFICIALLY HIGH  
 962 05:45:42:10 05:45:44:08 BASED ON  
 THE ANNOUNCEMENT  
 963 05:45:44:10 05:45:45:23 THAT THEY WILL PAY \$30.  
 964 05:45:45:25 05:45:49:00 I DON'T AGREE  
 WITH ANYTHING HERE.  
 965 05:45:49:02 05:45:51:08 WE'RE LIVING  
 IN A TIME WARP.  
 966 05:45:51:10 05:45:54:09 THIS CONVERSATION HAS NOTHING  
 TO DO WITH THE SITUATION  
 967 05:45:54:11 05:45:56:09 AS IT EXISTS TODAY.  
 968 05:45:56:11 05:45:59:03 FLOM, ONE OF  
 THE WORLD'S BEST LAWYERS,  
 969 05:45:59:05 05:46:01:15 KNOWS IT AS WELL  
 AS I DO.  
 970 05:46:01:17 05:46:04:22 TODAY, YOU DON'T DEFEND  
 ON ECONOMIC GROUNDS.  
 971 05:46:04:24 05:46:09:07 YOU DON'T DEFEND ON BEING ABLE  
 TO GET A BETTER OFFER.  
 972 05:46:09:09 05:46:11:24 YOU DEFEND  
 BY GOING TO WASHINGTON  
 973 05:46:11:26 05:46:14:23 AND GETTING THE SENATE  
 AND THE CONGRESS,  
 974 05:46:14:25 05:46:18:07 EITHER WHO BELIEVE IN WHAT  
 SENATOR WIRTH BELIEVES IN,  
 975 05:46:18:09 05:46:20:08 WHICH IS  
 A PASTORAL AMERICA  
 976 05:46:20:10 05:46:22:29 WITH A COMPANY  
 AND A CHURCH,  
 977 05:46:23:01 05:46:25:05 AND IT WILL  
 BE THERE FOREVER,  
 978 05:46:25:07 05:46:27:06 AND THAT COMPETITION  
 IS AWFUL  
 979 05:46:27:08 05:46:29:10 AND TOTALLY MIXING UP--  
 980 05:46:29:12 05:46:30:22 IS--  
 981 05:46:30:24 05:46:32:21 WAIT! THIS IS THE FUNDAMENT--  
 982 05:46:32:23 05:46:35:21 THE DIFFERENCE BETWEEN  
 DOING BUSINESS AND DOING GOOD...

983	05:46:35:23	05:46:39:06	DOING BUSINESS GIVES YOU THE FUEL TO DO GOOD.
984	05:46:39:08	05:46:41:05	DON'T MIX THEM UP.
985	05:46:41:07	05:46:44:20	THE BEE DOESN'T MAKE HONEY BECAUSE HE'S DOING GOOD.
986	05:46:44:22	05:46:46:07	HE'S CONFUSING IT,
987	05:46:46:09	05:46:49:23	AND THAT'S WHY THIS COUNTRY IS LOSING ITS VIGOR.
988	05:46:49:25	05:46:51:22	MR. MERCER, IS THIS YOUR STRATEGY?
989	05:46:51:24	05:46:54:20	I'VE GOT A PROBLEM WITH THAT WHOLE THING.
990	05:46:54:22	05:46:57:05	WE HAVE TO GO TO WASHINGTON
991	05:46:57:07	05:47:00:06	TO MAKE SURE THEY MAINTAIN STATES' RIGHTS
992	05:47:00:08	05:47:02:22	BECAUSE THE STATES HAVE THE POWER.
993	05:47:02:24	05:47:05:22	WE CAN GO TO THE STATE LEGISLATURE
994	05:47:05:24	05:47:07:17	AND DISCUSS A SPECIFIC PROGRAM.
995	05:47:07:19	05:47:10:27	THAT IS THE LAW IN THE STATE LEGISLATURE.
996	05:47:10:29	05:47:13:07	YOU HAVE TO DETERMINE
997	05:47:13:09	05:47:15:06	WHETHER YOU WANT TO MAINTAIN
998	05:47:15:08	05:47:17:20	AN ECONOMIC BASE IN THIS COUNTRY
999	05:47:17:22	05:47:19:21	OR LET IT GET ERODED
1000	05:47:19:23	05:47:22:18	BY PEOPLE BUYING YOU OUT WITH YOUR OWN ASSETS
1001	05:47:22:20	05:47:24:20	AND HAVE THE COMPANY DISAPPEAR,
1002	05:47:24:22	05:47:27:13	SO YOU BECOME A THIRD-RATE COUNTRY.
1003	05:47:27:15	05:47:29:14	WE CAN'T ALLOW THAT.
1004	05:47:29:16	05:47:31:18	AND THAT'S A POLITICAL DEBATE?
1005	05:47:31:20	05:47:34:09	IT'S MORE THAN THAT. IT'S AN ECONOMIC DEBATE.
1006	05:47:34:11	05:47:36:09	IT'S AN ECONOMIC FACT.
1007	05:47:36:11	05:47:39:09	I UNDERSTAND WHERE MR. GOLDSMITH IS COMING FROM
1008	05:47:39:11	05:47:41:11	WHEN HE COMES IN
1009	05:47:41:13	05:47:44:00	AS A SELF-APPOINTED SAVIOR OF OUR ECONOMY,
1010	05:47:44:02	05:47:46:19	BUT WE ARE COMPETITIVE, INTERNATIONALLY COMPETITIVE.
1011	05:47:46:21	05:47:49:12	THE WAY TO STAY THAT WAY
1012	05:47:49:14	05:47:52:09	IS THROUGH REINVESTMENT AND RESEARCH AND DEVELOPMENT
1013	05:47:52:11	05:47:54:09	AND NEW FACILITIES.

1014 05:47:54:11 05:47:56:20 IF WE SPEND OUR MONEY  
 FENDING OFF ATTACKS,  
 1015 05:47:56:22 05:47:58:18 WE'RE UNABLE  
 TO DO THAT.  
 1016 05:47:58:20 05:48:00:15 I MUST ANSWER  
 THAT ATTACK.  
 1017 05:48:00:17 05:48:03:19 I WAS TRYING  
 TO MAKE IT ABUNDANTLY CLEAR  
 1018 05:48:03:21 05:48:06:04 WHAT HAPPENS  
 IN A BOARD MEETING,  
 1019 05:48:06:06 05:48:08:16 WHICH YOU WERE  
 PRETENDING TO HAVE.  
 1020 05:48:08:18 05:48:11:05 YOU WERE LIVING IN A CHARADE.  
 1021 05:48:11:07 05:48:14:20 WHEN A COMPANY SUCH AS THIS  
 GETS INTO TROUBLE,  
 1022 05:48:14:22 05:48:17:19 IT SENDS ITS LAWYERS  
 TO ITS STATE LEGISLATURE.  
 1023 05:48:17:21 05:48:21:02 IT *DRAFTS* THE LAW. IT ISN'T  
 LEFT TO THE LEGISLATORS.  
 1024 05:48:21:04 05:48:23:17 THEIR FIRM OF LAWYERS  
 DRAFTS IT.  
 1025 05:48:23:19 05:48:26:07 IT GETS IT THROUGH  
 THAT LEGISLATURE.  
 1026 05:48:26:09 05:48:29:21 IT DOES A DEAL WITH  
 THE GOVERNMENT THAT SIGNED IT.  
 1027 05:48:29:23 05:48:31:07 IT IS A POLITICAL CONTEST.  
 1028 05:48:31:09 05:48:35:11 ALL THIS OTHER STUFF  
 IS A LOAD OF EYEWASH.  
 1029 05:48:35:13 05:48:38:07 DO YOU GO TO  
 THE LEGISLATURE  
 TO BLOCK THIS?  
 1030 05:48:38:09 05:48:41:02 I WOULD TURN THAT AROUND  
 IN MY COMMUNITY,  
 1031 05:48:41:04 05:48:43:17 HAVE AN INTERVIEW  
 WITH MS. QUINN.  
 1032 05:48:43:19 05:48:46:16 I WOULD HAVE SO MANY  
 OUTRAGED PEOPLE  
 1033 05:48:46:18 05:48:49:02 IN MINNESOTA  
 OR IN THIS COMMUNITY  
 1034 05:48:49:04 05:48:52:02 THAT THEY WOULD BE  
 SETTING YOU UP  
 1035 05:48:52:04 05:48:55:02 TO RUN YOU OUT OF TOWN  
 ON A RAIL.  
 1036 05:48:55:04 05:48:57:17 HARRY IS STILL  
 PRESSING THE IDEA  
 1037 05:48:57:19 05:49:00:28 THAT IF ONLY WE EXPLAIN  
 OUR LONG-TERM PROSPECTS  
 1038 05:49:01:00 05:49:03:11 TO THE SHAREHOLDERS,  
 1039 05:49:03:13 05:49:06:04 THEY'LL SUPPORT US  
 AND VOTE FOR US,  
 1040 05:49:06:06 05:49:08:17 AND THESE PEOPLE  
 WILL GO AWAY.  
 1041 05:49:08:19 05:49:11:16 SO WE'VE GOT  
 ANOTHER BOARD MEETING.  
 1042 05:49:11:18 05:49:14:08 HARRY IS THERE  
 ONCE AGAIN SAYING,

1043	05:49:14:10	05:49:17:18	"WHAT WE OUGHT TO DO
			IS MAKE OUR CASE,
1044	05:49:17:20	05:49:20:12	"PERSUADE PEOPLE
			THIS RESEARCH PROGRAM
1045	05:49:20:14	05:49:23:27	"IS WHAT'S IMPORTANT TO
			THIS COMPANY AND THIS COUNTRY.
1046	05:49:23:29	05:49:27:23	"I DON'T WANT TO HEAR ANY TALK
			ABOUT MR. FLOM'S IDEAS
1047	05:49:27:25	05:49:32:04	"ABOUT BUYING IN THE SHARES,
			SELLING PART OF THE COMPANY,
1048	05:49:32:06	05:49:35:15	"OR CUTTING COSTS
			TO COMPETE WITH THE OFFER.
1049	05:49:35:17	05:49:38:16	"I DON'T WANT TO HEAR
			ANY OF THAT.
1050	05:49:38:18	05:49:43:01	"I WANT TO SEE US MAKE OUR CASE
			AND WIN THIS BATTLE
1051	05:49:43:03	05:49:46:00	ON THE MERITS,
			AS I SEE THEM."
1052	05:49:46:02	05:49:49:06	MR. MERCER,
			YOU'RE CONVINCED
			THAT WON'T WORK.
1053	05:49:49:08	05:49:50:27	WHAT DO YOU DO?
1054	05:49:50:29	05:49:54:00	I KNOW YOU WON'T GO
			TO ARBITRAGERS,
1055	05:49:54:02	05:49:56:25	WHO HAVE OVER 20%
			OF YOUR SHARES,
1056	05:49:56:27	05:49:59:07	AND GIVE THEM
			THAT KIND OF STORY.
1057	05:49:59:09	05:50:01:00	IT DOESN'T WORK.
1058	05:50:01:02	05:50:04:00	I'LL ASK HARRY
			TO LISTEN TO THIS ADVICE
1059	05:50:04:02	05:50:07:00	HE'S GETTING FROM PROFESSIONALS
			WE'VE BROUGHT IN,
1060	05:50:07:02	05:50:10:24	WHO KNOW WHAT THIS BUSINESS
			IS ALL ABOUT.
1061	05:50:10:26	05:50:12:16	IF HE WON'T
			LISTEN?
1062	05:50:12:18	05:50:16:15	I THINK WE MAY HAVE TO HAVE
			ANOTHER MEETING ABOUT HARRY.
1063	05:50:18:01	05:50:21:13	YOU'RE HAVING
			ANOTHER MEETING
			WITH WHOM?
1064	05:50:21:15	05:50:23:00	HARRY'S GONE.
1065	05:50:23:02	05:50:26:05	SO DON'T WASTE
			TIME ON THIS.
1066	05:50:26:07	05:50:27:20	HARRY'S GONE?
1067	05:50:27:22	05:50:29:23	WHAT DO YOU MEAN?
1068	05:50:29:25	05:50:32:22	"I STARTED THIS COMPANY
			IN MY BACK YARD."
1069	05:50:32:24	05:50:35:01	HARRY, YOU DID
			A WONDERFUL JOB.
1070	05:50:35:03	05:50:37:14	YOU WERE GREAT
			IN YOUR TIME.
1071	05:50:37:16	05:50:40:18	I KNOW YOU'LL HATE ME FOREVER,
			BUT THAT'S LIFE.
1072	05:50:40:20	05:50:43:20	YOU OWN 48%

1073 05:50:43:22 OF THE COMPANY SHARES.  
 1074 05:50:45:07 05:50:45:05 YOU'RE VERY RICH.  
 1074 05:50:45:07 05:50:48:02 I'M SORRY,  
 BUT WE'VE GOT TO DO IT.  
 1075 05:50:48:04 05:50:51:02 THE BOARD WILL  
 THROW HIM OUT?  
 1076 05:50:51:04 05:50:52:09 YES.  
 1077 05:50:52:11 05:50:55:13 MR. EPSTEIN, YOU'LL  
 THROW HIM OUT?  
 1078 05:50:55:15 05:50:58:12 I THINK THERE'S  
 A VERY DEEP CORRUPTION HERE  
 1079 05:50:58:14 05:51:01:00 BECAUSE PEOPLE  
 ON YOUR HYPOTHETICAL BOARD  
 1080 05:51:01:02 05:51:03:27 HAVE BEEN USING  
 THE PRONOUN *OUR* COMPANY  
 1081 05:51:03:29 05:51:06:05 AS IF THEY OWNED  
 THE COMPANY,  
 1082 05:51:06:07 05:51:09:00 THEN USING THE RESOURCE  
 OF THE COMPANY  
 1083 05:51:09:02 05:51:12:04 TO GO TO CONGRESS,  
 LISTENING TO THE STRATEGIES  
 1084 05:51:12:06 05:51:15:03 SO THAT THEY COULD  
 PRESERVE THE COMPANY,  
 1085 05:51:15:05 05:51:18:12 USING THE RHETORIC OF ALTRUISM  
 TO HIDE THEIR PERSONAL INTEREST.  
 1086 05:51:18:14 05:51:20:28 IF YOU'RE ASKING  
 AN ETHICAL QUESTION...  
 1087 05:51:21:00 05:51:23:29 ETHICS HAS BEEN LOST  
 A LONG TIME AGO.  
 1088 05:51:24:01 05:51:26:28 IT'S A QUESTION OF TACTICAL  
 STRATEGY FOR SURVIVING.  
 1089 05:51:27:00 05:51:29:28 BUT IS IT FAIR  
 TO THROW HARRY OUT  
 1090 05:51:30:00 05:51:33:17 BECAUSE HE WANTS  
 TO MAKE HIS PITCH  
 ON THE MERITS,  
 1091 05:51:33:19 05:51:35:18 AND THESE PEOPLE  
 ALL SAY,  
 1092 05:51:35:20 05:51:38:07 "YOU'RE AN OLD GOAT.  
 IT WON'T WORK"?  
 1093 05:51:38:09 05:51:42:00 FAIRNESS HAD NOTHING  
 TO DO WITH IT.  
 1094 05:51:42:02 05:51:45:07 IF IT'S NOT FAIRNESS,  
 WHAT ARE WE  
 TALKING ABOUT?  
 1095 05:51:45:09 05:51:49:08 IN TERMS OF THE STRATEGY  
 OF RUNNING THIS COMPANY NOW,  
 1096 05:51:49:10 05:51:50:29 HARRY IS EXTRANEIOUS.  
 1097 05:51:51:01 05:51:54:14 WHETHER MANAGEMENT  
 IS IMPROVED AND DOES  
 ITS OWN JOB  
 1098 05:51:54:16 05:51:57:13 OR WHETHER IT'S  
 TAKEN OVER BY SOMEBODY ELSE,  
 1099 05:51:57:15 05:51:59:04 THOSE ARE THE ISSUES.  
 1100 05:51:59:06 05:52:00:19 BUT HARRY'S GONE?  
 1101 05:52:00:21 05:52:03:03 YES, BECAUSE

WE CAN'T WASTE TIME

1102 05:52:03:05 05:52:06:13 ARGUING WITH HARRY  
ABOUT HOW IT USED TO BE.

1103 05:52:06:15 05:52:08:25 WE'RE NOW DOWN TO THE POINT

1104 05:52:08:27 05:52:11:18 WHERE THE OPTIONS,  
AS WE SEE THEM,

1105 05:52:11:20 05:52:15:13 ARE SOME OF THE OPTIONS  
YOU DESCRIBED BEFORE--

1106 05:52:15:15 05:52:17:20 BUYING IN SHARES,  
GETTING THE CASH,

1107 05:52:17:22 05:52:20:23 GIVING A SPECIAL DIVIDEND  
TO THE SHAREHOLDERS,

1108 05:52:20:25 05:52:24:29 GETTING THE CASH EITHER BY  
DRASTIC CUTS IN THE EXPENSES--

1109 05:52:25:01 05:52:26:25 CUT THE RESEARCH PROGRAM,

1110 05:52:26:27 05:52:28:27 REDUCE SOME OF THE BENEFITS,

1111 05:52:28:29 05:52:31:06 CUT SOME WAGES, IF YOU CAN,

1112 05:52:31:08 05:52:34:09 MAYBE CLOSE A PLANT OR TWO  
THAT'S INEFFICIENT...

1113 05:52:34:11 05:52:36:02 SHRINK DOWN THE COMPANY.

1114 05:52:36:04 05:52:38:25 HOW DO YOU APPROACH  
THAT DECISION?

1115 05:52:38:27 05:52:40:23 MR. GUTFREUND?

1116 05:52:40:25 05:52:42:16 PRETTY STRAIGHTFORWARDLY.

1117 05:52:42:18 05:52:45:16 LOOK AT THE RECORD,  
THE PEOPLE IN PLACE.

1118 05:52:45:18 05:52:48:26 GO THROUGH THE NUMBERS  
RETROSPECTIVELY AND  
PROSPECTIVELY.

1119 05:52:48:28 05:52:51:01 DECIDE WHAT CAN YOU EXCISE

1120 05:52:51:03 05:52:54:02 TO MAKE THIS  
A MORE EFFICIENT BUSINESS.

1121 05:52:54:04 05:52:56:16 THAT IS GIVEN  
TO THE MANAGEMENT.

1122 05:52:56:18 05:52:59:12 THE MANAGEMENT PRESENTS  
THAT TO THE BOARD.

1123 05:52:59:14 05:53:02:27 THE BOARD DISCUSSES IT,  
THEN GOES ABOUT THEIR BUSINESS.

1124 05:53:02:29 05:53:05:12 THEY CHOOSE  
ONE OF THE OPTIONS?

1125 05:53:05:14 05:53:07:03 PROBABLY TWO OR THREE.

1126 05:53:07:05 05:53:08:26 THEY PROBABLY COMBINE THEM--

1127 05:53:08:28 05:53:12:01 CUTBACKS, SALARY REDUCTIONS,  
CLOSING OF OBSOLETE PLANTS.

1128 05:53:12:03 05:53:16:28 IF THEY DECIDE ONE  
AS LONG-RANGE STRATEGY  
IS WORTH PAYING FOR,

1129 05:53:17:00 05:53:18:27 THEY'LL STICK WITH IT.

1130 05:53:18:29 05:53:20:22 MR. BUFFET,

1131 05:53:20:24 05:53:23:13 IF THEY ADOPT  
ONE OF THESE OPTIONS,

1132 05:53:23:15 05:53:27:01 HAVE THEY DONE ANYTHING  
DIFFERENT THAN MR. PICKENS  
OR SIR JAMES WOULD?

1133 05:53:27:03 05:53:29:20 THEY WOULDN'T  
BE DOING MUCH DIFFERENT.

1134	05:53:29:22	05:53:31:13	RAIDING THEMSELVES,
			IN EFFECT.
1135	05:53:31:15	05:53:32:23	PROFESSOR THUROW?
1136	05:53:32:25	05:53:35:20	THE MISTAKE HERE
			IS TO ACT LIKE
1137	05:53:35:22	05:53:39:10	ONE SIDE IS GOOD GUYS,
			THE OTHER SIDE IS BAD GUYS.
1138	05:53:39:12	05:53:42:23	WE JUST SAW THAT
			THEY WOULD DO THE SAME THING.
1139	05:53:42:25	05:53:45:23	RIGHT. THAT'S WHAT
			ALL THE ANALYSIS INDICATES.
1140	05:53:45:25	05:53:47:09	10-15 YEARS LATER,
1141	05:53:47:11	05:53:50:15	THE COMPANIES DOING THIS LOOK
			LIKE COMPANIES NOT DOING THIS.
1142	05:53:50:17	05:53:54:04	THEIR STOCK DOESN'T OUTPERFORM
			THE MARKET ANY MORE, ON AVERAGE.
1143	05:53:54:06	05:53:57:04	THEIR PRODUCTIVITY DOESN'T
			GROW ANY FASTER ON AVERAGE.
1144	05:53:57:06	05:53:59:19	YOU'RE PLAYING
			A MANAGEMENT BALL GAME.
1145	05:53:59:21	05:54:03:03	WHO MANAGES THESE COMPANIES
			MAKES A LOT OF DIFFERENCE
1146	05:54:03:05	05:54:06:08	TO THE GUYS
			WHO ARE ACTUALLY MANAGING THEM.
1147	05:54:06:10	05:54:10:10	IT DOESN'T MAKE MUCH DIFFERENCE
			TO THE AMERICAN GNP,
1148	05:54:10:12	05:54:12:02	WITH THE EXCEPTION OF
1149	05:54:12:04	05:54:15:16	ARE YOU ATTRACTING SO MUCH
			TALENT INTO THIS ACTIVITY--
1150	05:54:15:18	05:54:17:16	LOT OF TALENTED
			PEOPLE HERE.
1151	05:54:17:18	05:54:19:09	SOME VERY
			BRAINY PEOPLE.
1152	05:54:19:11	05:54:22:07	MAYBE THERE'S SOMETHING
			THEY COULD HAVE DONE
1153	05:54:22:09	05:54:26:02	BETTER FOR THE AMERICAN ECONOMY
			THAN THE ACTIVITY THEY'RE IN.
1154	05:54:26:04	05:54:27:17	LIKE WHAT?
1155	05:54:27:19	05:54:31:02	THEY MIGHT HAVE INVENTED
			A NEW PRODUCT, BUILT IT...
1156	05:54:31:04	05:54:32:21	A NEW SERVICE.
1157	05:54:32:23	05:54:34:14	MR. JOSEPH,
			IS HE RIGHT?
1158	05:54:34:16	05:54:36:07	BASIC ASSUMPTION'S WRONG.
1159	05:54:36:09	05:54:38:22	WE DON'T HAVE
			ANY GOOD EVIDENCE.
1160	05:54:38:24	05:54:41:13	GO BACK 10 OR 15 YEARS,
1161	05:54:41:15	05:54:43:27	AND YOU DON'T HAVE
			THE RESTRUCTURINGS.
1162	05:54:43:29	05:54:47:23	WHAT YOU HAD 15 YEARS AGO
			WAS THE CONGLOMERATION--
1163	05:54:47:25	05:54:49:15	15 YEARS AGO,
1164	05:54:49:17	05:54:52:27	PEOPLE LIKE YOURSELF
			TOLD US WE'RE MAKING
			A BETTER ECONOMY.
1165	05:54:52:29	05:54:55:27	TODAY YOU SAY YOU'LL

		MAKE A BETTER ECONOMY.
1166	05:54:55:29	05:54:58:27 HOW DO WE KNOW?
		JUST BECAUSE YOU SAY IT?
1167	05:54:58:29	05:55:00:10 MR. JOSEPH.
1168	05:55:00:12	05:55:02:01 IT'S A JUDGMENT CALL.
1169	05:55:02:03	05:55:04:28 YOU DON'T KNOW.
		WE'RE TALKING ABOUT THE FUTURE.
1170	05:55:05:00	05:55:07:07 MY GUESS IS
		IT'LL BE BETTER.
1171	05:55:07:09	05:55:08:14 SIR JAMES.
1172	05:55:08:16	05:55:11:14 WE'VE PROVEN IT HERE.
		LISTEN TO THE STRATEGY,
1173	05:55:11:16	05:55:14:14 THE WORDS OF JOHN GUTFREUND,
		THE COMPANY'S BANKER.
1174	05:55:14:16	05:55:17:23 CUT OUT THE EXTRA OVERHEAD,
		THE UNNECESSARY COMPANIES.
1175	05:55:17:25	05:55:19:17 CLOSE
		THE OBSOLETE FACTORIES.
1176	05:55:19:19	05:55:21:26 YOU WANT THEM
		TO DO THAT?
1177	05:55:21:28	05:55:23:15 THAT WAS THE DEFENSE.
1178	05:55:23:17	05:55:27:04 WHAT IF THERE'S NO ONE
		TO PROD THAT DEFENSE?
1179	05:55:27:06	05:55:29:24 SUPPOSING ALL THESE MANAGEMENTS
		WERE ENSHRINED?
1180	05:55:29:26	05:55:32:10 YOU COULD NEVER
		GET RID OF THEM.
1181	05:55:32:12	05:55:35:09 THE ONLY REASON THAT BOARD
		CONSIDERED THESE THINGS--
1182	05:55:35:11	05:55:38:05 WHICH THEY'VE BEEN
		PAID TO DO FOR YEARS--
1183	05:55:38:07	05:55:40:26 IS BECAUSE
		THEY'RE UNDER ATTACK.
1184	05:55:40:28	05:55:44:08 TAKE AWAY, AS OUR POLITICIAN
		FRIENDS WANT TO DO,
1185	05:55:44:10	05:55:45:26 THE CAPACITY TO ATTACK,
1186	05:55:45:28	05:55:48:19 AND THOSE FELLOWS
		WILL NEVER DO IT.
1187	05:55:48:21	05:55:51:12 YOU'LL HAVE MORE
		AND MORE OBSOLETE FACTORIES,
1188	05:55:51:14	05:55:53:01 BECOME MORE UNCOMPETITIVE,
1189	05:55:53:03	05:55:55:10 AND DEVALUE MORE
		TO GET COMPETITIVE.
1190	05:55:55:12	05:55:57:24 AND THE PLANT AND PEOPLE
		IN PLUM VALLEY?
1191	05:55:57:26	05:56:00:20 IF IT'S A GOOD PLANT,
		WORKING EFFICIENTLY,
1192	05:56:00:22	05:56:02:26 IT SHALL REMAIN
		AND BECOME BETTER,
1193	05:56:02:28	05:56:06:01 BECAUSE YOU WILL HAVE
		DONE A REMARKABLE THING--
1194	05:56:06:03	05:56:08:04 MARRY MANAGEMENT
		AND CAPITALISM.
1195	05:56:08:06	05:56:11:00 MR. BERE SAID HE
		WAS A MAJOR SHAREHOLDER.
1196	05:56:11:02	05:56:13:00 HE WAS



1197 05:56:13:02 A PROFESSIONAL MANAGER.  
 05:56:16:13 HE'S A HELL OF A LOT BETTER  
 1198 05:56:16:15 PROFESSIONAL MANAGER TODAY,  
 05:56:19:02 NOW THAT HE'S A CAPITALIST  
 1199 05:56:19:04 AT THE SAME TIME.  
 05:56:22:23 THAT MARRIAGE IS THE GREATEST  
 1200 05:56:22:25 LIFE-GIVING THING  
 05:56:24:23 ECONOMY CAN HAVE.  
 1201 05:56:24:25 05:56:27:18 IF YOU DECIDE  
 THAT PLANT IS INEFFICIENT--  
 1202 05:56:27:20 05:56:29:11 EITHER MAKE IT EFFICIENT,  
 1203 05:56:29:13 05:56:32:03 OR, IF YOU CAN'T  
 MAKE IT EFFICIENT,  
 1204 05:56:32:05 05:56:34:04 IT'S GOT TO BE CLOSED!  
 1205 05:56:34:06 05:56:37:25 WHAT ARE YOU RUNNING?  
 A CHARITY OR A BUSINESS?  
 1206 05:56:37:27 05:56:40:18 YOU'VE PRESENTED  
 AN ENORMOUS DILEMMA  
 1207 05:56:40:20 05:56:42:23 FOR THE CEO OF PEACHTREE...  
 1208 05:56:42:25 05:56:44:08 FOR ME.  
 1209 05:56:44:10 05:56:45:24 I WAS TRAINED  
 1210 05:56:45:26 05:56:49:13 THAT A CORPORATION WAS A GUEST  
 IN THE SOCIETY,  
 1211 05:56:49:15 05:56:52:13 TO PRESENT QUALITY GOODS  
 AT A REASONABLE COST.  
 1212 05:56:52:15 05:56:55:16 WE'RE NOT TRAINED TO REACT  
 TO FINANCIAL MARKETS.  
 1213 05:56:55:18 05:56:59:03 WE WERE TRYING TO FIND A BALANCE  
 BETWEEN LONG AND SHORT TERM.  
 1214 05:56:59:05 05:57:02:28 WE WERE TRYING TO BE  
 SENSITIVE TO OUR COMMUNITIES  
 1215 05:57:03:00 05:57:06:19 BECAUSE WE GENERALLY BELIEVED  
 THAT WOULD OPTIMIZE OUR PROFITS  
 1216 05:57:06:21 05:57:09:17 BY REACTING  
 TO THOSE PARTICULAR NEEDS.  
 1217 05:57:09:19 05:57:13:03 NOW WE HAVE CHANGE.  
 I'M IN THIS BOARD ROOM.  
 1218 05:57:13:05 05:57:15:27 THE FACT IS  
 WE MUST CHANGE.  
 1219 05:57:15:29 05:57:17:21 IT'S IMPERATIVE NOW  
 1220 05:57:17:23 05:57:20:17 THAT WE FIND  
 THE BEST SOLUTION.  
 1221 05:57:20:19 05:57:24:01 I'M NOT SO SURE  
 I WOULD ACCEPT SIR JAMES' OFFER.  
 1222 05:57:24:03 05:57:27:22 I'M NOT SO SURE I WOULD ACCEPT  
 BUYING BACK STOCK.  
 1223 05:57:27:24 05:57:31:13 I'M NOT SO SURE  
 I WOULD RESTRUCTURE THE COMPANY.  
 1224 05:57:31:15 05:57:34:27 BUT AT THIS JUNCTURE,  
 THE STREET IS TELLING US  
 1225 05:57:34:29 05:57:38:00 THAT THE TRADER, OR  
 SHORT-TERM INVESTOR, PREVAILS,  
 1226 05:57:38:02 05:57:41:13 AND, THEREFORE, IT'S MY DUTY  
 TO REACT TO THAT.  
 1227 05:57:41:15 05:57:45:01 DIFFICULT AS IT'S GOING TO BE,  
 IT MUST BE DONE.

1228	05:57:45:03	05:57:48:25	THE PIVOTAL CONCEPT
			IN THE DIALOGUE WE'VE JUST HEARD
1229	05:57:48:27	05:57:51:06	WAS THAT OF FIDUCIARY.
1230	05:57:51:08	05:57:55:17	A FIDUCIARY DUTY IS DEFINED
			AS ONE OF TRUST AND CONFIDENCE,
1231	05:57:55:19	05:57:58:11	ONE PERSON ACTING
			IN THE BEST INTERESTS
1232	05:57:58:13	05:58:00:28	OF THOSE HE OR SHE
			REPRESENTS.
1233	05:58:01:00	05:58:02:28	BOONE PICKENS
			AND OTHERS ARGUE
1234	05:58:03:00	05:58:06:06	THAT CORPORATE MANAGEMENT
			HAS A <i>FIDUCIARY</i> DUTY
1235	05:58:06:08	05:58:10:02	TO MAXIMIZE PROFITS FOR
			A CORPORATION'S STOCKHOLDERS.
1236	05:58:10:04	05:58:12:01	SENATOR WIRTH
			AND OTHER PANELISTS
1237	05:58:12:03	05:58:14:02	ARGUE JUST AS VEHEMENTLY
1238	05:58:14:04	05:58:17:01	THAT A BOARD MEMBER'S
			FIDUCIARY DUTY
1239	05:58:17:03	05:58:20:14	EXTENDS TO EMPLOYEES
			AND THE COMMUNITY AS A WHOLE.
1240	05:58:20:16	05:58:22:13	IN THE 1980s,
1241	05:58:22:15	05:58:24:29	THIS IS AN ETHICAL DILEMMA
1242	05:58:25:01	05:58:27:14	THAT MUST CONCERN
			ALL AMERICANS.
1243	05:58:27:16	05:58:30:13	NEXT WEEK WE BEGIN
			THE FIRST OF TWO PROGRAMS
1244	05:58:30:15	05:58:33:14	THAT EXPLORE
			LIFE-AND-DEATH DECISIONS
1245	05:58:33:16	05:58:35:15	AND MILITARY ETHICS.
1246	05:58:35:17	05:58:39:04	JOIN US FOR
			<i>UNDER ORDERS, UNDER FIRE.</i>
1247	05:58:44:12	05:58:46:10	CAPTIONING MADE POSSIBLE BY
			THE ANNENBERG/CPB PROJECT
1248	05:58:46:12	05:58:48:09	CAPTIONING PERFORMED BY
			THE NATIONAL CAPTIONING
			INSTITUTE, INC.
1249	05:58:48:11	05:58:50:09	CAPTIONS COPYRIGHT 1989
			THE TRUSTEES OF COLUMBIA
			UNIVERSITY
1250	05:58:50:11	05:58:52:08	IN THE CITY OF NEW YORK
1251	05:59:06:20	05:59:11:06	THIS HAS BEEN A PRODUCTION OF...
1252	05:59:11:08	05:59:14:28	IN ASSOCIATION WITH...
1253	05:59:15:00	05:59:18:15	COLUMBIA UNIVERSITY SEMINARS
			ON MEDIA & SOCIETY
1254	05:59:18:17	05:59:22:04	IS SOLELY RESPONSIBLE
			FOR THE CONTENT OF THIS PROGRAM.