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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

AMENDMENT NO. 21 TO
SCHEDULE 14D-1
TENDER OFFER STATEMENT PURSUANT TO SECTION 14(D)(1)
OF THE SECURITIES EXCHANGE ACT OF 1934

AMP INCORPORATED
(NAME OF SUBJECT COMPANY)

PMA ACQUISITION CORPORATION
A WHOLLY OWNED SUBSIDIARY OF
ALLIEDSIGNAL INC.
(BIDDER)

COMMON STOCK, WITHOUT PAR VALUE
(INCLUDING THE ASSOCIATED COMMON STOCK PURCHASE RIGHTS)
(TITLE OF CLASS OF SECURITIES)

031897101
(CUSIP NUMBER OF CLASS OF SECURITIES)

PETER M. KREINDLER, ESQ.
ALLIEDSIGNAL INC.
101 COLUMBIA ROAD
MORRISTOWN, NEW JERSEY 07692
(973) 455-5513

(NAME, ADDRESS AND TELEPHONE NUMBER OF PERSON AUTHORIZED TO
RECEIVE NOTICES AND COMMUNICATIONS ON BEHALF OF BIDDERS)
Copies to:
ARTHUR FLEISCHER, ESQ.
FRIED, FRANK, HARRIS, SHRIVER & JACOBSON
ONE NEW YORK PLAZA
NEW YORK, NEW YORK 10004 - 1980
(212) 859-8120

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The Schedule 14D-1 filed by PMA Acquisition Corporation, a Delaware corporation, a wholly owned subsidiary of AlliedSignal Inc., a Delaware corporation, in connection with its pending tender offer for up to 20,000,000 shares of common stock, without par value, of AMP Incorporated, a Pennsylvania corporation, is hereby amended as follows:

ITEM 11. MATERIAL TO BE FILED AS EXHIBITS.

(a)(50) Memorandum of Law in Support of Defendants' Cross-Motion for Partial Summary Judgment and in Opposition to the Motion of AMP Incorporated for Partial Summary Judgment in the Nature of a Declaratory Judgment, filed on September 18, 1998 in the District Court for the Eastern Distrist of Pennsylvania in AMP Incorporated v. AlliedSignal Inc. and PMA Acquisition Corporation (Civil Action No. 98-CV-4405).

(a)(51) Materials Relating to Parent's Response to the Company's Legislative Initative, dated September 21, 1998.

(a)(52) Memorandum in Support of AlliedSignal's Supplemental Motion for Summary Judgment and for an Immediatel Declaratory Judgment and Preliminary Injunction, filed on September 21, 1998 in the

District Court for the Eastern District of Pennsylvania in
AlliedSignal Inc. v. AMP Incorporated (Civil Action No.
98-CV-4058).

SIGNATURE

After due inquiry and to the best of its knowledge and belief, each of the undersigned certifies that the information set forth in this statement is true, complete and correct.

Dated: September 22, 1998

PMA ACQUISITION CORPORATION

By: /s/ Peter M. Kreindler

Name: Peter M. Kreindler
Title: Vice President, Secretary and Director

ALLIEDSIGNAL INC.

By: /s/ Peter M. Kreindler

Name: Peter M. Kreindler
Title: Senior Vice President, General Counsel and Secretary

Exhibit (a)(50)

UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

AMP INCORPORATED, Plaintiff, - against - ALLIEDSIGNAL INC., PMA ACQUISITION CORPORATION, Defendants.	C.A. No. 98-CV-4405

MEMORANDUM OF LAW IN SUPPORT OF DEFENDANTS' CROSS-MOTION FOR PARTIAL SUMMARY JUDGMENT AND IN OPPOSITION TO THE MOTION OF AMP INCORPORATED FOR PARTIAL SUMMARY JUDGMENT IN THE NATURE OF A DECLARATORY JUDGMENT

Alexander R. Sussman
Barry G. Sher
FRIED, FRANK, HARRIS, SHRIVER & JACOBSON
(A Partnership Including Professional Corporations)
One New York Plaza
New York, NY 10004
(212) 859-8000

Mary A. McLaughlin
George G. Gordon
DECHERT PRICE & RHOADS
4000 Bell Atlantic Tower
1717 Arch Street
Philadelphia, PA 19103
(215) 994-4000

ATTORNEYS FOR ALLIEDSIGNAL INC.

Dated: September 18, 1998

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In connection with its recent tender offer for the shares of AMP Incorporated ("AMP"), AlliedSignal Inc. ("AlliedSignal") has placed the question of who should sit on AMP's board where it belongs -- in the hands of AMP's shareholders. AlliedSignal's current consent solicitation (the "Consent Solicitation") allows shareholders to vote, after full disclosure, on a slate of nominees proposed by AlliedSignal for election to AMP's board (the "Nominees"). AMP has filed a lawsuit challenging AlliedSignal's Consent Solicitation and its proposed directors, and has also filed a Motion for Partial Summary Judgment in the Nature of a Declaratory Judgment (the "Motion"). AMP's lawsuit and related Motion are nothing more than a continuation of AMP's transparent efforts to prevent shareholders from exercising their voting rights. Not only do the undisputed facts require denial of AMP's Motion, but they establish that AlliedSignal is entitled to judgment as a matter of law.

PRELIMINARY STATEMENT

AMP's lawsuit is nothing less than a full-fledged assault on the statutory right of AMP shareholders to elect AMP's board of directors. The relief that AMP seeks is unprecedented -- AMP wants this Court to intervene in the process of corporate democracy and take away from shareholders their basic right to decide who sits on the board of the company that they own. AMP cites no case law or statutory authority supporting such intrusive judicial intervention into a corporate election where, as here, shareholders have been given the benefit of full disclosure of all material information concerning the candidates for the board. The cases on general agency and fiduciary duty principles upon which AMP relies are either beside the point or support dismissal of AMP's claims.

AMP's entire Memorandum in support of its Motion (the "Summary Judgment Brief") was plainly crafted to distract attention from the fact that AMP is asking the Court to deprive shareholders of the fundamental right to elect directors of their choice without any authority for such extraordinary relief. AMP's Summary Judgment Brief is strangely silent on the statutory role of shareholders in the election of directors. Instead, AMP characterizes this dispute as a battle between AMP's current board and AlliedSignal in which shareholders have no say. That is not the law in Pennsylvania.

Similarly, by ignoring the role of shareholders in the voting process, AMP creates the impression that the Consent Solicitation somehow enables AlliedSignal, on its own, to "take control of AMP." AMP's Consent Solicitation, however, merely proposes a slate of Nominees. Those Nominees cannot join AMP's board unless AMP's shareholders consent. Thus, when AMP complains about the possibility that the Nominees may be seated on AMP's board, it is complaining about the potential actions of its own shareholders -- actions that they are lawfully entitled to take.

As much as AMP's board may wish it were otherwise, the shareholders' right to elect directors is unqualified. The Pennsylvania Business Corporation Law ("PBCL") expressly states, without reservation, that directors of a business corporation "shall be elected by the shareholders." PBCL ss.1725 (all sections of the PBCL cited herein are collected at Tab 1). The PBCL provides no limitation on this unqualified right simply because a proposed director is also affiliated with an acquiror. To the contrary, the PBCL expressly recognizes that shareholders may elect as directors individuals who were nominated by, and/or affiliated with, a potential acquiror. See PBCL ss.ss.1715(e)(1), 1728, 2538.

Perhaps most important, this is not a case in which shareholders are unable to make an informed decision on whether or not to consent to adding the Nominees to AMP's board. Although AMP suggests that AlliedSignal is trying somehow to sneak allegedly conflicted directors onto AMP's board, AlliedSignal has disclosed to AMP shareholders the Nominees' affiliations with AlliedSignal, the position that the Nominees intend to take on AlliedSignal's tender offer and the fact that, under certain hypothetical circumstances, the Nominees may have a potential "conflict of interest." See Tab 2 at 9. With these disclosures, AMP's shareholders are in a position to make an informed decision on whether or not they want the Nominees, with their alleged conflict of interest, to sit on AMP's board.

The Nominees are running on a very clear platform for positions on the AMP board -- if elected, they will approve a transaction with AlliedSignal. Thus, AMP shareholders know what they are getting if they vote for the Nominees and can decide whether or not to do so. In fact, fully aware of AlliedSignal's intentions and the intransigence of AMP's board and management, AMP's shareholders have already spoken on this point - -- as of midnight on September 11, 1998, 72% of AMP's shareholders tendered their shares to AlliedSignal in response to its initial tender offer. Knox

Aff. at paragraphs 11-12 (Tab 3).

Although AMP has characterized AlliedSignal's Consent Solicitation as unprecedented, AlliedSignal has done nothing more unusual than nominate a slate of directors for seats on AMP's board, a common part of standard corporate practice.(FN1) AlliedSignal's nomination of individuals affiliated with the company is similarly a regular occurrence in proxy fights. AlliedSignal's review of proxy contests in connection with hostile takeover bids in the last five years revealed at least 18 situations in which an acquiror nominated directors affiliated with it for election to the target's board.(FN2) See Tab 5. Despite the fact that this practice is commonplace, research has revealed no case in which a target challenged a corporate election on the grounds that the acquiror-nominated directors had a conflict of interest. There is a good reason that no target has raised such a challenge -- it is wholly without merit.

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1 See, e.g., Shawn C. Lee, Preventing Control from the Grave: A Proposal for Judicial Treatment of Dead Hand Provisions in Poison Pills, 96 Colum. L. Rev. 2175, 2175 (1996) ("[T]oday, [hostile bidders'] method for gaining control usually involves commencing a tender offer in combination with a proxy or consent solicitation."); Steven Lipin, More Potent Weapons Dwell in Takeover Arsenal, Wall St. J., Sept. 7, 1995, at C1 ("The joining of proxy or consent solicitations with takeover bids is almost standard operating procedure now.") (quoting Peter Atkins of Skadden, Arps, Slate, Meagher & Flom, currently AMP's principal corporate legal advisors in connection with AlliedSignal's offer) (Tab 4).

2 Directors often sit on the boards of both acquiring and the acquired corporations in merger transactions. See e.g., Landy v. Amsterdam, 815 F.2d 925 (3d Cir. 1987) (trustees of acquiring corporation also on the board of acquired real estate investment trust); Kas v. Financial General Bankshares, Inc., 796 F.2d 508, 510 (D.C.Cir. 1986) (two directors of acquired company were attorneys for, and directors of, acquiror) Valley Nat'l Bank v. Westgate California Corp., 609 F.2d 1274, 1282 (9th Cir. 1979) (three directors of acquired bank were either trustees or directors of acquiring corporation); see also Astarte, Inc. v. Pacific Ind. Sys., 865 F. Supp. 693, 705 (D. Colo. 1994) (upholding merger in which director of acquiror was also attorney for acquired corporation and citing Colorado's interested director statute as demonstrating that "[t]he law thus recognizes that there are some instances when a director may advance the best interests of himself or a third party without violating the fiduciary duties owed to the corporation.").

AMP, on the other hand, is asking this Court to prevent shareholders from exercising their statutory right to elect members of AMP's board. Thus, it is AMP's claim for relief, not AlliedSignal's Consent Solicitation, that lacks precedent as well as legal or factual support. Accordingly, AMP's Motion should be denied and summary judgment should be granted in favor of AlliedSignal.

STATEMENT OF FACTS

The material facts relevant to AlliedSignal's Cross-Motion and AMP's Motion are not subject to reasonable dispute. On August 4, 1998, AlliedSignal announced that it would commence a tender offer for all of the outstanding shares of AMP at a price of $44.50 per share (the "Initial Offer"). See Verified Amended Complaint ("Compl.") paragraph 10. On August 21, 1998, AMP's board of directors rejected the Initial Offer. Id. at paragraph 62. Yet, by midnight of September 11, 1998, the expiration date of the Initial Offer, shareholders tendered 72% of AMP's outstanding shares to AlliedSignal, an overwhelming indication of support for a transaction with AlliedSignal. Tab 3 at paragraphs 11-12.

On September 14, 1998, AlliedSignal revised the Initial Offer and is now offering to purchase up to 40 million shares of AMP stock at $44.50 per share (the "Amended Offer"). Compl. paragraph 12. If successful, the Amended Offer would give AlliedSignal a serious financial stake in AMP. Moreover, AlliedSignal will purchase the 40 million shares of AMP before a single Nominee is seated or voted on. Upon acceptance of the shares for payment under the Amended Offer, AlliedSignal intends to commence a second offer for the remaining shares on substantially the same terms (the "Second Offer"). Id. at paragraph 12.

In conjunction with its tender offer, AlliedSignal has been forced to initiate a Consent Solicitation as well. Because AMP's board of directors refused to meet with AlliedSignal to discuss a business combination, but chose instead to stand behind AMP's poison pill, on August

12, 1998, AlliedSignal filed a preliminary Consent Solicitation Statement to give AMP shareholders the opportunity to vote to change the composition of AMP's board.(FN3) Specifically, AlliedSignal's Consent Solicitation proposes that, among other things, shareholders vote to add the 17 Nominees to AMP's board. See Tab 2 at 9-13.(FN4) Twelve of the 17 proposed Nominees are outside directors of AlliedSignal and do not hold any officer positions within the company.

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3 Shareholders of Pennsylvania corporations are entitled to use their voting power to effect immediate corporate change by written consent. PBCL Section 2524(a) provides that, if a registered corporation's articles of incorporation permit it, corporate "action may be authorized by the shareholders [of such corporation] without a meeting by less than unanimous written consent." Under PBCL ss.ss. 1504(c) and 1766(b), if permitted by a corporation's articles or bylaws, the corporation's shareholders may take "any action" permitted to be taken at a shareholders' meeting "upon the written consent of shareholders who would have been entitled to cast the minimum number of votes that would be necessary to authorize the action at a meeting at which all shareholders entitled to vote thereon were present and voting." Shareholder action by written consent is authorized for AMP's shareholders by Article IX of AMP's Articles of Incorporation (Tab 6).

4 On September 14, 1998, AlliedSignal amended the Consent Solicitation, adding a proposed bylaw amendment on which it is seeking shareholder consent. AlliedSignal's proposal to add the 17 Nominees to AMP's board remains in the Consent Solicitation, as amended.

The 17 Nominees -- now accused of being ready and willing to breach fiduciary duties -- are all individuals of character and integrity:

- All 17 have held corporate positions of responsibility. Id.

- Most of the Nominees have held executive and board positions with large U.S. companies such as Bell Atlantic Corporation, General Electric Corporation, The Prudential Insurance Company of America, American Home Products Corporation, CVS Corporation, Kraft Foods, Inc., Bankers Trust Company, GTE Corporation, Merrill Lynch & Co., Viacom, Inc., Schering-Plough Corporation, The Chase Manhattan Corporation, Deere & Company and The Federal Home Loan Mortgage Corporation. Id.

- Ten are current or former chief executive officers. Id.

- One is a former member of the Joint Chiefs of Staff. Id.

To aid shareholders in their efforts to assess the Nominees, AlliedSignal's Consent Solicitation includes (1) a listing of the identity of each Nominee and (2) for each Nominee, a description of his or her professional background, including any affiliation with AlliedSignal. Id. In addition, AlliedSignal has disclosed that, subject to their fiduciary duties:

> the Nominees intend, if elected as directors of [AMP], to cause [AMP] to enter into and consummate a merger or similar business combination (a "Proposed Merger") with AlliedSignal as soon as reasonably practicable and under circumstances in which [AMP's poison pill] will not be triggered.

Id. at 3. AlliedSignal's Consent Solicitation, as amended, also explains to shareholders that "AlliedSignal's primary purpose in seeking to elect the Nominees to the [AMP] board is to facilitate the consummation of the Second Offer and Proposed Merger." Id. at 9. With this information, AMP's shareholders are in a position to make an informed decision on whether or not they want the Nominees to sit on AMP's board.

Moreover, AlliedSignal's disclosures do not end with the facts concerning the professional affiliations of the Nominees. AlliedSignal's Consent Solicitation, as amended, also spells out for shareholders that the Nominees may, in certain hypothetical circumstances, have a potential "conflict of interest." Id. at 9. AlliedSignal has further disclosed that the Nominees do not have any plans with respect to the actions they may take in such circumstances, but that the Nominees will discharge their obligations owing as directors of AMP:

> In these circumstances, while the Nominees currently do
> not have plans with respect to actions they would take,

> they intend to discharge their obligations owing to [AMP] under Pennsylvania law and in light of then prevailing circumstances, taking into account the effects of any actions taken on [AMP's] shareholders and other stakeholders.

Id. Again, AMP's shareholders will be able to take this information into account in reaching their decision on whether or not to vote for the proposed Nominees.

Even if the Nominees are elected by AMP shareholders, they cannot effect a merger with AlliedSignal without a further shareholder vote. Indeed, under AMP's Articles of Incorporation, unless an acquiror owns 80% or more of AMP's shares, any merger agreement entered into by AMP requires the affirmative vote of 66 2/3% of the votes cast by AMP shareholders entitled to vote. In addition, if a merger is consummated involving all or part cash consideration (and AlliedSignal's Tender Offer is all cash), the PBCL provides a specific procedure for a shareholder to object to the merger and obtain the rights and remedies of a dissenting shareholder, including the right to demand payment of the "fair value" of his or her shares. See PBCL ss.ss.1571-80, 1930(a).

Finally, AMP suggests that AlliedSignal's proposal to add the Nominees to AMP's board is some type of new and nefarious corporate scheme. To the contrary, the Nominee Election Proposals in the Consent Solicitation are nothing more unusual than a proxy fight over competing slates of directors, a standard corporate practice. Indeed, there have been at least 18 proxy contests in the last five years in which an acquiror has nominated directors affiliated with it for election to the target's board and, in 12 of those situations, the acquiror-affiliated directors would have made up a majority of the target's board if elected.(FN5) See Tab 5.

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5 For example:

- In Emeritus Corporation's 1998 bid for ARV Assisted Living, Inc., Emeritus nominated eight proposed directors, all of whom were affiliated with Emeritus, for ARV's nine member board. See Tab 5.

- In SPX Corporation's 1998 bid for Echlin, Inc., SPX proposed five directors for Echlin's nine seat board, three of whom were also affiliated with SPX. SPX also proposed amending the Echlin bylaws to reduce the size of the board to five members. Id.

- In Harnischfeger Industries Inc.'s 1997 bid for Giddings & Lewis, Inc., Harnischfeger proposed three directors, all of whom were also affiliated with Harnischfeger. Harnischfeger also proposed to decrease the board of directors to three members. Id.

- In SoftKey International Inc.'s 1995 bid for The Learning Company, SoftKey nominated three proposed directors, all of whom were also affiliated with SoftKey, to The Learning Company's five member board. Id. SoftKey also proposed amending The Learning Company's bylaws to reduce the size of the board to three members. Id.

- In Alliance Gaming Corporation's 1995 tender offer for Bally Gaming International, Inc., Alliance nominated six directors, all of whom were affiliated with Alliance, to Bally's seven member board. Id. Alliance also proposed amending Bally's bylaws to reduce the size of the board to six members. Id.

In fact, Pennsylvania law specifically contemplates situations in which directors sit on the boards of both an acquiror and a target. For example, ss. 2538 of the PBCL, which covers transactions with interested shareholders, makes specific reference to directors of a target who are also directors or officers of, or have a material equity interest in, an acquiror. See also PBCL ss.ss. 1715(e)(1), 1728. Similarly, courts considering federal disclosure claims have developed specific disclosure rules for these situations. Neither the PBCL sections discussing interested directors nor the federal disclosure rules would be necessary if shareholders were per se prohibited from electing such directors to their board.

ARGUMENT

I. SUMMARY JUDGMENT STANDARDS

Summary judgment may be granted where "the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to judgment as a matter of law." Fed.R.Civ.P. 56(c). Rule 56(c) mandates summary judgment "against a party who fails to make a showing sufficient to establish the existence of an element essential to that party's case, and on which that party will bear the burden of proof at trial." Celotex Corp. v. Catrett, 477 U.S. 317, 322 (1986). A party moving for summary judgment need merely show that there is an absence of evidence to support the non-moving party's case. Id. at 325.

Here, the factual record is, for the most part, not in dispute. It is plain, however, that there is an absence of evidence to support AMP's case. Indeed, as AMP's claims are premised on events that have yet to occur, and may never occur, they are based on pure speculation, not facts. Moreover, to the extent AMP relies on any facts, they fail to support any claim for relief. Accordingly, AlliedSignal is entitled to judgment as a matter of law.

II. ALLIEDSIGNAL IS ENTITLED TO JUDGMENT AS A MATTER OF LAW ON AMP'S SECOND CLAIM FOR RELIEF

The thrust of AMP's Second Claim for Relief, and the focus of its Motion, is its assertion that the shareholders should not be allowed to elect the Nominees because they have an inherent conflict of interest. This claim conflicts with the shareholders' statutory right to elect AMP's board and is expressly rejected by ss.1728 of the PBCL (the "Interested Director Statute") and ss. 2538 of the PBCL. Moreover, the public policy underlying the PBCL and general agency law -- two areas which AMP looks to for support - -- actually mandate dismissal of its claims.

A. UNDER PENNSYLVANIA LAW, AMP SHAREHOLDERS HAVE THE UNQUALIFIED RIGHT TO ELECT AMP'S BOARD

The only fact that AMP relies on in support of its Motion and the Second Claim For Relief is that the Nominees are officers and/or directors of AlliedSignal. AMP asserts that this single fact creates an inherent conflict of interest that per se disqualifies them from sitting on the AMP board. Put another way, AMP argues that even if its own shareholders overwhelmingly support the Nominees, the shareholders should be precluded from electing them to AMP's board for no other reason than their affiliation with AlliedSignal.(FN6) AMP's argument is not only without precedent; it is directly contradicted by the law and public policy of Pennsylvania.

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6 AMP's arguments are premised on nothing more than speculation that the Nominees will, in the future, breach their fiduciary duties to the corporation. Such speculation about events that have yet to occur is insufficient to support AMP's claims. See Biesenbach v. Guenther, 588 F.2d 400, 402 (3d Cir. 1978) ("The unclean heart of a director is not actionable, whether or not it is disclosed, unless the impurities are translated into actual deeds or omissions both objective and external").

Under Pennsylvania law, shareholders enjoy an absolute right to vote for directors of their own choosing. PBCL ss. 1725(a) confers on the shareholders the right to elect the directors of a business corporation:

> Except as otherwise provided in this section, directors of a business corporation, other than those constituting the first board of directors, shall be elected by the shareholders.

Id. This rule is so fundamental to the corporate law of Pennsylvania that it is not subject to modification, even in a corporation's own articles or bylaws. In fact, AMP's Bylaws embody this right. See AMP Bylaws ss. 1.11 (Tab 7). That Bylaw itself may not be amended except by a vote of the shareholders themselves. PBCL ss. 1504; AMP Bylaws ss. 9.1.

AMP is seeking to add a "disinterestedness" element to the requirements for an individual to serve on a corporate board, but there is no legal or factual support for such a requirement.(FN7) Nothing in

Pennsylvania law or AMP's Articles or Bylaws remotely suggests that shareholders' fundamental right to elect directors may be limited or taken away simply because a nominee is affiliated with a potential acquiror and, thus, may be interested in a transaction on which he may be called to vote if elected to the board. While it is commonplace for acquirors to nominate affiliated individuals as directors of a target, research has revealed no case -- in any United States jurisdiction -- in which a target challenged the election of a director on the basis of such an affiliation, let alone a case in which a target prevailed in such a challenge. AMP itself concedes the unprecedented nature of its claims. Summary Judgment Brief at 11 n.3.

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7 Here, there is no issue that the Nominees meet the minimal requirements to serve as a director under Pennsylvania law and AMP's Bylaws. Indeed, under Pennsylvania law, any "natural person of full age" is qualified to serve as the director of a corporation, subject to any additional qualifications prescribed in the bylaws. PBCL ss. 1722(a). AMP's Bylaws impose no additional qualifications, providing only that "[d]irectors shall be at least 18 years of age and need not be United States citizens or residents of Pennsylvania or shareholders of the Corporation." Bylaws ss. 2.1.

The PBCL, in direct contradiction to AMP's claims, expressly rejects the notion that a director who has an interest in a potential transaction is disqualified from serving on a corporation's board. Pennsylvania's Interested Director Statute explicitly recognizes that directors of one corporation may also be directors of another and that such "interested" directors may vote to authorize transactions between the two corporations on whose boards they serve. PBCL ss.1728. The Interested Director Statute provides that a transaction between two corporations "in which one or more of [the first corporation's] directors or officers are directors or officers" of the second "shall not be void or voidable solely for that reason," or solely because the "votes [of those interested directors] are counted" in authorizing that transaction, as long as:

> (1) The material facts as to [the Interested Directors'] relationship or interest and as to the contract or transaction are disclosed or are known to the board of directors and the board authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors even though the disinterested directors are less than a quorum; or
>
> (2) The material facts as to [the Interested Directors'] relationship or interest and as to the contract or transaction are disclosed or are known to the shareholders entitled to vote thereon and the contract or transaction is specifically approved in good faith by vote of those shareholders; or
>
> (3) The contract or transaction is fair as to the corporation as of the time it is authorized, approved, or ratified by the board of directors or the shareholders.

Id. (emphasis added). The text of the Interested Director Statute is incorporated almost verbatim into AMP's own Bylaws at ss.2.12.(FN8)

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8 Although the Interested Director Statute is the clearest expression of governing Pennsylvania law on AMP's claims, AMP relegates discussion of the statute to a brief paragraph in a footnote. Summary Judgment Brief at 16 n.6. In that footnote, AMP argues that the Interested Director Statute does not apply here because it is "transactionally oriented." AMP's interpretation is simply wrong. Even accepting AMP's "transactional" limitation on the scope of the Interested Director Statute, the alleged "inherent" conflict arises entirely from the Nominees' expressed position on a single transaction - AlliedSignal's proposed offer to purchase AMP. Indeed, AMP's entire argument is that the Nominees are so "permeated" by their "dual" loyalties as to make it per se impossible for them to satisfy their fiduciary obligations in the context of the proposed transaction between AlliedSignal and AMP.

Case law interpreting Pennsylvania's Interested Director Statute flatly rejects AMP's contention that directors are prohibited from serving on the boards of two corporations contemplating a merger. In Landy v. Amsterdam, 815 F.2d 925 (3d Cir. 1987), for example, the Third Circuit

Court of Appeals held that a plaintiff could not maintain a cause of action merely by showing that two corporations involved in a merger were controlled by the same trustees. Id. at 930. The court held that fact alone was insufficient to prove an actionable conflict of interest, stating that it did not believe that "the Pennsylvania Supreme Court would permit the plaintiff to avoid a directed verdict merely by proving self-dealing alone." Id.

Here, the uncontradicted evidence establishes that the requirements of the Interested Director Statute are satisfied. First, as explained above, the Consent Solicitation materials disclose "the material facts as to [the Nominees'] relationship or interest and as to the contract or transaction." Moreover, the election of the Nominees necessarily involves ratification by a majority of AMP's shareholders and a merger with AlliedSignal requires shareholder approval. Thus, under the Interested Director Statute, the Nominees' alleged inherent conflict does not justify prohibiting AMP shareholders from voting for the Nominees.

Other provisions of the PBCL also specifically contemplate situations in which shareholders may elect directors affiliated with a tender offeror to the board of the target. For example, PBCL ss. 2538 requires a majority vote of a corporation's disinterested shareholders to approve certain control transactions, including mergers. That section specifically discusses the effect of votes by directors of the target who are also "directors or officers of, or have a material equity interest in" the acquiring corporation, or who "were nominated for election as a director by" the acquiring corporation. PBCL ss. 2538(b)(1). Similarly, PBCL ss. 1715(e)(1) -- a provision on which AMP relies in its Summary Judgment Brief -- explicitly recognizes that a board may contain directors who have an interest in an acquiror and/or who were nominated by an acquiror. If such interested directors were per se barred from board positions, there would be no need for these statutory provisions.

Pennsylvania's clear rejection of AMP's argument that some type of inherent conflict of interest prevents the shareholders from electing the Nominees is consistent with the corporate law of most U.S. jurisdictions. Indeed, Pennsylvania's Interested Director Statute is modeled after the Model Business Corporation Act of 1984, ss. 8.31(a), a version of which has been adopted in at least thirty-six jurisdictions. Model Bus. Corp. Act Ann. (MBCAA) ss. 8.61 at 8-406 (1997 Supp.) (Tab 8). Such statutes reject the idea of a per se conflict of interest prohibition in favor of allowing such "interested" transactions after full disclosure and ratification by disinterested directors or shareholders, recognizing that "the corporation and the shareholders may secure major benefits from a transaction despite the presence of a director's conflicting interest." MBCAA Introductory Comment to Subchapter F at 8-370 (1997 Supp.) (Tab 8). Here, the potential benefit to AMP from the transaction with AlliedSignal is the opportunity for a business combination under a proven management team, allowing both companies to perform better together than they could alone, as well as the opportunity for AMP's shareholders to realize AlliedSignal's offer to purchase their shares for $44.50 in cash.

AMP's inherent conflict of interest claim is also inconsistent with federal disclosure law. Cases interpreting federal disclosure requirements recognize that full disclosure of the underlying facts that purportedly create a conflict of interest is all that is required to allow shareholders to decide intelligently whether to elect an "interested" director or approve an "interested" transaction.(FN9) See, e.g., Kas v. Financial General Bankshares, Inc., 796 F.2d 508, 510 (D.C.Cir. 1986) (holding that proxy statement adequately disclosed material facts relating to directors' joint positions on boards of acquiror and target and dismissing shareholder class action challenging merger); Valley Nat'l Bank v. Westgate-California Corp., 609 F.2d 1274, 1281-83 (9th Cir. 1979) (holding that proxy material adequately disclosed dual positions of directors on both acquiror's and acquired's board and refusing to undo merger transaction). If it were true that the law required that shareholders be prevented from voting for allegedly "conflicted" directors, then these cases would be superfluous -- there would be no need to require that a nominee's dual roles be disclosed to shareholders if those roles disqualified the nominee from being a director.(FN10)

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9 AMP has also asserted a federal disclosure law claim in its First Claim for Relief. This claim must fail as a matter of law for much the same reasons as the conflict of interest claim -- there has been full disclosure of all material facts. AlliedSignal will move for summary judgment on AMP's First Claim For Relief in due course. Because there is no particular urgency for the resolution of the federal claim and the Court already has a number of issues before it, AlliedSignal is not moving for summary judgment on AMP's First Claim for Relief at

this time.

10 AMP also argues in its Motion that the Consent Solicitation interferes with directors' ability to fulfill their fiduciary duties and/or constitutes an aiding or abetting of a breach of fiduciary duties. AMP's arguments are premised on nothing more than speculation that the Nominees will, in the future, breach their fiduciary duties to the corporation. As there has been no actual breach of fiduciary duty, AMP's arguments on this point must fail as a matter of law. See, e.g., Kaiser v. Stewart, 1997 WL 476455 at *16 (E.D. Pa. Aug. 19, 1997) (a required element of an aiding and abetting claim is "a breach of a fiduciary duty owed to another"); Hannex Corp. v. GMI, Inc., 140 F.3d 194 (2d Cir. 1998) (a claim for tortious interference with fiduciary duties requires a showing of a breach by a fiduciary of obligations to another).

B. PENNSYLVANIA FIDUCIARY AND AGENCY LAW REQUIRES DISMISSAL OF AMP'S CONFLICT OF INTEREST CLAIMS

AMP's Summary Judgment Brief relies heavily on its reading of the Pennsylvania common law of agency and fiduciary duty. That common law is not applicable here because Pennsylvania's statutory law, through PBCL ss. 1728, has established the conditions under which a director may "serve two masters." Nonetheless, even under Pennsylvania agency law, AlliedSignal is entitled to judgment as a matter of law.

As AMP itself recognizes, it is well-settled that a principal can always consent to an agent's alleged conflict of interest, if provided with the material facts relevant to the conflict. See, e.g., Claughton v. Bear Sterns & Co., 156 A.2d 314, 320 (Pa. 1959) (affirming judgment for defendant because the relevant facts on which the allegation of conflict was based were disclosed to the principal). Applying agency law to this case, the shareholders are the principals of the corporation and the board members are agents of the shareholders. Here, there can be no reasonable dispute that AlliedSignal has disclosed to the principals (i.e., AMP's shareholders), the material facts related to the alleged conflict of interest of the Nominees (i.e., the proposed agents). Indeed, in discussing this issue, AlliedSignal's Consent Solicitation, as amended, even uses the term "conflict of interest." See Tab 2 at 9. In deciding how to respond to AlliedSignal's Consent Solicitation, the principals/shareholders will decide whether or not to consent to the agents/Nominees' alleged conflict of interest. Ironically, it is that very process of deciding whether or not to consent that AMP seeks to enjoin in this suit.

AMP devotes exactly two sentences of its brief to the consent exception, arguing that there could be consent only if the Nominees were "allowed to override the determination of AMP's disinterested directors as to what course best serves AMP's interest" and that this would "swallow" the rule. Summary Judgment Brief at 27-28. AMP appears to believe that only AMP's incumbent directors can consent to the election of directors with alleged conflicts of interest. AMP can point to no authority for this extraordinary position, which is tantamount to granting incumbent board members -- agents themselves -- veto power over any challengers who can be accused of a conflict of interest. To the contrary, Pennsylvania law is clear that shareholders, not incumbent directors, elect directors. PBCL ss. 1725(a). Accordingly, the shareholders, and not the incumbent board, have the right to consent to directors allegedly subject to potential conflicts of interest.

C. THE PUBLIC POLICY UNDERLYING THE PBCL REQUIRES DISMISSAL OF AMP'S CONFLICT OF INTEREST CLAIMS

In its Summary Judgment Brief, AMP argues that the public policy of Pennsylvania requires an injunction preventing the election of directors through the Consent Solicitation process. AMP cannot explain, however, how the public policy of Pennsylvania can prohibit the election of directors affiliated with an acquiror when at least three sections of the PBCL specifically contemplate that such elections may occur. See PBCL ss.ss. 1715(e)(1), 1728, 2538. It simply makes no sense to argue, as AMP does, that Pennsylvania's public policy prohibits shareholders from electing directors affiliated with a bidder when, for example, ss. 2538 of the PBCL explicitly refers to directors who are also "directors or officers of, or have a material equity interest in" a bidder, or who "were nominated for election as a director by" a bidder. PBCL ss. 2538(b)(1).

Moreover, in making its public policy argument, AMP cites only to the sections of the PBCL granting a board of directors broad authority over the acceptance and rejection of takeover bids. Summary Judgment Brief at 20-22. AMP's argument, however, misses the point. The Nominee Election

Proposals challenged in AMP's lawsuit are not about what powers the board may exercise once elected. They are about who elects the members of the board in the first place. On this question, the underlying public policy of Pennsylvania, as reflected in the PBCL, is clear: once informed, shareholders -- and only shareholders -- have the basic right to place directors of their choosing on the board.

AMP's tunnel-vision focus on the so-called anti-takeover provisions of the PBCL(FN11) also ignores the fundamental underlying philosophy of the PBCL -- to allow shareholders maximum flexibility in deciding how, and by whom, the affairs of the corporation ought to be governed. Numerous provisions of the PBCL make clear that, in Pennsylvania, shareholders decide the fundamental issues of corporate governance, including what corporate rights are to be exercised by the board and who will sit on the board.(FN12) Indeed, under section 1721 of the PBCL, all of the powers of the board of directors are subject to the ultimate authority of the shareholders to remove, limit, or otherwise modify them through a shareholder-adopted bylaw.

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11 See Summary Judgment Brief at 20-22 citing PBCL ss.ss. 1712, 1715, 1717 (directors have fiduciary duties to corporation, not to shareholders); ss.ss. 2551-2556, 2561-2568 (limiting voting rights of interested directors and interested shareholders in certain control transactions).

12 See, e.g., ss.1521(c) (providing that shareholders may adopt bylaws setting forth "additional provisions regulating or restricting the exercise of corporate powers"); ss. 1725(a) (providing board of directors is to be elected by shareholders); ss.1729(a) (allowing shareholders to modify directors' voting rights through a bylaw amendment); ss.1731 (providing that corporate bylaws may restrict the powers of board committees); see also William H. Clark, Jr., What the Business World is Looking for in an Organizational Form: The Pennsylvania Experience, 32 Wake Forest L. Rev. 149, 169 (1997) (article by one of the draftsmen of the PBCL, noting that the PBCL is unique among state corporate codes in the degree of flexibility it grants to shareholders "to control the internal affairs of their corporation by contract.").

In short, although AMP is correct that the PBCL gives a Pennsylvania board of directors broad authority to erect (and remove) takeover defenses, it also gives Pennsylvania shareholders the ultimate authority (1) to choose those who will exercise that power as a member of the board, PBCL ss. 1725(a); and (2) to remove powers granted to the board through a shareholder enacted bylaw, PBCL ss. 1721. AMP's reliance on the PBCL's anti-takeover provisions as grounds for invalidating the consent solicitation is, therefore, misplaced. The fundamental rules of corporate democracy apply in Pennsylvania as they do in other states; indeed, in many respects, Pennsylvania is even more protective of the shareholder franchise.

Just as in our political democracy, where elected representatives with broad discretion to introduce and enact legislation remain subject to the ultimate authority of the people to vote them out of office, so too under principles of corporate democracy, directors remain subject to the ultimate authority of shareholders to choose them and, in Pennsylvania, to circumscribe their power.

CONCLUSION

AMP lacks any authority for the extraordinary relief that it requests. Indeed, its claims are contrary to Pennsylvania corporate law and are, at bottom, based on nothing more than mere speculation. Accordingly, AlliedSignal respectfully requests that AMP's Motion be denied and that summary judgment be entered in AlliedSignal's favor.

Respectfully submitted,

/s/ Alexander R. Sussman

Alexander R. Sussman
Barry G. Sher
FRIED, FRANK, HARRIS,
SHRIVER & JACOBSON
(A Partnership Including
Professional Corporations)
One New York Plaza
New York, New York 10004-1980
(212) 859-8000

and

/s/ Mary A. McLaughlin

Mary A. McLaughlin
George G. Gordon
DECHERT PRICE & RHOADS
4000 Bell Atlantic Tower
1717 Arch Street
Philadelphia, PA 19103
(215) 994-4000
Attorneys for Defendants

Dated: September 18, 1998

Exhibit (a)(51)

ALLIEDSIGNAL'S RESPONSE: AMP'S LEGISLATIVE INITIATIVE SHOULD BE REJECTED

SUMMARY OF KEY POINTS

- AMP'S PROPOSED LEGISLATION WOULD CHANGE A LONGSTANDING, SALUTARY RIGHT OF SHAREOWNERS OF A PENNSYLVANIA CORPORATION TO VOTE BY WRITTEN CONSENT. IT IS DISINGENUOUS FOR THE AMP BOARD OF DIRECTORS TO CHARACTERIZE THIS RIGHT AS "AN UNINTENDED LOOPHOLE" WHEN THE CONSENT RIGHT (I) WAS SPECIFICALLY INCLUDED BY THE DIRECTORS IN AMP'S ARTICLES OF INCORPORATION IN 1989 WHEN THE ARTICLES WERE PRESENTED TO SHAREOWNERS FOR APPROVAL IN CONNECTION WITH THE REINCORPORATION OF AMP IN PENNSYLVANIA AND (II) WAS CONSCIOUSLY PRESERVED BY THE LEGISLATURE AT THE TIME OF THE 1990 ANTI-TAKEOVER AMENDMENTS.

- THE "CONSENT PROCEDURE," BECAUSE IT MUST BE CONDUCTED IN COMPLIANCE WITH THE FEDERAL PROXY RULES, ENSURES A "FULL AND FREE EXCHANGE" OF POSITIONS AND A "FAIR VOTING PROCESS" THAT WILL BE CONDUCTED OVER AT LEAST A TWO-MONTH PERIOD. THE AMP BOARD OF DIRECTORS, IF IT PREFERS THAT THE VOTE BE CONDUCTED AT A MEETING OF THE SHAREOWNERS, HAS THE POWER TO CALL ONE. ALLIEDSIGNAL WOULD WELCOME A MEETING OF SHAREOWNERS IF IT WERE CALLED AS SOON AS POSSIBLE.

- THE DECISION WHETHER TO ACCEPT ALLIEDSIGNAL'S ALL-CASH, ALL-SHARES TENDER OFFER, OR TO REJECT THE OFFER AND "TRUST" MANAGEMENT TO DELIVER ON ITS "PROFIT IMPROVEMENT PLAN" AND PROMISE OF GREATER VALUE, NOW LIES WHERE IT SHOULD: SQUARELY IN THE HANDS OF THE SHAREOWNERS. BY TENDERING 72% OF THE OUTSTANDING SHARES TO ALLIEDSIGNAL, THE SHAREOWNERS EXPRESSED THEIR OVERWHELMING SUPPORT FOR ALLIEDSIGNAL'S OFFER. IT WAS A CLEAR VOTE OF "NO CONFIDENCE" IN AMP'S MANAGEMENT AND ITS RESTRUCTURING PLAN.

- IN THE FACE OF THIS LANDSLIDE VOTE, AMP MANAGEMENT WANTS THE LEGISLATURE TO "BAIL" IT OUT. THE CONSENT PROCEDURE IS A LAWFUL PROCESS, PREVIOUSLY ADOPTED BY THE LEGISLATURE, RECOMMENDED TO THE SHAREOWNERS BY AMP'S BOARD OF DIRECTORS, AND APPROVED BY THE SHAREOWNERS AS PART OF THE DECISION TO REINCORPORATE IN PENNSYLVANIA. SIMPLY PUT, THE LEGISLATURE SHOULD NOT GET INVOLVED IN THIS DISPUTE BETWEEN AMP MANAGEMENT AND AMP SHAREOWNERS.

FACTUAL BACKGROUND: ALLIEDSIGNAL'S OFFER AND AMP MANAGEMENT'S RESPONSE

- On August 4, 1998, AlliedSignal made an unsolicited offer to acquire all of the oustanding shares of AMP for $44.50 per share in cash. This offer represented a premium of more than 55% over the $29 trading price of AMP stock immediately before the offer was announced, or more than $4 billion in excess of AMP's market value.

- Since the time of AlliedSignal's offer, the S&P 500 Stock Index has declined 8.4%. If AlliedSignal were forced by the legislature to forego its offer, where would AMP's stock be trading now?

- Fearing that AMP management would refuse to redeem AMP's "poison pill" and stop at nothing to prevent the sale of the company and entrench themselves, AlliedSignal also began a consent solicitation to elect a majority of AlliedSignal nominees to AMP's Board of Directors. The consent solicitation is specifically authorized by Pennsylvania law and AMP's corporate charter.

- The AlliedSignal nominees would have been able to redeem AMP's poison pill and were committed to present to the AMP shareowners a merger proposal that could not have been consummated without a two-thirds vote of AMP shareowners.

- The response of AMP's Board was swift: it amended the poison pill to provide that, if the AMP shareowners voted to change control of the Board of Directors, the pill immediately would become non-redeemable. This was a blatant attack on the right of the shareowners to decide for themselves whether to accept AlliedSignal's offer.

- AlliedSignal then amended its consent solicitation, again as expressly permitted by Pennsylvania law and AMP's charter, to include a proposal

that all powers with respect to AMP's poison pill be removed from the Board of Directors and placed in the hands of "agents" appointed by the shareowners. The agents would amend the poison pill to provide that it did not apply to any offer or merger approved by a majority of the shareowners.

- The AMP Board again reacted swiftly to forestall a shareowner vote: it amended its pill for the second time to provide that it would become non-redeemable if the shareholders changed the bylaws of the company to take power over the pill away from the board of directors. This amendment turned the basic principles of corporate governance on their head - the Board of Directors sought to make it impossible for shareowners to vote on the future course of the corporation.

- Finally, in its most egregious assault on the rights of shareowners, AMP management is asking the Pennsylvania legislature to bail AMP management out of its predicament. An overwhelming majority of AMP's shareholders (72% of the outstanding shares) tendered their shares to AlliedSignal. In election terms, this is a landslide vote in favor of AlliedSignal's offer and against management's restructuring program. AMP management now wants the legislature, in the middle of the contest for control of the company, to prohibit AlliedSignal from going forward with its consent solicitation.

- AlliedSignal is now contesting the Board of Director' actions in court as a violation of the shareowners' voting rights, and the AMP Board of Directors in the same court is challenging AlliedSignal's consent solicitation as invalid under Pennsylvania law.

ANALYSIS

THE LEGISLATURE, AS A MATTER OF PUBLIC POLICY AND THE FUNDAMENTAL RIGHT OF SHAREOWNERS, SHOULD NOT INTERVENE IN THIS DISPUTE TO DEPRIVE AMP'S SHAREOWNERS OF THE RIGHT TO VOTE ON AMP'S FUTURE.

A. AMP'S PROPOSED LEGISLATION WOULD CHANGE A LONGSTANDING, SALUTARY RIGHT OF SHAREOWNERS OF A PENNSYLVANIA CORPORATION TO VOTE BY WRITTEN CONSENT. IT IS DISINGENUOUS FOR THE AMP BOARD OF DIRECTORS TO CHARACTERIZE THIS RIGHT AS "AN UNINTENDED LOOPHOLE" WHEN THE CONSENT RIGHT (I) WAS SPECIFICALLY INCLUDED BY THE DIRECTORS IN AMP'S ARTICLES OF INCORPORATION IN 1989 WHEN THE ARTICLES WERE PRESENTED TO SHAREOWNERS FOR APPROVAL IN CONNECTION WITH THE REINCORPORATION OF AMP INTO PENNSYLVANIA AND (II) WAS CONSCIOUSLY PRESERVED BY THE LEGISLATURE AT THE TIME OF THE 1990 ANTI-TAKEOVER AMENDMENTS.

- Section 2524 of the Pennsylvania Business Corporation Law (PBCL) expressly provides that shareholders of a public corporation may act by written consent without a meeting if permitted by the corporation's articles of incorporation. Subsection (b) specifically provides that any action is "effective immediately."

- This provision, which was readopted by the legislature in 1990 when the anti-takeover provisions of Pennsylvania were last amended, is consistent with the law of most jurisdictions.

- Section 1721, also readopted by the legislature in 1990, provides that the shareholders have the right through a bylaw adopted by the shareholders to restrict the powers of the board of directors and vest some or all of those powers in agents designated by the shareholders.

- These provisions are an affirmation by the Pennsylvania legislature that the ultimate decision on the future of a corporation, including whether the corporation should be sold, resides in the owners of the corporation, not their elected directors. Indeed, the anti-takeover provisions of the PCBL do not bar unsolicited offers, but establish certain requirements to make sure that those offers are fair to the shareholders. They uniformly leave the final decision on corporate action in the takeover context in the hands of the shareowners.

- Far from being "an unintended loophole in the PBCL" as suggested by AMP management, these provisions, which were carefully reexamined and amended in 1990, were a result of a considered decision of the legislature consistent with the basic policy underlying the anti-takeover provisions. As a draftsman of the Pennsylvania anti-takeover legislation explained in justifying the broad (but not unlimited or sole) discretion given to directors to oppose unsolicited offers: "[S]hareholders have exclusive access to the corporate

election machinery. If the shareholders do not agree with how the corporation is run, they are empowered to replace the directors." In short, the shareholders are the ultimate check on the exercise of discretion by the directors in opposing takeovers.

- Moreover, the AMP Board of Directors is being duplicitous with its shareholders and the legislature. In fact, the "action by consent provision" now found in Article IX of AMP's Articles of Incorportion was consciously included in the Articles by the Board of Directors (including four current directors) when the Articles were presented to the shareowners for approval in connection with AMP's reincorporation in Pennsylvania.

- AMP, until 1989 a New Jersey corporation, specifically reincorporated in Pennsylvania in order to take advantage of Pennsylvania's anti-takeover provisions. In seeking shareholder approval for the reincorporation, the Board of Directors pointed out in the proxy materials submitted to the shareowners that "a new article had been added that permits action to be taken by [the shareowners] by less-than-unanimous consent in lieu of convening a meeting."

- The Board evidently made this commitment to the shareowners to preserve this fundamental voting right when it served the Board's interests to do so, because they needed shareholder approval to reincorporate in Pennsylvania and to subject the shareowners to the limitations on unsolicited offers contained in Pennsylvania law. Now, when the shareowners want to exercise this right and when the right no longer serves the interests of the Board, the Board disingenuously chooses to characterize the provision as "an unintended loophole."

B. THE "CONSENT PROCEDURE," BECAUSE IT MUST BE CONDUCTED IN COMPLIANCE WITH THE FEDERAL PROXY RULES, ENSURES A "FULL AND FREE EXCHANGE" OF POSITIONS AND A "FAIR VOTING PROCESS." THE BOARD OF DIRECTORS, IF IT PREFERS THAT THE VOTE BE CONDUCTED AT A MEETING OF THE SHAREHOLDERS, HAS THE POWER TO CALL ONE. ALLIEDSIGNAL WOULD WELCOME A MEETING OF SHAREOWNERS IF IT WERE CALLED AS SOON AS POSSIBLE.

- The consent procedure must be conducted in strict compliance with the SEC's proxy rules, which require full and fair disclosure of all material facts and which give each interested party the opportunity to make its views known. Those rules ensure that there will be a "full and free exchange of opinions" about AlliedSignal's proposed acquisition of AMP and that there will be a "fair voting process."

- Promptly after announcing its intent to conduct a consent solicitation, AlliedSignal filed with the SEC preliminary consent solicitation materials, describing the consent proposals, explaining the factual context in which the proposals are being made and setting forth the reasons for consenting to the proposals. The record date for the proposals is October 15, and no definitive vote can occur until then.

- Within twenty-four hours after AlliedSignal's filing, the AMP Board of Directors filed its preliminary materials with the SEC, setting forth its opposition to the AlliedSignal solicitation.

- In light of this continuous exchange of written materials, which will go on for over two months, the vote here should be far more informed than any election in most other contexts. Indeed, since more than 85% of AMP's shares are owned by institutional investors, an extremely high percentage, the decision here will be made by particularly sophisticated investors fully capable of assessing the respective positions of the parties.

- In proposing the legislation, however, AMP's Board of Directors complains that the consent procedure, because "it avoids the holding of a shareholders' meeting," does not permit "a full and free exchange of opinions" and is not "a fair voting process that involves taking only one voted on a fixed day."

- The decision whether to hold a shareowners' meeting, however, lies solely with the control of the AMP Board of Directors and its Chief Executive Officer. The shareowners have no right to call such a meeting and, hence, if they want to take action, must resort to the consent procedure.

- AlliedSignal has no objection to the Board of Directors calling a special meeting and, indeed would welcome one, so long as the meeting is held as soon as permissible under applicable laws and regulations.

- We are confident, however, that the AMP Board of Directors will not

avail themselves of this alternative, because the real reason that they want the legislation is that it would allow them to delay the vote of shareowners for long as possible.

CONCLUSION

THE DECISION WHETHER TO ACCEPT ALLIEDSIGNAL'S ALL-CASH, ALL-SHARES TENDER OFFER, OR TO REJECT THE OFFER AND "TRUST" MANAGEMENT TO DELIVER ON ITS "PROFIT IMPROVEMENT PLAN" AND PROMISE OF GREATER VALUE, NOW LIES WHERE IT SHOULD: SQUARELY IN THE HANDS OF THE SHAREOWNERS. BY TENDERING 72% OF THE OUTSTANDING SHARES TO ALLIEDSIGNAL, THE SHAREOWNERS EXPRESSED THEIR OVERWHELMING SUPPORT FOR ALLIEDSIGNAL'S OFFER. IT WAS A CLEAR VOTE OF "NO CONFIDENCE" IN AMP'S MANAGEMENT AND ITS RESTRUCTURING PLAN.

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Exhibit (a)(52)

UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

ALLIEDSIGNAL INC., Plaintiff,	
- against -	C.A. No. 98-CV-4058
AMP INCORPORATED, Defendant.	

MEMORANDUM IN SUPPORT OF ALLIEDSIGNAL'S SUPPLEMENTAL MOTION FOR SUMMARY JUDGMENT AND FOR AN IMMEDIATE DECLARATORY JUDGMENT AND PRELIMINARY INJUNCTION

AMP has now openly declared war on its shareholders.

On Friday, September 18, 1998, AMP Incorporated ("AMP") announced its most direct attack yet on AMP's shareholders' fundamental right to control the affairs of their corporation. To prevent a meaningful vote on AlliedSignal Inc.'s ("AlliedSignal's") recent Shareholder Rights Proposal, AMP has amended its Shareholder Rights Agreement (the "poison pill") so that, if the Shareholder Rights Proposal is approved, no one -- not existing directors, not newly elected directors, not the shareholders or their agents -- would be able to redeem or amend the pill.(FN1) This "nullification provision" is illegal both because it attempts to abrogate the shareholders' right to vote and also because it is fundamentally and irreconcilably in conflict with Article VII of AMP's Articles of Incorporation and Section 1721 of the Pennsylvania Business Corporation Law (the "PBCL"), each of which gives clear and unfettered authority to AMP's shareholders to reallocate the authority and responsibility of AMP's board of directors, including the board's authority and responsibility with respect to a poison pill.

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1 AMP's newly announced amendments to its poison pill are attached hereto at Exhibit A.

AMP has repeatedly used its poison pill to limit the rights of its shareholders to elect directors and to amend the bylaws. When AlliedSignal initially made its tender offer and announced its consent solicitation to permit shareholders to add 17 additional, new directors to AMP's board, AMP amended its poison pill so that the pill could not be amended or redeemed if the nominees were elected. This was a direct attack on the voting rights of shareholders who overwhelmingly support AlliedSignal's acquisition of AMP -- by September 11, 72% of AMP's outstanding shares had been tendered.

When AlliedSignal amended its consent solicitation to include a Shareholder Rights Proposal that would vest all powers with respect to the poison pill in agents approved by the shareholders, AMP amended the poison pill again -- this time to provide that the poison pill would not be amendable and the rights would not be redeemable if AMP's own shareholders voted to amend the bylaws in the manner proposed by AlliedSignal.

In addition, on September 18, 1998, AMP reduced the "trigger percentage," i.e., the percentage of outstanding shares that must be owned by a potential acquiror to trigger the poison pill, from 20% to 10%. This "trigger reduction" is yet another example of how AMP continues to change the rules of the game to manipulate the outcome of AlliedSignal's tender offer and consent solicitation.(FN2)

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2 The trigger reduction gave AlliedSignal no choice but to reduce the amount of its planned purchase from 18% to 9% of AMP's shares. AMP timed its action in such a way that AlliedSignal could not obtain judicial relief on the trigger reduction in time to buy and become the record owner of the shares before the October 15 record date for its consent solicitation. AlliedSignal, therefore, is not asking for a

specific declaration of illegality with respect to the trigger reduction. AMP's conduct in this regard is relevant, however, to the balance of the equities that the Court must consider in deciding whether a preliminary injunction should issue. See below at pp. 13-15.

On September 14, 1998, AlliedSignal filed a motion seeking summary judgment on its claims concerning AMP's original nonredemption provision.(FN3) AlliedSignal is now filing this Supplemental Motion seeking a declaratory judgment that AMP's nullification provision is also unlawful or, in the alternative, a preliminary injunction preventing enforcement of that provision.

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3 AlliedSignal's Motion for Summary Judgment and for an Immediate Declaratory Judgment and Preliminary Injunction ("AlliedSignal's Initial Motion"). AlliedSignal's Memorandum in support of its Initial Motion will be referred to throughout as "AlliedSignal's Initial Brief."

PRELIMINARY STATEMENT

In AMP's battle with its shareholders for control of the company, AMP's board has arrogated to itself the purported authority to limit the powers that can be exercised by its shareholders and is attempting to manipulate the shareholder vote on AlliedSignal's Consent Solicitation. AMP's board has it backwards. Under Pennsylvania law and fundamental corporate governance principles, the shareholders have the power to elect directors and to limit, modify or even remove their powers, not the other way around. Indeed, directors have the authority to make decisions regarding a company owned by the shareholders (and not the directors) because the directors are the shareholders' agents and elected representatives. See IBS Financial Corp. v. Seidman & Assoc. L.L.C., 136 F.3d 940, 949 (3d Cir. 1998) (under corporate governance theory, the shareholder franchise is what "legitimates the exercise of power by [directors and officers] over vast aggregations of property that they do not own.") (internal quotation omitted).

Pennsylvania law could not be clearer on this point. Section 1721 of the PBCL provides that ALL of the powers of the board, including those relating to poison pills, are subject to the ultimate authority of the shareholders to limit or otherwise modify these powers through a shareholder-adopted bylaw. The PBCL similarly makes clear that shareholders can remove powers from the board and place them in the hands of "such person or persons as shall be provided in the bylaws." PBCL ss. 1721.

Pursuant to this authority, AlliedSignal recently proposed that AMP's shareholders vest all powers with respect to AMP's poison pill in shareholder-approved agents who would amend the poison pill to make it inapplicable to any transaction approved by a majority of the shareholders (the "Shareholder Rights Proposal"). Thus, the Shareholder Rights Proposal gives AMP's shareholders a choice: (1) if they are dissatisfied with the board's decisions on the poison pill, they can exercise their statutory authority and vote for the Shareholder Rights Proposal; or (2) if they are satisfied with the board's decisions, they can vote against the Shareholder Rights Proposal.

The nullification provision, however, operates to take from shareholders the statutory authority to choose which persons will exercise corporate powers. Under the nullification provision, if shareholders vote to vest all powers with respect to the poison pill in shareholder-approved agents, at that moment, those agents will become powerless to amend or redeem the pill. In essence, AMP's directors have told the shareholders that if the board does not have the right to make decisions on the poison pill, no one will. Under the express provisions of Pennsylvania law as set forth in Section 1721 of the PBCL and as set forth in the Company's Articles, the shareholders, not the directors, determine such an allocation of power between the shareholders and the directors.

Moreover, by effectively abrogating any vote on the Shareholder Rights Proposal, the nullification provision disenfranchises AMP's shareholders. Indeed, AMP's nullification provision is particularly draconian because it not only nullifies the shareholder vote, but effectively punishes AMP's shareholders if they vote for the Shareholder Rights Proposal by precluding a merger with AlliedSignal or anyone else for the remaining life of the poison pill.

AMP's nullification provision and poison pill trigger reduction are merely the latest tactics in the board's unrelenting campaign to wrest control of the company from its rightful owners:

- THE DEAD HAND POISON PILL. When AlliedSignal made its initial tender offer to pay $44.50 in cash for all outstanding AMP shares, AMP's directors would not even talk to AlliedSignal about the offer. They chose instead to stand behind AMP's "dead hand" poison pill, which they hoped would end AlliedSignal's efforts to obtain control of the company.

- DELAY OF THE SHAREHOLDERS' RIGHT TO ACT BY CONSENT. When AlliedSignal made a formal request for an August 31, 1998, record date for the shareholders to vote on AlliedSignal's tender offer and consent solicitation, AMP chose instead, and for no legitimate reason, to provide a record date of October 15, 1998, thereby delaying any shareholder action for 45 days.

- THE NONREDEMPTION PROVISION. When AlliedSignal announced its consent solicitation to allow shareholders who were dissatisfied with the current board to add 17 new directors (the "Nominees"), AMP implemented the "nonredemption provision" so that its poison pill could not be amended or redeemed if the Nominees were elected.

- THE NULLIFICATION PROVISION. When AlliedSignal amended its consent solicitation to add the Shareholder Rights Proposal, AMP expanded the nonredemption provision so that the poison pill could not be amended or redeemed if the Shareholder Rights Proposal was approved.

- THE TRIGGER REDUCTION. When AlliedSignal amended its tender offer so that it could pay shareholders $44.50 for 18% of their shares now without triggering the poison pill, AMP reduced the trigger percentage from 20% to 10%. In doing so, AMP effectively cut in half the number of shares AlliedSignal can buy without triggering the pill and took away from shareholders approximately $900 million, that they would have received within two weeks.

In short, at each step in this process, AMP has changed the rules of the game by unilaterally amending the poison pill to deprive its own shareholders of any meaningful choice. The cumulative effect of AMP's conduct has been to entrench AMP's current board and to eliminate its accountability to shareholders. See Steven M.H. Wallman, The Proper Interpretation Of Corporate Constituency Statutes And Formulation Of Director Duties, 21 Stetson L. Rev. 163, 190 (1991) (draftsman of the antitakeover provisions of the PBCL explains that the discretion granted to directors by the antitakeover provisions is ultimately checked by the shareholder franchise: "[S]hareholders have exclusive access to the corporate election machinery. If the shareholders do not agree with how the corporation is run, they are empowered to replace the directors.").

In discussing the Shareholder Rights Proposal, AlliedSignal's Initial Brief predicted that, based on its conduct to date, AMP's board would "go to any length necessary, including actions that are clearly ultra vires, to deprive shareholders of their right to cast a meaningful vote and determine the future of the company they own." AlliedSignal's Initial Brief at 33. That prediction has now proven true.

ARGUMENT

I. ALLIEDSIGNAL IS ENTITLED TO SUMMARY JUDGMENT DECLARING THAT THE NULLIFICATION PROVISION IS INVALID

AlliedSignal is entitled to summary judgment declaring that AMP's nullification provision is illegal and invalid. The material facts, which are not subject to dispute, establish that AlliedSignal is entitled to judgment as a matter of law on a number of independent grounds. First, the nullification provision strips shareholders of powers expressly granted to them by the PBCL. Second, as an extension of the nonredemption provision that is the subject of AlliedSignal's Initial Motion, the nullification provision is unlawful for the same reasons: it deprives shareholders of their voting rights and limits the discretion of future boards of directors.

A. THE NULLIFICATION PROVISION IS AN ATTEMPT TO TAKE RIGHTS FROM AMP SHAREHOLDERS THAT ARE EXPRESSLY GRANTED TO THEM BY AMP'S ARTICLES AND BYLAWS AND THE PBCL

The PBCL explicitly grants to shareholders the authority to remove powers from the board of directors and place them in the hands of other persons. See AlliedSignal's Initial Brief at 3, 15-16, 30-33. Section 1721 of the PBCL provides that the powers of a business corporation are to be exercised by the corporation's board of directors "[u]nless otherwise

provided in...a bylaw adopted by the shareholders." The statute further provides that the corporate powers are to be exercised by the board or "by such person or persons as shall be provided in the bylaws." See also AMP's Articles of Incorporation, Art. VII (stating that "[e]xcept as otherwise provided . . . by Bylaws as the same may be amended from time to time, all corporate powers may be exercised by the Board of Directors").

This same right is guaranteed to the shareholders by AMP's Articles of Incorporation. In 1989, AMP changed its state of incorporation from New Jersey to Pennsylvania, it did so expressly to take advantage of the antitakeover provisions of the PBCL. See 1989 Notice of Annual Meeting and Proxy Statement at 14, 32-33, attached at Exhibit B. To persuade its shareholders to approve this move from New Jersey to Pennsylvania, AMP's board assured shareholders that the new Articles of Incorporation and Bylaws would "continue provisions presently applicable to the Corporation under New Jersey law." Id. at 15. In particular, the directors proposed that the new Pennsylvania Articles of Incorporation specifically preserve the right given AMP's shareholders under New Jersey law to act by non-unanimous written consent through a consent solicitation. Id. at 16, 18. Now that AMP's shareholders are actually exercising their right to conduct a consent solicitation, AMP's board seeks to change the rules because it does not like the results.

Thus, the PBCL and AMP's own Articles give shareholders -- and only shareholders -- the right to decide who should exercise the powers of the corporation. Here, with no authority to do so, AMP's board has acted to seize that right from its shareholders. In essence, the board has taken for itself the exclusive right to make decisions with respect to the poison pill. Although the shareholders may have the right to give such exclusivity to the board, the board has no basis to take it without a shareholder-adopted bylaw. Accordingly, AlliedSignal is entitled, as a matter of law, to a judgment declaring that the nullification provision is illegal.

B. THE NULLIFICATION PROVISION IS AN ILLEGAL INTERFERENCE WITH AMP SHAREHOLDERS' RIGHT TO VOTE AND IS AN ILLEGAL RESTRAINT ON THE DISCRETION OF FUTURE AMP BOARDS

As an extension of the nonredemption provision that was the subject of AlliedSignal's Initial Motion and Brief, the nullification provision is unlawful for the same reasons: it effectively disenfranchises AMP's shareholders, and it improperly restricts the discretion of AMP's board of directors.

1. THE DISENFRANCHISEMENT OF AMP'S SHAREHOLDERS

The nullification provision disenfranchises shareholders by effectively preventing them from voting for the Shareholder Rights Proposal. Just as the original nonredemption provisions disenfranchised shareholders by preventing them from voting for directors who were willing and able to redeem the pill, the nullification provision similarly deprives shareholders of a meaningful choice. Under the nullification provision, a vote for the Shareholder Rights Proposal is meaningless because all power to amend or redeem the poison pill will be lost if and when that power is removed from the current board. In short, even if the Shareholder Rights Proposal is approved, the shareholder-appointed agents will not be able to do what shareholders appointed them to do -- amend the poison pill.

As discussed in AlliedSignal's Initial Brief, neither Pennsylvania law nor general principles of corporate democracy permit directors to manipulate a shareholder vote or deny shareholders an effective choice. Indeed, under Pennsylvania law, AlliedSignal is entitled to relief to prevent the "fundamental unfairness" that results from any efforts by AMP to interfere with shareholders' voting rights. See PBCL ss. 1105; Norfolk Southern Corp. v. Conrail, Inc., Civ. Act. No. 96-7167 (E.D. Pa. Dec. 17, 1996) (enjoining conduct that created a "sham election" and deprived shareholders of a meaningful vote as "fundamentally unfair" under Pennsylvania law) (App. Ex. A-6 at 68-69); see also AlliedSignal's Initial Brief at 14-21, 28-29.

Here, the nullification provision is just such an effort to interfere with the shareholders' franchise -- the board has deprived shareholders of any meaningful ability to vote on the Shareholder Rights Proposal. Such a direct disenfranchisement of AMP's shareholders is repugnant to Pennsylvania law and basic principles of corporate democracy.

2. THE UNLAWFUL RESTRAINT ON THE DISCRETION OF THE BOARD

By enacting the nullification provision, AMP's present directors have illegally attempted to prevent anyone but the present directors from exercising power over the poison pill. Just like the nonredemption

provision challenged in AlliedSignal's Initial Brief, the nullification provision, if triggered, removes all power to redeem or amend the poison pill from the board, or any other body vested with the board's powers. Thus, it effectively prevents consideration of any tender offer or merger proposal for as long as the poison pill remains in effect. As explained in AlliedSignal's Initial Brief (at 21-24), such an absolute bar to the consideration of future tender offers or merger proposals violates Pennsylvania law.(FN4)

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4 See ss. 1712(a) (imposing a duty of "reasonable inquiry, skill and diligence" upon directors). This same duty is imposed upon any other body that exercises the board's power pursuant to a shareholder-adopted bylaw. See Amended Committee Comment to ss. 1721 ("persons performing the duties of directors are to be treated in all respects as directors while performing those duties").

II. ALLIEDSIGNAL IS ENTITLED TO A PRELIMINARY INJUNCTION AGAINST ENFORCEMENT OF THE NULLIFICATION PROVISION

AlliedSignal's Initial Brief explains how the actions of the AMP board cause irreparable harm to AlliedSignal and to AMP's own shareholders as well as why the balance of the equities and the public interest favor an injunction. See AlliedSignal's Initial Brief at 24-30. Those points apply with even greater force to the nullification provision. In particular, the repeated attempts by AMP's board to interfere with the shareholder franchise create a real and irreparable risk that AMP shareholders will be discouraged from participating in AlliedSignal's consent solicitation.

In addition, in balancing the equities, the Court should consider AMP's conduct in reducing its poison pill trigger from 20% to 10%. First, AMP's trigger reduction is illegal as a manipulation of the voting pool for the pending consent solicitation. AMP's board reduced the trigger to its poison pill less than four days after AlliedSignal announced its intention to amend its tender offer to purchase 18% of AMP's common stock. The trigger reduction gave AlliedSignal no choice but to reduce the amount of its planned purchase from 18% to 9% of AMP's shares (from 40 million shares to 20 million shares), taking away from AMP shareholders approximately $900 million.

The result of the trigger reduction, however, is not only the loss of money to AMP shareholders, but also the manipulation of the shareholder vote. By changing the ground rules regarding the ownership of AMP shares before the October 15 record date for the consent solicitation, AMP's board effectively alters the electorate for the solicitation and interferes with the outcome of the vote.

Indeed, courts have struck down amendments that reduce a poison pill trigger when they were "adopted in the heat of a proxy contest." See, e.g., Dynamics Corp. of America v. CTS Corp., 637 F. Supp. 389, 418 (N.D. Ill. 1986), aff'd, 794 F.2d 250 (7th Cir.), rev'd on other grounds, 481 U.S. 69 (1987). In Dynamics, for example, the court enjoined a trigger reduction from 20% to 15% that was "designed with the proxy contest in mind." Id. at 417.(FN5) See also Cooperstock v. Pennwalt Corporation, 820 F. Supp. 921, 924 (E.D. Pa. 1993) (citing with approval the Seventh Circuit's conclusion in Dynamics that poison pills such as the one at issue in that case "are suspect and subject to close scrutiny.") (citing Dynamics, 714 F.2d at 253-55). Here, AMP's reduction of the trigger from 20% to 10% is particularly egregious as the legislature has determined as a matter of policy that a 20% threshold is sufficient for antitakeover provisions.(FN6)

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5 Although the claim in Dynamics was that the directors had breached their fiduciary duties in reducing the poison pill trigger (a claim that AlliedSignal is not making in this case), the dispositive factor in the court's decision to issue an injunction was that the trigger was "adopted in the heat of a proxy battle, with no identifiable threat other than . . . vague fears" of a loss of corporate control. Dynamics, 637 F. Supp. at 418.

6 First, only a 20% shareholder (or a group acting in concert who in the aggregate hold 20% or more of the shares) is deemed a "controlling person or group" for purposes of subchapter E of the PBCL regulating control transactions. PBCL ss. 2543(a). Second, only a 20% shareholder of a corporation (or an affiliate of that corporation who was a 20% shareholder within the past five years) is an "interested shareholder" whose ability to engage in business combinations with the corporation is regulated by subchapter F of the PBCL. PBCL ss. 2553(a)(1). Third,

only a transaction by which a person would acquire for the first time voting control of 20% or more (or various specified higher percentages) of a corporation's stock is a "control-share acquisition" regulated by subchapter G of the PBCL. PBCL ss. 2562.

Not only is the trigger reduction unlawful, but AMP deliberately timed it to deprive AlliedSignal of an opportunity to seek judicial relief. AlliedSignal had a pending tender offer for 18% of AMP's shares. When AMP reduced the trigger to 10%, AlliedSignal was forced to reduce the number of shares it was seeking to buy at this stage to 9% (to avoid triggering the amended pill). Given the timing of AMP's trigger reduction, under federal law governing tender offers, AlliedSignal could not obtain judicial relief on the trigger reduction, amend its tender to buy additional shares, and accomplish the administrative tasks necessary to effectively become the record owners of these shares before the October 15 record date for its consent solicitation. Thus, AMP has successfully altered the voting population on the consent solicitation without this Court having an opportunity to issue appropriate relief.

Indeed, by seeking to frustrate, first the election of new directors, and now the Shareholder Rights Proposal, AMP's board is trying to convince its shareholders that their votes are useless. If left unchecked, such coercion threatens to taint the voting process and work fundamental unfairness upon AMP's shareholders and AlliedSignal. Accordingly, for these reasons and those set forth in AlliedSignal's Initial Brief, AlliedSignal requests a preliminary injunction prohibiting AMP from enforcing the nonredemption provision and the nullification provision.

CONCLUSION

For the reasons set forth herein and in AlliedSignal's Initial Brief, AlliedSignal respectfully requests that its Initial Motion and Supplemental Motion be granted and that this Court enter summary judgment declaring that the nonredemption provision and the nullification provision are invalid. In the alternative, AlliedSignal respectfully requests that this Court enter a preliminary injunction, enjoining the effectiveness of the nonredemption provision and the nullification provision.

Respectfully submitted,

/s/ Alexander R. Sussman

Alexander R. Sussman
Barry G. Sher
Michael Rosenthal
FRIED, FRANK, HARRIS,
SHRIVER & JACOBSON
(A Partnership Including
Professional Corporations)
One New York Plaza
New York, New York 10004-1980
(212) 859-8000

and

/s/ Mary A. McLaughlin

Mary A. McLaughlin
George G. Gordon
Joseph A. O'Connor
DECHERT PRICE & RHOADS
4000 Bell Atlantic Tower
1717 Arch Street
Philadelphia, PA 19103
(215) 994-4000

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Attorneys for Plaintiff