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CANAL-RANDOLPH CORPORATION

EXECUTIVE OFFICE
277 PARK AVENUE
NEW YORK, N. Y. 10017

January 29, 1982

Dear Stockholder:

You are cordially invited to attend the Annual Meeting of Stockholders of Canal-Randolph Corporation to be held in the Morgan Guaranty Hall, 28th Floor, 15 Broad Street, New York, N.Y., on Wednesday, March 10, 1982, commencing at 2:00 P.M.

At the meeting, you are being asked to consider and approve an amendment to the Corporation's Certificate of Incorporation proposed by your Board of Directors, elect directors, approve the selection of auditors, and consider two proposals expected to be presented by certain stockholders relating to auditors' fees and formation of a nominating committee.

You are requested to give your prompt attention to these matters which are more fully described in the accompanying proxy statement. For the reasons set forth therein, your Board of Directors recommends a vote FOR items 1, 2 and 3 and AGAINST items 4 and 5.

It is important that your shares be represented at the meeting whether or not you personally plan to be present. Accordingly, you are urged to sign, date and mail the enclosed proxy in the envelope provided at your earliest convenience.

Thank you for your cooperation.

Sincerely,

Raymond French

RAYMOND FRENCH
President

CANAL-RANDOLPH CORPORATION

Notice of Annual Meeting of Stockholders
to be held March 10, 1982

New York, New York
January 29, 1982

To the Stockholders,
CANAL-RANDOLPH CORPORATION

Please take notice that the Annual Meeting of Stockholders of CANAL-RANDOLPH CORPORATION will be held on Wednesday, March 10, 1982 at 2:00 o'clock P.M., New York time in the Morgan Guaranty Hall, 28th Floor, 15 Broad Street, New York, New York for the purpose of: (1) considering, and if found appropriate, approving a proposed amendment to the Corporation's Certificate of Incorporation, which would eliminate the classification of the directors into three classes, (2) electing six directors, (3) selecting auditors for the Corporation, (4) considering a proposal expected to be presented by certain stockholders relating to auditors' fees, (5) considering a proposal expected to be presented by certain stockholders relating to formation of a nominating committee and (6) transacting such other business as may properly come before the meeting.

The Board of Directors has fixed the close of business on January 22, 1982 as the record date for the determination of stockholders entitled to notice of and to vote at such meeting and any adjournments thereof.

Whether or not you plan to attend the meeting, please sign and date the enclosed proxy and return it to the Corporation in the self-addressed postage prepaid envelope enclosed for that purpose.

By order of the Board of Directors,

ROBERT W. HUNT
Secretary

(Please Sign, Date and Return the Enclosed Proxy)

CANAL-RANDOLPH CORPORATION

277 Park Avenue

New York, New York 10017

PROXY STATEMENT

Annual Meeting of Stockholders to be held March 10, 1982

This proxy statement is furnished in connection with the solicitation by the Corporation's Board of Directors of proxies for the Annual Meeting of Stockholders of Canal-Randolph Corporation, a Delaware corporation, to be held on March 10, 1982. This proxy statement and the form of proxy mailed herewith are first being mailed to stockholders commencing approximately January 29, 1982. The Board of Directors is soliciting proxies in connection with the approval of a proposed amendment to the Corporation's Certificate of Incorporation which would eliminate the classification of directors; the election of directors; the selection of Arthur Andersen & Co. as auditors for the Corporation; a proposal expected to be presented by certain stockholders relating to auditors' fees and a proposal expected to be presented by certain stockholders relating to formation of a nominating committee. The cost of the solicitation will be borne by the Corporation.

Stockholders may attend in person or may be represented by proxy. If the form of proxy which accompanies this proxy statement is executed and returned, it may be revoked in writing at any time prior to the voting thereof. The number of outstanding shares of common stock of the Corporation entitled to vote at the meeting for the election of directors and upon all other matters is 1,545,605. With respect to the election of directors as well as all other matters each share is entitled to one vote. Only stockholders of record at the close of business on January 22, 1982 are entitled to vote at the meeting.

The proxies will be voted in accordance with the instructions of the persons executing the same but, unless instructed to the contrary, the proxies will be voted "FOR" the approval of the proposed amendment to the Corporation's Certificate of Incorporation described in this proxy statement, "FOR" the election of the Board of Directors' nominees as directors, "FOR" the selection of Arthur Andersen & Co. as auditors, "AGAINST" the proposal expected to be presented by certain stockholders relating to auditors' fees and "AGAINST" the proposal expected to be presented by certain stockholders relating to formation of a nominating committee. The Proxy Committee reserves the right not to vote any proxies which are altered in any respect from the form submitted by the Board of Directors.

AMENDMENT TO CERTIFICATE OF INCORPORATION

At a Special Meeting of Stockholders of the Corporation held on October 5, 1981, an amendment to the Corporation's Certificate of Incorporation was adopted which provided, among other things, for the elimination of cumulative voting and the election of a classified Board of Directors with directors serving staggered three year terms. Pursuant to this amendment, the Corporation's Board of Directors is to be divided into three classes commencing with this Annual Meeting, with the term of one class expiring each year.

While a majority of the stockholders voted to adopt this amendment, certain stockholders, including some who voted in favor, expressed reservations respecting the implementation of a classified Board of Directors. As pointed out in the proxy statement relating to the Special Meeting, a classified Board of Directors provides protection to a corporation and its stockholders against a sudden unwanted takeover attempt but may also, under certain circumstances, make a change in management more difficult even absent such an attempt.

The Board of Directors has reconsidered its position and has decided that, on balance, the election of all directors annually, which has been the Corporation's practice since its inception, continues to be in the best interests of the stockholders. The Board of Directors has voted unanimously to recommend the adoption of an amendment to the Corporation's Certificate of Incorporation eliminating the classified Board of Directors, which would result in the full Board of Directors standing for election each year. If the proposed amendment is adopted, directors will again be subject to removal by the stockholders with or without cause, rather than only for cause as is the case with the classified Board. The amendment will be accomplished by deleting the text in the Certificate of Incorporation respecting the classified Board, as set forth in Exhibit A to this proxy statement.

The proposed amendment will be adopted if the holders of a majority of the outstanding common stock entitled to vote at the meeting vote in favor of the amendment. If the proposed amendment is adopted, conforming changes will be made to the Corporation's By-Laws.

ELECTION OF DIRECTORS

A Board of six directors is to be elected at this meeting. The nominees are Messrs. French, Robbs, Salomon, Timm, Sutherland and Traber, all of whom are currently members of the Board of Directors and were elected by the stockholders, with the exception of Wolfgang Traber, who was elected by the Board of Directors on December 7, 1981.

Each director will hold office until the Annual Meeting of Stockholders in 1983 and until his successor is duly elected and qualified, if the proposed amendment to the Corporation's Certificate of Incorporation is adopted. If the amendment is not adopted, the directors will be divided into three classes with staggered terms expiring at the Annual Meetings of Stockholders in the years indicated below:

Nominee	*Expiration of Term*
Class I	
Alfred D. Timm	1983
Wolfgang Traber	1983
Class II	
A. B. Robbs, Jr.	1984
Dwight D. Sutherland	1984
Class III	
Raymond French	1985
Walter H. Salomon	1985

If any nominee shall unexpectedly become unavailable for election, the Proxy Committee reserves the right to cast votes in its discretion for a substitute nominee. The Corporation has no reason to believe that any of the nominees will be unavailable.

INFORMATION CONCERNING DIRECTORS, NOMINEES AND SHARE OWNERSHIP

Name	*(1) Principal Occupation or Employment and (2) Other Directorships (a)*	*Has Served as Director Since*	*Age*	*Shares Beneficially Owned on January 14, 1982 (b)*	*Percentage of Common Stock*
Raymond French (c)(d)(e)	(1) President of the Corporation for more than five years. (2) Director, Blue Ridge Real Estate Company and Big Boulder Corporation.	January 5, 1962	61	30,550	1.98%
A. B. Robbs, Jr. (c)(d)(e)	(1) Chairman, Continental Bank, Phoenix, Arizona for more than five years. (2) Director, Continental Bank.	March 13, 1974	60	2,400	.16%
Walter H. Salomon (c)(e)	(1) Chairman of the Board of Directors of the Corporation and Chairman, Rea Brothers, Ltd., bankers, London, England for more than five years.	June 15, 1959	75	1,000	.06%
Alfred D. Timm	(1) Managing Director, Otto Sternberg GmbH, a company primarily engaged in the repair of electrical machinery and diesel generating systems, Hamburg, Germany for more than five years.	December 4, 1979	48	200	.01%
Dwight D. Sutherland (d)	(1) Partner and Chief Executive Officer of Sutherland Lumber Co., a retail lumber chain, Kansas City, Missouri for more than five years. (2) Director, First National Charter Corp., ERC Management Corp., Employers Reinsurance Corp., National Fidelity Life Insurance Company.	September 9, 1980	59	4,000(f)	.26%

Name	(1) Principal Occupation or Employment and (2) Other Directorships (a)	Has Served as Director Since	Age	Shares Beneficially Owned on January 14, 1982 (b)	Percentage of Common Stock
Wolfgang Traber (d)	(1) President, Hansabel Corporation, financial consultants, New York, New York, since January, 1981; Managing Director, Deltec Trading Co. Ltd., securities dealers, London, England, from October, 1977 until June, 1980; President, Deltec Securities Corporation, registered broker/dealer, New York, New York, from August, 1975 until October, 1977. (2) Director, Deltec Securities Corporation.	December 7, 1981	37	—	—
All current directors and officers as a group (13 persons) including shares listed above				45,569	2.95%

(a) Includes generally only directorships held in public companies which are subject to certain requirements under the federal securities laws.

(b) Under regulations of the SEC, a person who has or shares the power to direct the voting or disposition of stock is considered a "beneficial owner". Each director and officer referred to in the above table has the sole power to direct the voting and disposition of the shares shown.

(c) Member of the Executive Committee.

(d) Member of the Audit Committee. Mr. French is a member *ex officio.*

(e) Member of the Compensation Committee.

(f) Includes 1,000 shares owned by Sutherland Lumber Co.-Southwest, Inc., of which Mr. Sutherland is a majority stockholder.

The Corporation has been informed that none of the directors or their associates beneficially owns 5 percent or more of its outstanding stock. The nominees have stated that there is no arrangement or agreement of any kind between them or any other person or persons relating to their election as directors, except to the extent that such nominees have agreed to serve as directors of the Corporation, if elected.

On January 14, 1982, Cede & Co., a nominee for the Depository Trust Company which acts as a securities depository in connection with its system for the central handling of securities, held of record, but not beneficially, 857,140 shares of common stock or approximately 55.5 percent of the outstanding stock of the Corporation. The Corporation has been informed that 393,792 of these shares are held for the benefit of customers of Brown Brothers Harriman & Co. (private bankers and members of the New York Stock Exchange), none of whom owns as much as 5 percent of the outstanding stock of the Corporation except that Brown Brothers Harriman & Co. holds 313,033 shares for the benefit of Rea Brothers, Ltd., an English banking house. Rea Brothers, Ltd. has advised the Corporation that: (1) all of this stock is held for the benefit of customers of Rea Brothers, Ltd.; (2) no customer of Rea Brothers, Ltd. owns, through Rea Brothers, Ltd., as much as 5 percent of the outstanding stock of the Corporation except for The Scottish and

Mercantile Investment Company, Ltd. referred to below; and (3) Rea Brothers, Ltd. has no knowledge that any customer of Rea Brothers, Ltd. owns, in the aggregate, as much as 5 percent of the outstanding stock of the Corporation except for The Scottish and Mercantile Investment Company, Ltd.

The Corporation has been informed that The Scottish and Mercantile Investment Company, Ltd., a United Kingdom investment company whose shares are traded on the London Stock Exchange and whose address is 36/37 King Street, London EC2, England, is the beneficial owner of 85,000 shares of common stock or approximately 5.5 percent of outstanding stock of the Corporation. Mr. Timm, a director of the Corporation, is a director of The Scottish and Mercantile Investment Company, Ltd.

The Corporation has also been informed that Warburg Investment Management Limited, an English brokerage company whose address is St. Albans House, Goldsmith Street, London, EC2P 2DL, England, is the beneficial owner, through discretionary accounts for its customers, of 178,500 shares of common stock or approximately 11.5 percent of outstanding stock of the Corporation.

REMUNERATION, STOCK OPTIONS AND CERTAIN TRANSACTIONS WITH MANAGEMENT

The following table sets forth the remuneration, for services to the Corporation and its subsidiaries during fiscal 1981, of each executive officer or director of the Corporation whose aggregate non-contingent remuneration exceeded $50,000 and of all officers and directors as a group:

Name of Individual or Identity of Group	*Capacities in Which Served*	*Salaries, Bonuses and Directors' Fees (a)*
Raymond French	President and Director of the Corporation and subsidiaries.	$226,250
Robert W. Hunt	Vice-President and Secretary of the Corporation and Executive Vice-President and Secretary of United Stockyards Corporation, a subsidiary.	$ 80,667
Charles E. Liggio	Vice-President and Treasurer of the Corporation and subsidiaries.	$ 61,875
All 16 officers and directors as a group(b)	Officers and directors of the Corporation and subsidiaries.	$657,535

(a) Mr. French's remuneration includes a bonus of $75,000 and Mr. Hunt's remuneration includes a bonus of $10,000 determined and paid by the Corporation in March, 1981 for services rendered in fiscal 1980. In accordance with the Corporation's practice, $150,000 has been accrued on the books of the Corporation for fiscal 1981, some or all of which may be paid to officers of the Corporation as bonuses for fiscal 1981 when the Compensation Committee meets later this year. This accrued amount is not included in the above table.

(b) Includes certain former officers or directors of the Corporation who received compensation for all or part of fiscal 1981.

The Corporation has a pension plan which covers employees of the Corporation and subsidiaries other than United Stockyards Corporation, which has a separate pension plan covering its employees. All officers of the Corporation are covered by the Corporation's plan, except for Mr. Hunt, who is covered by the United Stockyards plan. Contributions to each plan are determined on an actuarial basis, without individual allocation. The remuneration covered by the Corporation's plan consists of all compensation reported on Form W-2 except for incentive compensation such as bonuses and commissions, and the remuneration covered by the United Stockyards plan consists of salaries only. All of the remuneration to officers under "Salaries, Bonuses and Directors' Fees" in the above table is remuneration covered by the plans, except for the bonuses to Mr. French and Mr. Hunt. The remuneration listed in the above table for Mr. French which is covered is approximately $151,000 and the remuneration for Mr. Hunt which is covered is approximately $71,000. The benefits payable under the plans are not subject to any deduction for Social Security or other offset amounts.

The following table sets forth the estimated annual pensions payable under the Corporation's pension plan, upon retirement at age 65, to employees at various compensation levels and in representative years-of-service classifications:

Average Annual Compensation	*Estimated Annual Pension Based on Years of Credited Service at Age 65*			
	10 years	*20 years*	*30 years*	*40 years*
$ 20,000	$ 3,760	$ 7,520	$11,280	$15,040
50,000	9,760	19,520	29,280	39,040
100,000	19,760	39,520	59,280	79,040
125,000	24,760	49,520	74,280	99,040

The following table sets forth the estimated annual pensions payable under the United Stockyards pension plan, upon retirement at age 65, to employees at various salary levels (average of highest ten years) and in representative years-of-service classifications:

Average Annual Salary for Highest 10 Years	*Estimated Annual Pension Based on Years of Credited Service at Age 65**		
	10 years	*15 years*	*20 years and thereafter*
$20,000	$ 3,500	$ 5,250	$ 7,000
40,000	7,000	10,500	14,000
60,000	10,500	15,750	21,000
75,000	13,125	19,688	26,250

* As a result of revisions to the United Stockyards pension plan in 1975 to conform with ERISA, employees hired after 1975 have to serve somewhat longer periods in order to receive benefits equal to those indicated in the table.

Mr. French has 18 years, Mr. Hunt has 28 years and Mr. Liggio has 1 year of credited service under the respective pension plans.

Directors who are not officers of the Corporation receive a fee of $400 for each meeting of the Board of Directors attended. During fiscal 1981, Mr. Jay, a director of the Corporation during that year, received $3,600 for his services as Acting Secretary at Board of Directors and Audit Committee meetings and Mr. Salomon received a salary of $50,000 for his services as Chairman of the Board of Directors. Mr. Salomon did not receive the directors' fees referred to above.

On March 11, 1981, the stockholders of the Corporation approved a Non-Qualified Stock Option Plan for officers and key employees of the Corporation and its subsidiaries (the "Plan"). Under the Plan, options to purchase 100,000 shares of common stock of the Corporation may be granted from time to time until March 10, 1991. Options granted will expire not later than ten years after the date of grant and generally become exercisable in annual installments of 25% commencing one year after date of grant. The purchase price as to any option granted under the Plan may not be less than 50% of the fair market value at the date of grant. The Committee administering the Plan consists of Walter H. Salomon, A.B. Robbs, Jr. and Dwight D. Sutherland. On December 7, 1981, options to purchase 9,200 shares of common stock of the Corporation were granted to 19 officers and key employees, including options for 2,000 shares to Mr. French, at 85% of the fair market value on such date. The Committee determined that the fair market value on the date of grant was $27.25 per share and that the exercise price is $23.1625 per share.

As of October 31, 1981, Mr. French, President and a director of the Corporation, was indebted to the Corporation in the amount of $35,000, of which $20,000 was an advance against business expenses. No interest is being charged on this advance. The remaining $15,000 arose out of the purchase of shares of common stock pursuant to the Key Executive Incentive Restricted Stock Plan which was approved by the stockholders on March 11, 1970 and is represented by an unsecured note bearing interest of 4% per annum. One other current employee also purchased shares of common stock pursuant to the Key Executive Incentive Restricted Stock Plan and is indebted to the Corporation, on identical terms, as a result of such purchase. The indebtedness of Mr. French set forth above represents the largest amount of indebtedness to the Corporation owed by him during the 1981 fiscal year.

Rea Brothers, Ltd., an English banking house, has provided investment banking services to the Corporation for a number of years and is currently providing such services. During the past fiscal year, the Corporation paid a monthly management fee of $3,166 for such services. Mr. Salomon is Chairman and a 10[illegible]% stockholder of Rea Brothers, Ltd., and Mr. Timm is a director of Rea Brothers, Ltd.

The Corporation has been informed that Rea Brothers Insurance, Ltd., an English insurance brokerage firm affiliated with Rea Brothers, Ltd., receives amounts aggregating to less than $40,000 annually in fees and brokerage commissions from the Corporation's unaffiliated general insurance broker and insurance carriers in connection with certain of the Corporation's insurance policies. These policies are renewed on an annual basis.

SELECTION OF AUDITORS

The Board of Directors, upon the recommendation of its Audit Committee, again proposes the designation of Arthur Andersen & Co. as auditors of the Corporation for the fiscal year ending October 31, 1982. Arthur Andersen & Co. is a well-known and well-qualified firm of independent public accountants and has served as auditors of the Corporation since its formation in 1955. Representatives of Arthur Andersen & Co. are expected to be present at the Annual Meeting. They will have an opportunity to address the meeting if they so desire and they are expected to be available to respond to appropriate questions.

The auditing services provided in fiscal 1981 include (1) the examination of annual consolidated financial statements, (2) the examination of the financial statements of certain subsidiaries and joint ventures, (3) the review of the Form 10-K annual report for filing with the SEC, (4) the certification to certain mortgagees regarding debt compliance and (5) other certifications and consultation where required.

During fiscal 1981, the Corporation also engaged Arthur Andersen & Co. to render certain non-audit professional services with the aggregate fees for such non-audit services approximating 19% of auditing service fees. Such non-audit services consisted of (1) assistance in connection with the filing of the Corporation's 1980 consolidated Federal income tax return and partnership returns as required under certain partnership and joint venture agreements (equal to 8% of auditing service fees) and (2) research and assistance in connection with evaluating certain real estate business transactions (equal to 11% of auditing service fees).

These non-audit services and fees were approved by management and were ratified by the Audit Committee which concluded that such services were ordinary and necessary and did not impair the independence of the auditors.

STOCKHOLDER PROPOSALS CONCERNING AUDITORS' FEES AND FORMATION OF A NOMINATING COMMITTEE

Messrs. Lewis D. Gilbert and John J. Gilbert, 1165 Park Avenue, New York, New York, each of whom is the owner of 12 shares of common stock of the Corporation and who state that they represent an additional family interest of 22 shares and act as co-trustees of a trust owning 110 shares, and Mr. David Brown, 214-15 18th Avenue, Bayside, New York, who is the owner of 10 shares, have informed the Corporation that one or more of them will propose the following resolutions, which the Board of Directors opposes, from the floor at the Annual Meeting. In accordance with applicable regulations, the proposed resolutions and the supporting statements prepared by the Messrs. Gilbert and Mr. Brown, for which the Board of Directors and the Corporation accept no responsibility, are set forth below:

PROPOSAL I

"RESOLVED: That the stockholders of Canal-Randolph Corporation, assembled in annual meeting in person and by proxy, hereby request that the Board of Directors take the steps necessary to disclose the amount of the fees paid to the auditors in the proxy statement.

"REASONS: Last year 351 owners of 94,945 shares voted in favor of our similar resolution. The vote against included the unmarked proxies.

"The ever growing number of companies giving this information in the proxy statement should be followed by Canal-Randolph.

"In addition to the companies cited in the last proxy statement, this year companies giving such information in the proxy statement are: Harvey Hubbell, DuPont, Electro Audio Dynamics, Keene Corp., Manufacturers Hanover, Nabisco, MCA, May Department Stores, Continental Corp., Fairchild Ind., Lincoln First Banks, R. Hoe and Co., Kennecott, Textron, General Electric, Esmark, Pacific Tin Consolidated, IC Industries and RCA.

"Your attention is also called to the fact that Rea Brothers, a British corporation of which Mr. Salomon is Chairman of the Board, gives the information (£28,000) in the annual report.

"If you agree, please mark your proxy for this resolution; otherwise it is automatically cast against it, unless you have marked to abstain."

THE BOARD OF DIRECTORS RECOMMENDS A VOTE AGAINST THIS RESOLUTION. In 1981, the stockholders of the Corporation, by more than 88% of the votes cast, overwhelmingly rejected for the second consecutive year the identical resolution proposed by the same stockholders. The vote against included signed but unmarked proxy cards, which provided, in bold face type, the unmarked cards would be voted against this proposal. The Board of Directors therefore believes that most, if not all, unmarked cards reflected an affirmative, knowing decision by the stockholders to vote against this proposal.

The Board of Directors believes that nothing has transpired in the past year which would make the proposed resolution more suitable for the Corporation or more attractive to stockholders.

The Board of Directors believes that the information requested by this resolution would not be particularly meaningful and would provide little, if any, benefit to the Corporation's stockholders beyond the information already made available in the proxy statement. It should be further noted that when the Securities and Exchange Commission adopted the current requirements respecting auditors in 1978, it considered and expressly rejected requiring the inclusion of the information called for by this proposal.

The Board of Directors selects auditors for the Corporation on the basis of their professional competence and ability. Management and the Audit Committee of the Corporation's Board of Directors review and approve all services and the appropriateness of all fees of the Corporation's auditors. This review involves a myriad of factors, including the nature, complexity and competency of the services rendered, the hours of work involved, the fees charged for comparable services by other auditing firms, etc. In the opinion of the Board of Directors, it is not meaningful and may, in fact, be misleading to disclose the amount of auditors' fees without discussing all other relevant factors.

The Corporation, of course, complies fully with all federal securities laws and regulations regarding disclosure to stockholders. This proxy statement already provides stockholders with information regarding the nature of the audit and non-audit services provided by the Corporation's auditors and the percentages that the various non-audit services rendered during the past fiscal year bear to the audit services rendered. The Board of Directors does not believe that disclosure of the amount of auditors' fees, which is not required by federal law, would provide additional useful information.

Accordingly, the Board of Directors recommends that stockholders vote "AGAINST" the suggested resolution.

The affirmative vote of the holders of a majority of the outstanding shares of common stock present in person or by proxy at the meeting is required to approve the proposed stockholder resolution.

PROPOSAL II

"RESOLVED: That the stockholders of Canal-Randolph Corporation, assembled in annual meeting in person and by proxy, hereby request the Board of Directors to take the steps necessary to provide for the formation of a nominating committee, at least the majority of which should be composed of outside directors.

"REASONS: The last proxy statement of the Corporation disclosed that we do not have a nominating committee for election to the Board, which is standard in more and more companies.

"We believe this policy should be followed at Canal-Randolph.

"If you agree, please mark your proxy for this resolution; otherwise it is automatically cast against it, unless you have marked to abstain."

THE BOARD OF DIRECTORS RECOMMENDS A VOTE AGAINST THIS RESOLUTION. As set forth on page 10 of this proxy statement, the Executive Committee of the Board of Directors already serves as a nominating committee, which may receive input from several sources. Stockholders may recommend nominees to the committee by following the procedures set forth in this proxy statement, and the members of the committee are also in frequent contact with the other directors and discuss potential nominees with them. As the final step, the names of all nominees proposed by the committee are submitted to the full Board of Directors for its approval.

Specialized committees are commonly used by those corporations which have a large number of directors, since the full board of directors may not be able to function efficiently without committees which are more manageable in size. The Corporation's Board of Directors, on the other hand, is limited in size and can operate effectively and quickly without the need for numerous committees.

The Board of Directors believes that the formation of yet another committee whose sole function is to propose nominations is therefore unnecessary and inefficient.

Accordingly, the Board of Directors recommends that stockholders vote "AGAINST" the suggested resolution.

The affirmative vote of the holders of a majority of the outstanding shares of common stock present in person or by proxy at the meeting is required to approve the proposed stockholder resolution.

ADDITIONAL INFORMATION

Committees and Meetings

The Board of Directors has established a Compensation Committee, an Audit Committee and an Executive Committee to assist it in discharging its responsibilities. The members of these Committees are indicated above in the table presenting information concerning nominees.

The Compensation Committee reviews and determines the compensation of the Corporation's officers. The Audit Committee reviews the results of the audit of the Corporation's financial statements by the Corporation's independent accountants and reviews, monitors and approves the nature and extent of auditing services and related fees. The Executive Committee has among its functions the recommendation to the Board of Directors of nominees for election as directors. The Executive Committee will consider nominees recommended by stockholders provided the stockholder submits the nominee's name in writing addressed to the Secretary of the Corporation by November 1 together with the written consent of the nominee and a resume listing the nominee's qualifications.

During the last fiscal year, the Board of Directors held five meetings, the Audit Committee held three meetings, the Compensation Committee held two meetings and the Executive Committee held five meetings.

Stockholder Proposals for 1983 Annual Meeting

Stockholder proposals for the 1983 Annual Meeting must meet applicable SEC requirements and must be received by the Corporation at its principal executive offices in New York not later than November 1, 1982.

Miscellaneous

It is contemplated that brokerage houses and other custodians and fiduciaries holding stock of record for beneficial owners will be requested to forward solicitation material to the owners of the stock, and the Corporation intends to reimburse them for their out-of-pocket expenses in connection therewith. D.F. King & Co., Inc. has been retained to assist in soliciting proxies at a fee estimated at $10,000, plus expenses. Directors, officers and some regular employees of the Corporation may also solicit proxies personally or by telephone and telegraph but will not receive additional compensation for doing so.

The Corporation knows of no matters other than as set forth in the notice of meeting and this proxy statement that may come before the Annual Meeting. However, if other matters do come before the Annual Meeting, the Proxy Committee will vote the proxies in accordance with its best judgment.

Annual Report

The Annual Report of the Corporation for the fiscal year ended October 31, 1981 is enclosed herewith. Such report is not a part of this proxy statement.

In addition, each stockholder can obtain a copy, without charge, of the Corporation's Annual Report on Form 10-K for the fiscal year ended October 31, 1981, including the financial statements and the schedules thereto, by written request mailed to the Corporation's New York Office, 277 Park Avenue, New York, New York 10017, to the attention of the Treasurer of the Corporation.

By order of the Board of Directors,

ROBERT W. HUNT
Secretary

New York, New York
January 29, 1982