

WLR FOODS INC

Filed by
TYSON FOODS INC

FORM SC 13D (Statement of Beneficial Ownership)

Filed 03/04/94

Address	P O BOX 7000 BROADWAY, VA 22815
Telephone	5408967001
CIK	0000760775
SIC Code	2015 - Poultry Slaughtering and Processing
Industry	Food Processing
Sector	Consumer/Non-Cyclical
Fiscal Year	06/30

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

SCHEDULE 13D

Under the Securities Exchange Act of 1934
(Amendment No. _____)*

WLR Foods, Inc.

(Name of Issuer)

Common Stock

(Title of Class of Securities)

929286 10 2

(CUSIP Number)

James B. Blair

Tyson Foods, Inc.

2210 West Oaklawn Drive

Springdale, Arkansas 72762-6999

Tel. (501) 290-4000

(Name, Address and Telephone Number of Person Authorized to Receive Notice and Communications)

Copies to:

Leslie A. Grandis, Esq.
McGuire, Woods, Battle & Boothe
One James Center
901 E. Cary Street
Richmond, Virginia 23219
Tel. (804) 775-1000

Lawrence Lederman, Esq.
Milbank, Tweed, Hadley & McCloy
1 Chase Manhattan Plaza
New York, New York 10005
Tel. (212) 530-5732

February 23, 1994

(Date of Event which Requires filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(b)(3) or (4), check the following box .

Check the following box if a fee is being paid with the statement . (A fee is not required only if the reporting person: (1) has a previous statement on file reporting beneficial ownership of more than five percent of the class of securities described in Item 1; and (2) has filed no amendment subsequent thereto reporting beneficial ownership of five percent or less of such class.) (See Rule 13d-7).

SCHEDULE 13D

CUSIP No. 929286 10 2

1 NAME OF REPORTING PERSON:
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Tyson Foods, Inc.
2210 West Oaklawn Drive
Springdale, Arkansas 72762-6999

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*
(A)
(B)

3 SEC USE ONLY

4 SOURCE OF FUNDS*

BK, WC

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(D) OR 2(E)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

7 SOLE VOTING POWER 63

8 SHARED VOTING POWER 600,000

9 SOLE DISPOSITIVE POWER 63

10 SHARED DISPOSITIVE POWER 600,000

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
600,063

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN
SHARES*

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 5.47%

14 TYPE OF REPORTING PERSON*

CO

SCHEDULE 13D

CUSIP No. 929286 10 2

1 NAME OF REPORTING PERSON:
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

WLR Acquisition Corp.
2210 West Oaklawn Drive
Springdale, Arkansas 72762-6999

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(A) |
(B) |

3 SEC USE ONLY

4 SOURCE OF FUNDS*

BK

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(D) OR 2(E)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

7 SOLE VOTING POWER 600,000

8 SHARED VOTING POWER

9 SOLE DISPOSITIVE POWER 600,000

10 SHARED DISPOSITIVE POWER

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
600,000

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN
SHARES*

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 5.47%

14 TYPE OF REPORTING PERSON*

CO

SCHEDULE 13D

CUSIP No. 929286 10 2

1 NAME OF REPORTING PERSON:
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Tyson Limited Partnership
2210 West Oaklawn Drive
Springdale, Arkansas 72762-6999

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*
(A)
(B)

3 SEC USE ONLY

4 SOURCE OF FUNDS*

Not Applicable

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(D) OR 2(E)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

7 SOLE VOTING POWER

8 SHARED VOTING POWER 600,063

9 SOLE DISPOSITIVE POWER

10 SHARED DISPOSITIVE POWER 600,063

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
600,063

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN
SHARES*

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 5.47%

14 TYPE OF REPORTING PERSON*

PN

SCHEDULE 13D

CUSIP No. 929286 10 2

1 NAME OF REPORTING PERSON:
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Mr. Don Tyson
2210 West Oaklawn Drive
Springdale, Arkansas 72762-6999

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*
(A)
(B)

3 SEC USE ONLY

4 SOURCE OF FUNDS*

Not Applicable

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(D) OR 2(E)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

United States

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

7 SOLE VOTING POWER

8 SHARED VOTING POWER 600,063

9 SOLE DISPOSITIVE POWER

10 SHARED DISPOSITIVE POWER 600,063

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
600,063

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN
SHARES*

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 5.47%

14 TYPE OF REPORTING PERSON*

IN

Item 1. Security and Issuer.

This statement relates to the common stock, no par value ("Shares"), of WLR Foods, Inc., a Virginia corporation (the "Company"). The address of the principal executive office of the Company is P.O. Box 7000, Broadway, VA 22815-7000.

Item 2. Identity and Background.

This statement is filed by Tyson Foods, Inc. ("Tyson") and WLR Acquisition Corp. (the "Purchaser"), each of which are Delaware corporations, Tyson Limited Partnership, a Delaware limited partnership (the "Partnership"), and Mr. Don Tyson. The principal business address of each of Tyson, the Purchaser, the Partnership and Mr. Don Tyson is 2210 West Oaklawn Drive, Springdale, Arkansas 72762-6999.

Tyson's principal business is the production, marketing and distribution of a variety of food products consisting of value-enhanced poultry, fresh and frozen poultry; value-enhanced beef and pork products; value-enhanced seafood products; fresh and frozen seafood products; flour and corn tortillas, chips and other Mexican food-based products. The Purchaser was recently incorporated in Delaware and has not engaged in any business since its incorporation other than that incident to its organization and the transactions described in Item 4 hereof. Tyson owns all of the issued and outstanding capital stock of the Purchaser and therefore may be deemed to control the Purchaser. The principal business of the Partnership is investments, which includes, among other things, investment in Tyson capital stock.

Information regarding the directors and executive officers of Tyson and the Purchaser is set forth on Schedule I hereto, which Schedule is hereby incorporated by reference. All directors and executive officers of Tyson and the Purchaser are United States citizens.

Mr. Don Tyson, Chairman of the Board of Tyson, and the Partnership, collectively own 1,021,145 shares of Class A Common Stock of Tyson ("Class A Shares") (approximately 1.3% of the outstanding Class A Shares) and 68,399,040 shares of Class B Common Stock of Tyson ("Class B Shares") (approximately 99.9% of the outstanding Class B Shares), such Class A Shares and Class B Shares representing approximately 89.7% of the aggregate voting power of all outstanding Tyson capital stock. Mr. Don Tyson has a 54.4464 combined percentage interest as a general and limited partner in the Partnership. The managing general partner of the Partnership is Mr. Don Tyson. The other general partners are Leland E. Tollett, Director, Chief Executive Officer and President of Tyson; Joe Fred Starr, Director and Vice President of Tyson; John H. Tyson, Director and President of the Beef and Pork Division of Tyson; James B. Blair, General Counsel to Tyson and President of Purchaser; and Harry C. Erwin, Jr. Mr. Don Tyson, as managing general partner, has the exclusive right, subject to certain restrictions, to do all things on behalf of the Partnership necessary to manage, conduct, control and operate the Partnership's business, including the right to vote all shares or other securities held by the Partnership, as well as the right to mortgage, pledge, or grant security interests in any assets of the Partnership. The present principal occupation or employment, and the name, principal business and address of any corporation or other organization in which such employment is carried on, of each of the general partners of the Partnership other than Mr. Erwin is set forth

on Schedule I hereto. Mr. Erwin is a certified public accountant with Erwin & Company, C.P.A., tax accountants to Tyson, whose address is 900 South Shackleford, Suite 515, Little Rock, Arkansas 72211. Mr. Erwin is a United States citizen. By reason of Mr. Don Tyson's beneficial ownership of the Class A Shares and the Class B Shares, he may be deemed to be a controlling person of Tyson.

Neither Tyson, the Purchaser, the Partnership nor, to the best knowledge of Tyson and the Purchaser, Mr. Erwin or any other person named in Schedule I, has been, during the last five years (a) convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (b) a party to a civil proceeding of a judicial, or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgement, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

Item 3. Source and Amount of Funds or Other Consideration.

600,000 of the Shares owned beneficially by the Purchaser and Tyson as of the date hereof have been purchased with general working capital funds of Tyson, for an aggregate purchase price of \$17,220,683.30 (net of brokerage commissions). The remaining 63 Shares owned beneficially by Tyson were acquired through the acquisition by Tyson of two corporate entities in the 1980's. See Item 5 hereof for more detailed information regarding Tyson's acquisition of Shares during the past 60 days. On March 1, 1994, Tyson contributed 600,000 Shares to the Purchaser as a contribution to the capital of the Purchaser.

The total amount of funds required by Tyson and the Purchaser to purchase the Shares heretofore purchased, to purchase all other Shares outstanding on a fully diluted basis pursuant to the Offer (as defined in Item 4) and to pay related costs and expenses is estimated to be approximately \$340 million. Tyson and the Purchaser have received a firm loan commitment for \$340 million from Bank of America National Trust and Savings Association and BA Securities, Inc. to provide financing to Tyson and the Purchaser for the Offer. A copy of such commitment letter is attached hereto as Exhibit 99.2, and incorporated herein by reference.

Item 4. Purpose of Transaction.

On January 24, 1994, the Chairman of Tyson proposed to the Board of Directors of the Company the acquisition of the Company by means of a merger in which each Share would be exchanged for \$30.00 per Share in cash. A copy of Tyson's written proposal is attached hereto as Exhibit 99.3, and is incorporated herein by reference. On February 6, 1994, the Company announced that at a meeting of the Company's Board of Directors held on February 4, 1994, the Company's Board of Directors rejected Tyson's proposal. A copy of the letter, dated February 6, 1994, from Charles W. Wampler, Jr. to Mr. Tyson describing the Company's decision is attached hereto as Exhibit 99.4, and is incorporated herein by reference.

Commencing on February 7, 1994, Tyson purchased an aggregate of 600,000 Shares in open market transactions at prices not exceeding \$29.375 per Share (net of brokerage commissions).

On March 3, 1994, the Purchaser announced that it will commence a tender offer on March 9, 1994, for all outstanding Shares (other than those owned by Tyson, the Purchaser or their affiliates), pursuant to which holders of Shares will receive \$30.00 per Share in cash (the "Offer"). A copy of the Purchaser's press release containing such announcement is attached hereto as Exhibit 99.5, and is incorporated herein by reference.

The purpose of the Offer is for Tyson, through the Purchaser, to acquire control of, and the entire equity interest in, the Company. Tyson currently intends, as soon as practicable following consummation of the Offer, to propose and seek to have the Company consummate a merger or similar business combination (the "Proposed Merger") with the Purchaser or another direct or indirect wholly-owned subsidiary of Tyson, pursuant to which each Share then outstanding (other than Shares held by the Purchaser, Tyson or any of their affiliates, Shares held by any subsidiary of the Company and Shares held by shareholders who perfect their dissenters' rights under the Virginia Stock Corporation Act (the "VSCA")) would be converted into the right to receive an amount in cash equal to the price per Share paid pursuant to the Offer. Upon consummation of the Proposed Merger, the Purchaser would seek to cause the Shares to cease to be authorized to be quoted on the National Association of Securities Dealers Automated Quotation System ("NASDAQ") and to cause the deregistration of the Shares pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act").

The Purchaser intends to request, at such time as it deems appropriate, that the Company call a special meeting of shareholders of the Company under Article 14.1 of the VSCA (the "Virginia Control Share Acquisitions Act") for the purpose of allowing the disinterested shareholders of the Company to decide whether to accord full voting rights to Shares acquired by the Purchaser and its associates pursuant to, and in contemplation of, the Offer.

If the Proposed Merger is submitted to the Company's shareholders and the voting rights of Tyson and the Purchaser are not limited by operation of the Virginia Control Share Acquisitions Act, Tyson and the Purchaser intend to vote all Shares acquired pursuant to the Offer and otherwise owned by them in favor of the Proposed Merger.

Regardless of whether the Purchaser is able to consummate the Proposed Merger, if the Purchaser purchases Shares pursuant to the Offer, the Purchaser presently intends to seek to obtain at least majority representation on the Company's Board of Directors, and to exercise control over the business and affairs of the Company.

If the Offer cannot be consummated by reason of the Company's recently adopted poison pill rights plan or otherwise, the Purchaser and Tyson may determine to seek majority representation on the Company's Board of Directors through a proxy contest at the Company's next annual meeting of shareholders, which under the Company's Bylaws would be held in October, 1994. In connection with such a proxy contest, the Purchaser would seek to amend the Company's Bylaws to increase the size of the Company's Board of Directors and seek to have representatives of the Purchaser elected to fill the vacancies created by such increase as well as those seats on the Company's Board of Directors which otherwise come up for election at such annual meeting. The ability of the Purchaser to succeed in such a proxy contest would depend on events and conditions at that time. No assurance

can be given as to whether the Purchaser would proceed with such a contest at that time or, if it chooses to pursue such a contest, whether the Purchaser would prevail. If the Purchaser succeeded in obtaining control of the Company's Board of Directors through such a proxy contest, the Purchaser would then cause the Company to redeem the Company's poison pill rights so as to allow consummation of the Offer. However, even if the Purchaser obtains such representation and consummates the Offer, the Purchaser would not necessarily be able to consummate the Proposed Merger as a result of the requirements of Article 14 of the VSCA (the "Virginia Affiliated Transactions Law"), if it is applicable to the Purchaser at such time.

If the Purchaser is unable to acquire control of the Company, Tyson and the Purchaser may choose to sell or otherwise dispose of some or all of the Shares owned by them.

In contemplating the Offer, Tyson and the Purchaser have reviewed, and will continue to review, on the basis of publicly available information, various possible business strategies involving the Company and its operations that they might consider in the event that they acquire control of the Company. If and to the extent that Tyson and the Purchaser acquire control of the Company or otherwise obtain access to the books and records of the Company, Tyson and the Purchaser intend to conduct a detailed review of the Company and its assets, corporate structure, dividend policy, capitalization, operations, properties, policies, management and personnel, and may on the basis of such review propose or seek to effect changes or transactions with respect to or affecting any of such matters. Based on its review of the information available to it at this time, Tyson and the Purchaser do not currently intend or contemplate seeking to effect any material changes in the operations or structure of the Company or in its relationships with employees, suppliers or customers.

On February 6, 1994, the Company filed a lawsuit (the "Virginia Action") in the United States District Court for the Western District of Virginia, Harrisonburg Division (Civil Action No. 94-0012(H)) naming Tyson as a defendant. The Virginia Action seeks a declaratory judgment that the Company's Shareholder Protection Rights Agreement adopted on February 4, 1994, is valid and was duly adopted and, that any rights issued thereunder are valid, binding and legally enforceable under state and federal law. The Virginia Action also seeks a declaration that the Virginia Control Share Acquisitions Act and the Virginia Affiliated Transactions Law are constitutional under the Virginia and United States Constitutions and valid under any other applicable law. The Virginia Action also seeks a temporary, preliminary and permanent injunction enjoining Tyson and the Purchaser from bringing any action in any other court relating to Tyson's proposal to acquire the Company.

On February 25, 1994, Tyson answered the Company's complaint in the Virginia Action, and filed counterclaims against the Company and all of its directors. Tyson's counterclaims allege, among other things, that on February 4, 1994, the Company's Board of Directors took a series of actions designed to erect numerous barriers that would insulate the Company from any acquisition not approved by the Company's existing Board of Directors. Tyson's counterclaims allege that through its actions, the Company's board attempted to impose its will on the Company's shareholders and deprive them of the benefits of an acquisition proposal from Tyson or any other third party not endorsed by the Company's existing Board of Directors.

Specifically, Tyson's counterclaims allege that on February 4, 1994, the Company's directors breached their duties to the Company's shareholders by: (a) adopting a Shareholder Protection Rights Agreement and issuing the poison pill rights pursuant thereto; (b) adopting certain executive severance arrangements; (c) adopting certain severance packages for all salaried and hourly clerical employees; (d) amending the Bylaws of the Company relating to the status of the Chairman and Vice Chairman of the Company as officers in an effort to enhance management's voting power to block Tyson's merger proposal; (e) taking actions which denied the Company's disinterested shareholders a full and fair opportunity to consider Tyson's proposal; and (f) purporting to terminate the employment by the Company, and/or status as officers of the Company, of certain of the Company's directors, while at the same time continuing their engagement as directors and promising to expend substantial sums for the benefit of those directors in the future, again to enhance management's voting power to block Tyson's merger proposal.

Tyson's counterclaims further allege that the Virginia Affiliated Transactions Law and the Virginia Control Share Acquisitions Act are unconstitutional and should be declared invalid. Tyson alleges that the Virginia statutory scheme is unconstitutional because, among other things, it conflicts with federal law regulating tender offers.

In its counterclaims, Tyson seeks a declaration that: (1) both of the Virginia statutes referred to above, as well as Section 13.1-646 of the VSCA, are unconstitutional; (2) that the poison pill rights and the various severance arrangements adopted by the Company's Board of Directors are invalid; (3) that none of the Company's directors whose status was purported to be affected by the actions taken on February 4, 1994 will be permitted to vote their shares in any shareholder referendum that might be held under the Virginia Control Share Acquisitions Act; and (4) that the Company's directors breached their fiduciary duties to the Company's shareholders in taking the actions described in Tyson's counterclaims.

A copy of the Company's amended complaint is attached hereto as Exhibit 99.6, and is incorporated herein by reference. A copy of Tyson's answer, affirmative defenses and counterclaims is attached hereto as Exhibit 99.7, and is incorporated herein by reference.

Except as described above, Tyson and the Purchaser have no present plans or proposals with respect to the Company that relate to or would result in any of the matters listed in Items 4(a)-(j) of Schedule 13D.

Item 5. Interest in Securities of the Issuer.

As of the close of business on March 3, 1994, the Purchaser was the direct beneficial owner of 600,000 Shares, which constitute in the aggregate 5.47% of the Shares outstanding (based on 10,967,193 Shares outstanding as of February 1, 1994, as reported in the Company's Quarterly Report on Form 10-Q for the fiscal quarter of the Company ended January 1, 1994), and Tyson was the direct beneficial owner of 63 Shares (constituting less than 1% of the outstanding Shares). Tyson, by virtue of its ownership of all of the outstanding capital stock of the Purchaser, may be deemed to own beneficially and have the power to vote and dispose of the Shares held by the Purchaser directly. Additionally, the Partnership, by virtue of its ownership of securities of Tyson, and Mr. Don Tyson, by virtue of his control over the Partnership and ownership of securities of Tyson, may be

deemed to own beneficially and have the power to vote and dispose of the Shares held directly by the Purchaser and directly and indirectly by Tyson.

The Purchaser has the sole power to vote and dispose of the Shares owned by it. Tyson has the sole power to vote and dispose of the Shares owned by it.

Transactions in the Shares by Tyson and the Purchaser effected during the past 60 days are described in Schedule II hereto, which Schedule is hereby incorporated by reference. All such transactions were effected by Tyson in the open market on the NASDAQ National Market System. On March 1, 1994, Tyson contributed 600,000 Shares to the Purchaser as a contribution to the capital of the Purchaser.

No person other than the parties described in this Item 5 are known to have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the Shares owned directly by the Purchaser.

Mr. James B. Blair, the President and a Director of the Purchaser and General Counsel of Tyson, owns 100 Shares (constituting less than 1% of the outstanding Shares), jointly with his wife, which Shares were purchased for investment purposes in June, 1991. Mr. Blair and his wife jointly share the power to vote and dispose of such 100 Shares. Mr. Wayne Britt, Vice President and Treasurer of Tyson, owns 1,000 Shares (constituting less than 1% of the outstanding Shares), which Shares were purchased for investment purposes over two years ago. Mr. Britt has the sole power to vote and dispose of such 1,000 Shares.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.

Except as described herein, neither Tyson, the Purchaser, the Partnership nor Mr. Erwin or any other person referred to in Schedule I attached hereto has any contracts, arrangements, understandings or relationships (legal or otherwise) with any person with respect to any securities of the Company, including, but not limited to, transfer or voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, puts or calls, guarantees or profits, division of profits or loss, or the giving or withholding of proxies.

Item 7. Material to be Filed as Exhibits.

- 99.1. Joint Filing Agreement among Tyson, the Purchaser, the Partnership and Mr. Don Tyson.
- 99.2. Commitment Letter, dated March 1, 1994, between Tyson, Bank of America National Trust and Savings Association and BA Securities, Inc.
- 99.3. Letter dated January 24, 1994, from Mr. Don Tyson to the Board of Directors of WLR Foods, Inc.
- 99.4. Letter, dated February 6, 1994, from Charles W. Wampler, Jr. to Mr. Don Tyson.
- 99.5. Press Release of Tyson, issued March 3, 1994.
- 99.6. Amended Complaint of WLR Foods, Inc., filed February 9, 1994.
- 99.7. Answer, Affirmative Defenses and Counterclaims of Tyson, filed February 25, 1994.

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

TYSON FOODS, INC.

March 4, 1994

By: /s/ Leland E. Tollett

*Name: Leland E. Tollett
Title: President and Chief
Executive Officer*

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

WLR ACQUISITION CORP.

March 4, 1994

By:/s/James B. Blair

*Name:James B. Blair
Title:President*

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

TYSON LIMITED PARTNERSHIP

March 4, 1994

*By: Mr. Don Tyson, its Managing
General Partner*

/s/Don Tyson

Mr. Don Tyson

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

March 4, 1994

/s/Don Tyson

Name: Mr. Don Tyson

SCHEDULE I

The following table sets forth the name and present principal occupation or employment, and the name, principal business and address of any corporation or other organization in which such employment is carried on, of the directors and executive officers of Tyson and the Purchaser. Unless otherwise indicated, the principal business address of each director and executive officer is 2210 West Oaklawn Drive, Springdale, Arkansas 72762- 6999. Each director and executive officer listed below is a United States citizen.

DIRECTORS AND EXECUTIVE OFFICERS OF TYSON

Name	Present Principal Occupation or Employment
Don Tyson	Chairman of the Board of Directors of Tyson.
Leland E. Tollett	Vice Chairman of the Board of Directors and President and Chief Executive Officer of Tyson.
Neely Cassady Cassady Associates, Inc. P.O. Box 1810 121 West College Nashville, Arkansas 71852	Chairman of the Board and Chief Executive Officer of Sunmark and Chairman of the Board of Cassady Associates, Inc. and its affiliate, H. H. Brewer Electric; Arkansas State Senator; Director of Tyson.
Lloyd V. Hackley Fayetteville State University 1200 Murchison Road Fayetteville, N.C. 28301-4298	Chancellor and Tenured Professor of Political Science at Fayetteville State University, Fayetteville, North Carolina; Director of Tyson.
Shelby Massey Sparks Commodities Brokerage House 889 Ridgelake Blvd., Suite 30 Memphis, Tennessee 38120	Farmer and private investor; Director of Tyson
Joe F. Starr	Vice President of Tyson; Director of Tyson.
Barbara Tyson	Vice President of Tyson; Director of Tyson.
John H. Tyson	President, Beef and Pork Division and Director of Governmental, Media and Public Relations of Tyson; Director of Tyson.
Fred S. Vorsanger University of Arkansas P.O. Box 7777 Fayetteville, Arkansas 72701	Private business consultant, Walton Arena Manager and Vice President (Emeritus) of the University of Arkansas; Director of McIlroy Bank & Trust Co. of Fayetteville, Arkansas; Director of Tyson.

Donald E. Wray	Chief Operating Officer of Tyson; Director of Tyson.
Ellis Brunton	Group Vice President, Research and Quality Assurance of Tyson.
Wayne Britt	Vice President, International Sales of Tyson; Vice President, Wholesale Club Division of Tyson; Vice President and Treasurer of Tyson.
William Jaycox	Group Vice President, Human Resources of Tyson.
Gary Johnson	Controller of Tyson.
Gerald Johnston	Executive Vice President, Finance of Tyson.
Greg Lee	Senior Vice President, Sales and Marketing of Tyson.
Bill Moeller	Group Vice President, Swine Division of Tyson.
David S. Purtle	Senior Vice President, Operations of Tyson.
Mary Rush	Secretary and Director of Investor Relations of Tyson.

DIRECTORS AND EXECUTIVE OFFICERS OF THE PURCHASER

Name	Present Principal Occupation or Employment
_____	_____
James B. Blair	President, Secretary and a Director of the Purchaser; General Counsel of Tyson.
Gerald Johnston	Vice President and a Director of the Purchaser; Executive Vice President, Finance of Tyson.

SCHEDULE II

Schedule of Transactions in the Shares

Date	No. of Shares Purchased	Price Per Share *
2/07/94	196,700	28.788
2/08/94	103,500	28.877
2/09/94	73,000	28.933
2/14/94	22,000	28.892
2/15/94	25,000	29.125
2/16/94	25,000	29.375
2/22/94	80,200	28.151
2/23/94	54,100	28.185
2/24/94	20,500	28.125

* Net of brokerage commissions.

Exhibit Index

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JOINT FILING AGREEMENT

In accordance with rule 13d-1(f) promulgated under the Securities Exchange Act of 1934, the undersigned agree to the joint filing of a Statement on Schedule 13D (including any and all amendments thereto) with respect to the shares of common stock, no par value, of WLR Foods, Inc., and further agree that this Joint Filing Agreement be included as an Exhibit thereto. In addition, each party to this Agreement expressly authorizes each other party to this Agreement to file on its behalf any and all amendments to such Statement.

Date: March 4, 1994

WLR ACQUISITION CORP.

By: /s/James B. Blair

Name: James B. Blair
Title: President

TYSON FOODS, INC.

By: /s/

Name:
Title:

THE TYSON LIMITED PARTNERSHIP

By: Mr. Don Tyson, its
Managing General
Partner

/s/Don Tyson

Name: Don Tyson
Title: Managing General
Partner

/s/Don Tyson

Don Tyson

EXHIBIT 99.2

March 1, 1994

Mr. Gerald Johnston
Executive Vice President-Finance
Tyson Foods, Inc.
2210 Oaklawn, Drawer E
Springdale, AR 72765-2020

Re: Acquisition of WLR Foods, Inc.

Dear Gerald:

Tyson Foods, Inc. (the "Company") has advised Bank of America National Trust and Savings Association ("Bank of America") and BA Securities, Inc. ("BA Securities") that the Company, through WLR Acquisition Corp., a newly-formed corporation ("Acquisition Corp."), will offer to acquire all of the outstanding shares of common stock (the "Shares") of WLR Foods, Inc. ("WLR"), a Virginia corporation, pursuant to a cash tender offer (the "Tender Offer"). We understand that the Tender Offer would contemplate that, following consummation of the Tender Offer, the Company would propose and seek to have WLR consummate a merger of Acquisition Corp. with WLR (the "Merger").

The Tender Offer would be made upon the terms and subject to the conditions of an Offer to Purchase satisfactory in form and substance to Bank of America. All material changes or waivers in or to the terms of the Offer to Purchase shall be satisfactory to Bank of America. We understand that the Tender Offer will be conditional upon the purchase of at least that number of Shares which when aggregated with the number of Shares of WLR owned by the Company and to be contributed to Acquisition Corp. would constitute a majority of the Shares on a fully diluted basis and upon Acquisition Corp. having full voting rights with respect to all Shares acquired by it. We understand that, even if such conditions are satisfied and the Tender Offer is consummated, the Company and Acquisition Corp. may be unable to assure that the Merger will be consummated following the consummation of the Tender Offer. Bank of America shall be satisfied that the Shareholder Protection Rights associated with the Shares shall be invalidated or inapplicable to the transactions contemplated hereby or redeemed for a nominal amount.

You have also advised Bank of America and BA Securities that in order to finance the Tender Offer and the Merger and related costs and expenses, the Company will require a credit facility (the "Facility") of up to \$340,000,000. Neither the purchase of the Shares pursuant to the Tender Offer nor the Merger shall require any external financing or funding other than the Facility.

Bank of America is pleased to advise you that it is willing, subject to the terms and conditions contained in this letter and in the attached Summary of Indicative Terms (the "Term Sheet") to provide the total financing for the acquisition (the "Financing"). Upon your acceptance of this commitment, however, Bank of America, through BA Securities, reserves the right to syndicate part of the Facility to a group of financial institutions (together with Bank of America, the "Banks") acceptable to the Company and to Bank of America as agent for the Facility (in such capacity, the "Agent"). As previously discussed, BA Securities is a wholly-owned, direct subsidiary of BankAmerica Corporation, the parent company of Bank of America, and is a registered broker-dealer. You hereby authorize Bank of America to share credit and other information regarding you with BA Securities.

The fees payable to BA Securities and to Agent in connection with the Facility are set forth in a separate letter of even date herewith (the "Fee Letter").

To assist BA Securities in its syndication efforts, you agree to provide upon its request all information reasonably deemed necessary by it to successfully complete the syndication of the Facility including, but not limited to, information relating to the transactions contemplated hereby. Bank of America and BA Securities acknowledge that they may be exposed to certain information with respect to the Company, Acquisition Corp., WLR and the Tender Offer which is of a confidential and proprietary nature ("Confidential Information") and each agrees that the Confidential Information will be held in confidence by Bank of America and BA Securities and will be divulged only to those employees, agents, and representatives and controlled affiliates that have an actual need to know said information and that have been informed of the nondisclosure obligations hereunder; provided, however, that these restrictions do not apply to information which is disclosed pursuant to a requirement of a judicial or administrative order or as is otherwise required by law (provided no disclosure will be made without first giving the Company the opportunity to oppose the disclosure by appropriate judicial or administrative proceedings). You hereby authorize BA Securities to commence syndication efforts immediately and agree actively to assist BA Securities in achieving a syndication that is satisfactory to BA Securities, Bank of America and you. BA Securities, as arranger, reserves the right (in consultation with the Company and Bank of America) to allocate the commitments offered by the Banks.

In addition to the conditions to funding or closing set forth in the Term Sheet, Bank of America's commitment to provide the financing is subject to

(i) the accuracy and completeness of the information concerning WLR that is publicly available or that has been or will be provided by you; (ii) the negotiation and execution of a definitive bank loan agreement and other related documentation, satisfactory to Bank of America; and (iii) there being no material adverse change in the financial condition, business, operations, properties or prospects of the Company or WLR and its consolidated subsidiaries from the date of the audited financial statements most recently provided prior to the date hereof.

The Term Sheet is intended only as an outline of principal terms and conditions, and does not purport to summarize all of the terms, conditions, covenants, representations and warranties, defaults, and other provisions that will be contained in the definitive legal documentation for the Facility and the transactions contemplated thereby. Such definitive legal documentation will include other provisions customary for this type of financing transaction or otherwise appropriate, in the view of the Banks, to the Financing.

The Company hereby agrees to indemnify and hold harmless each of Bank of America and BA Securities, and their respective directors, officers, employees and affiliates (each, an "indemnified person") from and against any and all losses, claims, damages, liabilities (or actions or other proceedings commenced or threatened in respect thereof) and expenses that arise out of, result from or in any way relate to the purchase of the Shares, the proposed Merger, the Tender Offer, this commitment letter, or the providing or syndication of the Facility, and to reimburse each indemnified person, upon its demand, for any legal or other expenses (including the allocated cost of in-house counsel) incurred in connection with investigating, defending or participating in any such loss, claim, damage, liability or action or other proceeding (whether or not such indemnified person is a party to any action or proceeding out of which any such expenses arise), other than any of the foregoing claimed by any indemnified person to the extent incurred by reason of the gross negligence or willful misconduct of such person. Neither Bank of America nor BA Securities shall be responsible or liable to the Company or any other person for any consequential damages which may be alleged.

In addition, the Company hereby agrees to reimburse Bank of America and BA Securities from time to time upon demand for their reasonable out-of-pocket costs and expenses (including the allocated cost of in-house counsel) incurred by Bank of America or BA Securities in connection with the Facility, regardless of whether the credit agreement is executed or the Facility closes.

If the foregoing is satisfactory to you, please indicate your agreement and acceptance below and return the enclosed counterpart of this letter to us. Upon your delivery to us of a signed copy of this letter and the Fee Letter, this letter agreement shall become a binding agreement, under New York law, as of the date so accepted. This letter will survive the closing of the Facility.

This letter and the Term Sheet are confidential and, except for disclosure to your board of directors, officers and employees, to professional advisors retained by you in connection with this transaction, to WLR or as may be required by law (in connection with the Tender Offer, the Merger, or otherwise), may not be disclosed in whole or in part to any other person or entity without our prior written consent. No such consent shall give rise to any third-party beneficiary as to our commitment.

This offer will terminate on March 11, 1994 unless on or before that date you sign and return the enclosed counterpart of this letter and the Fee Letter. This commitment will expire on May 10, 1994 if the Facility has not closed on or before that date.

We are pleased to have this opportunity and look forward to working with you.

Very truly yours,

**BANK OF AMERICA NATIONAL
TRUST AND SAVINGS ASSOCIATION**

By: /s/ J. Stephen Mernick
J. Stephen Mernick
Senior Vice President

**BA SECURITIES, INC.,
as Arranger**

By: /s/ John A. Finan
John A. Finan
Vice President

ACCEPTED AND AGREED TO:
this 2nd day of March, 1994

TYSON FOODS, INC.

By: /s/ Gerald Johnston

Title: EVP Finance

SUMMARY OF INDICATIVE TERMS

\$400,000,000 Acquisition Facility

Borrower: Tyson Foods, Inc. (the "Borrower")

Arranger: BA Securities, Inc. (the "Arranger")

Agent: Bank of America National Trust and Savings
Association (the "Agent")

Purpose: General corporate purposes including the
purchase of the stock of WLR Foods, Inc. and
related expenses.

Amount: Up to \$340,000,000. The aggregate of Bid
Loans and advances shall not exceed
\$340,000,000.

Facility: A 364-day revolving credit facility (the
"Facility") providing for short-term advances
with interest periods of up to six months/180
days. Amounts borrowed and repaid may be
subsequently reborrowed and repaid during the
commitment availability period.

In addition to drawing committed advances, commitments may be utilized by inviting Banks to bid for advances ("Bid Loans") during the commitment availability period. Total committed advances and Bid Loan outstandings under the Facility may not exceed the Facility Amount.

Term Option:

At a predetermined time prior to maturing, Borrower may elect to convert the outstanding amount of the Facility to a one year term loan.

Commitment Availability:

364-days from the closing of the credit agreement.

Availability:

Committed advances shall be in a minimum principal amounts of \$5,000,000 and in multiples of \$1,000,000 in excess thereof and subject to three days' prior written notice in the case of LIBOR advances and two days' prior written notice in the case of CD Rate advances. Same day advances may be made on a Reference Rate basis.

Bid Option:

The Bid Loan Option will be available on an uncommitted basis through a competitive auction mechanism. The Borrower may from time to time invite bids for advances.

Requests for such bids shall be for minimum principal amounts of \$5,000,000 and in multiples of \$1,000,000 in excess thereof. The Borrower shall be under no obligation to accept any of the bids received. Each Bank may (but shall not be required to) bid for advances in excess of its respective commitment.

Voluntary Reduction or
Cancellation:

Upon three business days' prior written notice, the Borrower may reduce without penalty all or a portion of the Facility unutilized for advances, in minimum amounts of \$5,000,000 and in multiples of \$1,000,000 in excess thereof.

Voluntary Prepayment:

The Borrower may prepay at any time without penalty committed advances minimum amounts of \$5,000,000 subject to three days' prior written notice in the case of LIBOR advances provided that LIBOR or CD Rate advances prepaid at any time other than at maturity shall be subject to reimbursement of break-funding costs and related expenses, if any.

Commitment Fee:

A per annum fee, payable quarterly in arrears and upon termination of the Facility, calculated on a 360-day basis on a the daily unused portion of the Facility in accordance with the attached Pricing Matrix. Bid Loans will not count as usage in the calculation of their fee.

Interest on Committed
Advances:

The Borrower shall have the option to choose between domestic dollar and eurodollar funding, at per annum interest margins that will vary according to credit ratings of the Borrower as outlined in the attached Pricing Matrix.

Default Interest Rate:

Interest will accrue at an agreed upon premium of two percent (2%) above the prevailing rate if an Event of Default exists.

Documentation:

Documentation shall include but not be limited to: representations and warranties, covenants and events of default customary in credit agreements.

Indemnities: Those customary in credit agreements of this type, including but not limited to increased costs, capital adequacy, taxes and duties, and break funding.

Representation and Warranties: Those customary in credit agreements of this type, including but not limited to: corporate existence; corporate authorization; enforceability; financial information; environmental matters; compliance with laws; no material litigation; payment of taxes; and full disclosure.

Covenants: Those customary in credit agreements of this type including, but not limited to, the following financial covenants (which will mirror the covenant definitions and levels in the existing \$350 million and \$500 million credit facilities):

1. Consolidated Net Worth
2. Interest Coverage Test Ratio
3. Debt Ratio

Events of Default: Those customary in credit agreements of this type, including, but not limited to: failure to pay any interest, principal, or fees payable under the credit agreement; failure to meet covenants; cross default to other debt of the Borrower.

Governing Law: State of New York

TYSON FOODS, INC.

\$340,000,000 ACQUISITION FACILITY

Pricing Grid*
(in basis points)

Senior Unsecured Debt Rating	Pricing Level I: A-/A and Above	Pricing Level II: BBB+/Baa	Pricing Level III: BBB/Baa	Pricing Level IV: BBB-/Baa	Pricing Level V: Below BBB-/Baa
Commitment Fee:					
Total Undrawn Cost:					
LIBOR Margin:					
Base Rate Margin:					
Total Drawn Cost:					

* Intentionally left blank for filing and exhibit purposes.

Notes:

1. Senior unsecured debt ratings as assigned by Standard & Poor's or Moody's rating agencies. In the event of a split rating, the higher rating will determine the applicable pricing level.
2. In the event of a material adverse change in the loan syndication or capital markets which would have a substantial negative impact on the ability to syndicate the Facility, the Borrower and Agent agree to renegotiate the above pricing and/or other terms and conditions in order to successfully syndicate the Facility.

January 24, 1994

Board of Directors
WLR Foods, Inc.

Gentlemen:

We at Tyson have long admired WLR Foods and the outstanding job you and your management team have done for your stockholders. We believe now is an ideal time for your stockholders to have the opportunity to realize the tangible benefits of your efforts through a combination of WLR Foods with Tyson on the very favorable basis which I will describe in this letter.

We think that there are extremely attractive opportunities for pursuing the continued growth and development of our two companies through this combination in which it will be essential that you and members of your management team play a significant role. Accordingly, one of our top priorities is to negotiate mutually satisfactory arrangements enabling the combined enterprise to have the benefit of your experience and that of WLR's key managers.

I have discussed this matter thoroughly with our Board of Directors, and we are pleased to propose a merger of WLR and Tyson or a subsidiary of Tyson in which the stockholders of WLR would receive \$30.00 in cash for each of their WLR Foods shares.

We are confident that this proposal will be extremely attractive to your stockholders. We also believe that a combination of WLR and Tyson on the terms described below will prove to be the most advantageous alternative to your stockholders, management, employees and other important constituencies. This offer represents a 56% premium over last Friday's closing market price of \$19.25 per share. It also represents approximately 2.26 times WLR book value per share, and a price to earnings multiple of 21.4 times WLR's fiscal 1993 earnings. Accordingly, we believe our offer is a full and fair one. We are willing to assure the communities where your plants operate that they will benefit, not suffer, from this proposed merger.

We recognize that you must consider what alternatives, if any, may be available for WLR and its stockholders, including a sales transaction with a third party, a leveraged buyout or leveraged recapitalization of WLR. We believe that the combination of Tyson and WLR will quickly prove to be the most attractive alternative to you. For that reason, we believe it would be

mutually desirable and advantageous if you would give us the opportunity to negotiate with you and your Board of Directors a definitive merger agreement embodying the terms of our proposal. We are prepared to negotiate in good faith and to conclude a transaction which we believe will be enthusiastically supported by your Board, stockholders, management, employees and other constituencies.

Although we would prefer an all cash transaction, we would also be willing to negotiate other possible ways of merging if a tax free reorganization would be more desirable for a significant number of your shareholders. A part stock, part cash merger would enable your shareholders to participate in the future growth of the combined entity. We would also be willing to attempt to time the closing of a transaction such that your shareholders who purchased shares in your secondary offering last year qualified on their capital gains holding period.

We respectfully request that any pertinent information which is available to your management or is made available to your investment bankers or third parties for the purpose of evaluating or pursuing alternative transactions be made available to us as well, so that our proposal and its terms may be formulated with the benefit of a level and fully illuminated playing field.

Although, as a board, you have apparently been unwilling to meet with us we believe it would be mutually desirable to give us a chance to meet with you to answer any of your questions and to negotiate in good faith.

Our proposal is based upon and subject to the information we have received to the effect that:

1. There are approximately 10,956,856 shares of WLR Foods common stock outstanding;
2. That the disclosures in your 10-K's and 10-Q's are substantially accurate and that there are no undisclosed matters that would be financially material to the detriment of WLR Foods;
3. That the provisions of the Hart-Scott-Rodino Antitrust Improvements Act of 1976 will be complied with prior to the consummation of a merger;

4. That your Board or management will not take any actions which would materially reduce the value of WLR Foods to Tyson (normal conduct of your business in the manner you have been conducting it in the past will not constitute such a reduction);
5. That a majority of the disinterested Directors of WLR Foods will make such approvals as necessary to prevent the Virginia Stock Corporation Act from being an impediment to the proposed merger, and that the Virginia Stock Corporation Act will not otherwise be used to disadvantage Tyson in the purchase of WLR Foods stock, in the voting of WLR Foods stock, or in any merger with Tyson or a subsidiary of Tyson;
6. That no "Poison Pills" or other "Anti-Takeover" measures will be used to obstruct a merger and that you will repeal any such measures prior to the consummation of any transaction; and
7. The preparation, negotiation and execution of a definitive merger agreement containing such terms (including but not limited to representatives, warranties and covenants) as are customary in transactions of this nature.

We and our advisors are prepared to meet promptly with WLR directors, management and advisors at their convenience in order to answer any questions you or they may have about our offer and if appropriate, in order to negotiate a mutually desirable and beneficial transaction.

We believe that under the existing case law including U.S. Supreme Court cases concerning disclosure of merger negotiations, it is likely that you will be advised that this proposal must be disclosed to your stockholders. Similarly, our counsel has advised us that this proposal could be sufficiently material to our stockholders to require its disclosure to them. In view of these concerns, we believe that prudence requires that we make a public announcement of this proposal before the opening of the market tomorrow morning.

Since this matter is of the utmost importance, we feel compelled to ask for a response to our proposal from your Board of Directors no later than the close of business on Thursday, February 4, 1994, after which time our proposal will expire unless extended in writing.

We look forward to hearing from you at your earliest convenience.

Very truly yours,

Don Tyson Chairman

February 6, 1994

Mr. Don Tyson
Chairman, Board of Directors
Tyson Foods, Inc.
2210 West Oaklawn Drive
Springdale, AR 72762-6999

Dear Mr. Tyson and Directors:

The Board of Directors of WLR Foods, Inc., along with management and its professional advisors, has carefully considered your unsolicited offer to negotiate the acquisition of WLR Foods, Inc. by Tyson Foods, Inc. We decline your invitation to discuss your acquisition as we strongly believe it is in the best long-term interests of WLR Foods, Inc. and its shareholders for our company to remain independent. Our decision to remain independent is unanimous.

Not only do we believe that WLR Foods, Inc. and our shareholders are best served by the continued independence of the company, we further believe that now would be the wrong time to sell. We have made significant capital expenditures and sizable acquisitions in recent years to strategically position this company to profit in a more favorable poultry cycle and national economy. A sale at this time would deprive our shareholders from realizing the benefits of the confluence of these factors.

Our Board is committed to taking whatever action it deems necessary and appropriate to protect the interests of WLR Foods, Inc., its shareholders and other constituencies.

Sincerely,

Charles W. Wampler, Jr.
Chairman, Board of Directors
WLR Foods, Inc.

NEWS RELEASE

**Tyson Announces Tender Offer For All
Shares of WLR Foods at \$30 Per Share**

Springdale, Arkansas (March 3, 1994) - Tyson Foods, Inc. (NASDAQ: TYSNA), today announced that it will commence a tender offer on March 9, 1994 to purchase all outstanding shares of common stock of WLR Foods, Inc. (NASDAQ: WLRF), at \$30 per share in cash. Tyson stated that it beneficially owns in excess of 5% of the outstanding shares of WLR common stock.

WLR Foods has approximately 11 million shares outstanding. The tender offer will be subject to certain conditions, including the tender of at least a majority of the shares. The tender offer however, will not be subject to a financing condition.

On January 24, 1994, Tyson delivered to WLR Foods a proposal to merge WLR Foods into Tyson in which WLR shareholders would receive \$30 per share in cash. On February 6, 1994, WLR Foods announced that its Board of Directors had rejected Tyson's proposal.

Tyson stated that it intends to request a special meeting of WLR Foods shareholders pursuant to the Virginia Control Share Acquisitions Act. At such meeting WLR Foods shareholders will be asked to vote on a proposal to accord full voting rights to the WLR Foods shares acquired by Tyson pursuant to the tender offer. The Act provides that, unless such proposal is adopted, Tyson will not have any voting rights with respect to shares purchased by it in the tender offer. Approval of the proposal requires the affirmative vote of the holders of a majority of the WLR Foods shares, other than those shares held by Tyson and its associates or by officers of the Company or directors of the Company who are employees. The purpose of the Control Share Acquisitions Act is, in effect, to allow the disinterested shareholders of WLR Foods to express a view on Tyson's tender offer.

On February 4, 1994, the WLR Foods Board of Directors took a series of actions aimed at changing the status of four of its directors to purportedly allow them to vote their shares of WLR Foods common stock on Tyson's proposal under the Virginia Control Share Acquisitions Act. These four directors hold in excess of 10% of the outstanding shares. The WLR

Foods Board of Directors also changed the record date provisions of WLR Foods' Bylaws with respect to special shareholders meeting called under the Act, effectively eliminating advance notice of the record date.

"As a result of these actions," Mr. Don Tyson, Chairman of the Board of Directors of Tyson, stated, "WLR Foods has attempted to frustrate the voting rights of their own shareholders under the Act and to entrench management."

Tyson has filed claims against WLR Foods and its directors in federal district court in Virginia in response to the actions taken by WLR Foods and its Board of Directors. Tyson's claims ask the court to negate the improper actions taken by the Board and thereby allow a fair vote by the disinterested shareholders of WLR Foods under the Virginia Control Share Acquisitions Act.

Also in connection with its rejection of Tyson's proposal, the WLR Foods Board of Directors adopted a poison pill rights plan and lucrative golden parachute severance arrangements for WLR Foods executives as further defensive and entrenchment tactics. The claims filed by Tyson also request that the poison pill rights plan and lucrative golden parachute arrangements adopted by WLR Foods after its receipt of Tyson's original merger proposal be invalidated.

Tyson's claims also challenge the Virginia statutory scheme regulating take-overs as an unconstitutional barrier to Tyson's ability to acquire shares pursuant to the tender offer.

In addition to the tender of a majority of the outstanding shares, the tender offer will be certain other conditions, including WLR Foods' recently issued poison pill rights having been redeemed or invalidated or otherwise found to be inapplicable to the tender offer; Tyson's satisfaction that the restrictions contained in the Virginia Affiliated Transactions Statute Act will not apply to the proposed merger between Tyson and WLR Foods; and full voting rights for all shares of WLR Foods common stock acquired by Tyson pursuant to the tender offer having been approved at a special meeting of WLR Foods' shareholders, or Tyson's being satisfied that the Virginia Control Share Acquisitions Act is inapplicable to Tyson or its acquisition of shares of WLR Foods common stock.

Notwithstanding its commencement of the tender offer, Tyson stated that it remains willing to enter into negotiations at any time with WLR Foods regarding its proposal.

The Information Agent for the tender offer will be MacKenzie Partners, Inc.

For further information, contact Tyson's Director of Media, Public and Government Affairs, Archie Shaffer, III at 501-290-7232.

**UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF VIRGINIA
HARRISONBURG DIVISION**

WLR FOODS, INC.,

Plaintiff,

v. CIVIL ACTION NO. 94-0012(H)

TYSON FOODS, INC.,

Defendant.

**AMENDED COMPLAINT FOR
DECLARATORY AND INJUNCTIVE RELIEF**

Plaintiff WLR Foods, Inc. ("WLR"), by its undersigned attorneys,

for its complaint, upon knowledge with respect to itself and its own acts and

upon information and belief as to all other matters, alleges:

I. NATURE OF ACTION

8. This Action seeks a declaration that WLR's Shareholder

Protection Rights Agreement (the "Rights Plan"), adopted on February 4, 1994,

is valid and was duly adopted in full conformance with applicable law and

that any rights to be issued pursuant to the Rights Plan (the "Right(s)") are

valid, binding and legally enforceable under state and federal law.

9. This action also seeks a declaration that Article 14, Va. Code

13.1-1-725, et seq., and Article 14.1, Va. Code 13.1 1-728.1, et seq.,

of Virginia's Stock Corporation Act (collectively the "Articles") are

constitutional under the Virginia and the United States Constitutions and

valid under any other applicable law. The Articles were adopted by the Commonwealth of Virginia as a means of protecting Virginia corporations and their shareholders.

II. JURISDICTION

10. This Court has jurisdiction over this matter pursuant to 28

U.S.C. 1331, 28 U.S.C. 1332 (a) (1) and 28 U.S.C. 2201.

III. PARTIES

11. WLR is a Virginia corporation with its principal executive offices in Rockingham County, Virginia. Shares of WLR's common stock are publicly traded on the NASDAQ National Market System.

12. Defendant Tyson Foods, Inc. ("Tyson") is a Delaware corporation with its principal executive offices in Springdale, Arkansas.

IV. CLAIMS

13. By letter dated January 24, 1994, Tyson proposed to WLR's board of directors a merger of WLR and Tyson (or a subsidiary of Tyson) pursuant to which the shareholders of WLR would receive \$30.00 in cash for each of their WLR shares (a copy of the letter is attached hereto as Exhibit A and is incorporated by reference). In that letter, Tyson stated, among other things, that the proposal was contingent upon WLR's board of directors not using what Tyson termed any "Poison Pills" or other "Anti-Takeover" measures to "obstruct a merger." This language indicates that Tyson believes

a basis may exist for challenging the validity of measures such as the Rights

Plan.

14. Tyson's January 24, 1994 letter also made its acquisition proposal contingent upon the WLR board of directors taking necessary action to prevent the Virginia Stock Corporation Act from being an "impediment" to the proposed merger. This condition to Tyson's proposed acquisition indicates that Tyson believes a basis may exist for challenging the validity of provisions of Virginia's Stock Corporation Act ("Stock Corporation Act"), including the Articles.

15. By letter dated February 6, 1994, WLR rejected Tyson's January 24, 1994 acquisition proposal (a copy of the letter is attached hereto as Exhibit B and is incorporated by reference).

A. Articles 14 and 14.1 of Virginia's Stock Corporation Act Are Constitutional

16. Article 14 of the Stock Corporation Act ("Article 14") prohibits a corporation from engaging in certain transactions including mergers, with an "interested shareholder" for three years from the date that the person is determined by the corporation's board of directors to be an "interested shareholder." An "interested shareholder" is defined by Article 14 to be, among other things, the beneficial owner of more than ten percent of any class of outstanding voting shares of the corporation.

17. Article 14 provides for certain exceptions from the requirements of the Article, including an exception for transactions approved by a majority of the disinterested directors of the corporation and two-thirds of the voting shares (other than those shares beneficially owned by the interested shareholder).

18. Article 14.1 of the Stock Corporation Act ("Article 14.1") limits the voting rights of the shares of a corporation acquired, in a "control share acquisition." A "control share acquisition" is defined by Article 14.1 to be the direct or indirect acquisition of sufficient shares to give the owner various specified levels of voting power in connection with the election of directors of the corporation.

19. Article 14.1 provides for certain exceptions from its requirements. For instance, the corporation's board of directors may take certain actions, under specified procedures and conditions, that will remove the acquisition from the limitations imposed by Article 14.1. In addition, any acquiring person may request that the corporation call a special meeting of the shareholders for the purpose of considering the voting rights to be granted shares acquired or to be acquired in the control share acquisition.

20. Articles 14 and 14.1 were adopted by the Commonwealth of Virginia as a means of protecting Virginia corporations and their shareholders and do not conflict with either the Virginia or the United

States Constitutions or any other applicable law.

21. In its January 24, 1994 letter, Tyson states that its proposal is contingent on WLR's board of directors taking action "necessary to prevent the Virginia Corporation Act from being an impediment to the proposed merger" and the board of directors not using the Act to "disadvantage Tyson in the purchase of" WLR's stock. Thus, rather than viewing and respecting the Articles as a measure by the Commonwealth of Virginia to protect Virginia corporations and their shareholders, Tyson apparently believes them to be an "impediment" and "disadvantage" to its acquisition efforts.

B. WLR'S Shareholder Rights Plan Is Valid

22. At a meeting held on February 4, 1994, WLR's board of directors adopted the Rights Plan. In adopting the plan, the board of directors and each of its members acted in good faith, in conformity with fiduciary and other duties, and conducted a reasonable investigation which included receiving the advice of the company's management and legal and financial advisors.

23. Pursuant to the Rights Plan, among other provisions, the board of directors declared a dividend distribution of one Right for each outstanding share of the Company's common stock (the "Common Stock"). The occurrence of certain events, including commencement of a tender offer for acquisition of at least 15% of WLR's common stock, entitles the holder of

each Right to purchase one-hundredth of a share of WLR Participating Preferred Stock at a price set by the board of directors in consultation with the Company's financial advisers (the "Exercise Price"). The Participating Preferred Stock would be designed so that each one-hundredth of a share has economic and voting terms similar to those of one share of Common Stock.

24. If any person acquires 15% or more of the outstanding Common Stock (the "Flip-in trigger"), then:

- (i) Rights owned by the person acquiring such stock or transferees thereof will automatically be void; and
- (ii) each other Right will automatically become a right to buy, for the Exercise Price, that number of shares of Common Stock or Participating Preferred Stock having a market value of twice the Exercise Price.

The Rights may be redeemed by the board of directors, at any time until a Flip-in trigger has occurred, at a Redemption Price of \$0.01 per Right.

25. WLR believes and alleges that the Rights Plan is valid and lawful and was duly adopted in full conformance with applicable law, and that its adoption was a legitimate exercise of business judgment by WLR's board of directors, and not otherwise contrary to Virginia state law and federal laws.

The Rights Plan is binding in all respects, valid and enforceable.

26. Based on the language of Tyson's January 24, 1994 letter, WLR believes and alleges that the defendant or persons or entities acting in

concert with them or on their behalf will contest (a) the constitutionality or validity otherwise of Articles 14 and 14.1 and (b) the validity of the Rights Plan and the Rights. Thus, an actual controversy exists between the parties to this action which is within the power of this Court to determine pursuant to 28 U.S.C. 2201-2202. This Court's determination of the issues presented herein will afford relief from uncertainty and insecurity with respect to rights, status, and legal relations between the parties.

27. Without a declaratory judgment, WLR and its shareholders will be deprived of the assurance that (a) Articles 14 and 14.1 are applicable to Tyson's efforts to acquire the corporation and (b) the Rights Plan was validly adopted and the Rights thereunder exercisable.

28. WLR has no adequate remedy at law as to matters which require injunctive relief.

WHEREFORE, plaintiff hereby requests that the Court enter a judgment:

a. Declaring that Articles 14 and 14.1 of the Virginia Stock Corporation Act, are valid, lawful and binding under both the Virginia and the United States Constitutions and any other applicable laws.

b. Declaring that:

(i) the Rights Plan and the

Rights are valid, lawful and binding;

(ii) the Rights Plan was adopted in full compliance with the laws of the Commonwealth of Virginia and any other applicable law; and

(iii) the Rights distributed pursuant thereto will be valid and enforceable.

c. Temporarily, preliminarily and permanently enjoining defendant,

its affiliates, subsidiaries, officers, directors, and all others acting in

concert with them or on their behalf, from bringing any action in any other

court (a) challenging the constitutionality and validity of Articles 14 and

14.1 of the Virginia Stock Corporation Act; (b) attacking any aspect of the

Rights Plan, including the Plan's adoption under Virginia or in regard to any

other applicable law; and/or (c) otherwise relating to or involving Tyson's

proposal to acquire WLR and the response to that proposal by WLR and/or its

directors, officers or agents, under state law and/or federal law.

d. Awarding to WLR and against defendant, costs and disbursements

of this action, including reasonable attorneys fees, if permitted by law; and

e. Granting such further relief to WLR as may be just and proper

under the circumstances.

Douglas L. Guynn VSB No. 19748 Wharton, Aldhizer & Weaver A Professional Limited Liability Company

OF COUNSEL:

William R. Norfolk
Sullivan & Cromwell
125 Broad Street
New York, New York 10004
(212) 558-4000
Dated: February 9, 1994

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF VIRGINIA

Harrisonburg Division

_____)	
WLR FOODS, INC.)	
)	
Plaintiff,)	
)	
v.)	
)	
TYSON FOODS, INC.,)	
)	
Defendant.)	
)	
and)	
)	
TYSON FOODS, INC.,)	Civil Action No. 94-0012(H)
)	
Counterclaimant,)	
)	
v.)	
)	
WLR FOODS, INC.,)	
)	
Counterclaim-)	
Defendant,)	
)	
and)	
)	
GEORGE E. BRYAN,)	
CHARLES L. CAMPBELL,)	
STEPHEN W. CUSTER,)	
CALVIN G. GERMROTH,)	
WILLIAM H. GROSECLOSE,)	
J. CRAIG HOTT,)	
JAMES L. KEELER,)	
HERMAN D. MASON,)	
CHARLES W. WAMPLER, JR.,)	
WILLIAM D. WAMPLER,)	
)	

Additional Counter-
Claim Defendants.)
_____)

ANSWER, AFFIRMATIVE DEFENSES
AND COUNTERCLAIMS OF TYSON FOODS, INC.

ANSWER

Defendant Tyson Foods, Inc. ("Tyson"), by counsel, answers WLR Foods, Inc.'s ("WLR") Amended Complaint as follows:

1. Admits that the Amended Complaint purports to seek a declaratory judgment regarding the "Rights Plan" as that term is defined in the Amended Complaint. The remaining allegations are legal conclusions which do not require a response. To the extent a response is required, Tyson denies them.
2. Admits that the Amended Complaint purports to seek a declaration that Article 14, Va. Code 13.1-725 et seq. and Article 14.1, Va. Code 13.1-728.1 et seq. of Virginia's Stock Corporation Act are constitutional under the Virginia and United States Constitutions. The remaining allegations are legal conclusions which do not require a response. To the extent a response is required, Tyson denies them.
3. Denies, except to the extent the allegations constitute legal conclusions which require no response.
4. Admits.
5. Admits.
6. Admits that Tyson believes a basis may exist for challenging the validity of measures such as the Rights Plan. Tyson denies the remaining allegations, except to the extent that the letter dated January 24, 1994 is quoted accurately.
7. Admits that Tyson believes a basis may exist for challenging the validity of provisions of Virginia's Stock Corporation Act. Tyson denies the remaining allegations, except

to the extent the letter dated January 24, 1994 is quoted accurately.

8. Admits.

9. Denies, except to the extent that the allegations constitute legal conclusions to which no response is required.

10. Denies, except to the extent that the allegations constitute legal conclusions to which no response is required.

11. Denies, except to the extent that the allegations constitute legal conclusions to which no response is required.

12. Denies, except to the extent that the allegations constitute legal conclusions to which no response is required.

13. Denies, except to the extent that the allegations constitute legal conclusions to which no response is required.

14. Denies, except to the extent that the letter dated January 24, 1994 is quoted accurately.

15. Admits that Tyson is aware that the Board of Directors of WLR adopted a "Shareholders Rights Plan." Tyson is without sufficient information to admit or deny the remaining allegations and therefore denies them.

16. Admits that Tyson is aware that the WLR Board of Directors adopted a "Shareholders Rights Plan." Tyson refers to the full text of the "Shareholders Rights Plan" for its content.

17. Admits that Tyson is aware that the WLR Board of Directors adopted a "Shareholders Rights Plan." Tyson refers to the full text of the "Shareholders Rights Plan" for its content.

18. Denies, except to the extent that the allegations constitute legal conclusions to which no response is required.
19. Tyson is without knowledge or information sufficient to form a belief as to the truth of the allegations relating to WLR's belief. Tyson denies the remaining allegations except to the extent that the allegations constitute legal conclusions to which no response is required.
20. Denies, except to the extent that the allegations constitute legal conclusions to which no response is required.
21. Denies, except to the extent that the allegations constitute legal conclusions to which no response is required.
22. The remaining allegations are a demand for relief to which no response is required. To the extent a response is required; Tyson denies them.
23. Tyson denies every allegation not specifically admitted.

AFFIRMATIVE DEFENSES

1. The Amended Complaint fails to state a claim upon which relief may be granted.
2. WLR is guilty of unclean hands.
3. The claims pleaded are barred by the doctrine of estoppel.
4. The claims pleaded are barred by the doctrine of illegality.

5. The claims pleaded are barred by WLR's fraud, which is set forth in the Counterclaims.

COUNTERCLAIMS

Counterclaim plaintiff Tyson, by counsel, states as its counterclaims:

The Parties

1. Tyson is a Delaware corporation with its principal place of business in Arkansas. Tyson has operations throughout the United States, including facilities in the Commonwealth of Virginia. At all relevant times, Tyson owned shares of WLR. Tyson purchased additional shares at times during the relevant period.

2. WLR is a Virginia corporation with its principal place of business in Rockingham County, Virginia. Shares of WLR's common stock are publicly traded on the NASDAQ National Market System.

3. George E. Bryan, Charles L. Campbell, Stephen W. Custer, Calvin G. Germroth, William H. Groseclose, J. Craig Hott, James L. Keeler, Herman D. Mason, Charles W. Wampler, Jr., and William D. Wampler ("Directors") are members of the WLR Board of Directors.

Jurisdiction and Venue

4. This Court has subject matter jurisdiction over these counterclaims pursuant to:

(a) 28 U.S.C. 1331 because the matter in controversy arises under the United States Constitution and the laws of the United States;

(b) 28 U.S.C. 1332 because there is complete diversity of citizenship between the counterclaim plaintiff and the counterclaim defendants and the amount in controversy, exclusive of interest and costs, exceeds \$50,000;

(c) 28 U.S.C. 1337(a) because the action arises under an act of Congress regulating commerce;

(e) 28 U.S.C. 1367 under the principles of supplemental jurisdiction.

Factual Background

5. On January 24, 1994, Tyson sent a letter to the Board of Directors of WLR proposing a merger of WLR with Tyson (or a subsidiary of Tyson). Tyson's merger offer proposed to pay WLR shareholders \$30.00 per share in cash for each of their shares. This offer represented a premium to WLR shareholders of approximately \$110 million or 56% over the pre-offer market share price for WLR stock. Tyson requested a response to its January 24th letter by close of business on February 4, 1994. No response from WLR was received by that time.

6. On January 25, 1994, James L. Keeler sent a letter on behalf of the Directors to WLR shareholders in which WLR promised to "keep you posted on important corporate developments."

7. On February 4, 1994, the WLR Board held a meeting in which they rejected Tyson's proposal. At that February 4

meeting, WLR's board took a series of actions designed to erect numerous barriers that would insulate WLR from any acquisition not approved by the WLR board. Through its actions, WLR's board attempted to impose its will on WLR's shareholders, by eliminating any opportunity for those shareholders to exercise their shareholder rights thereby attempting to deprive them of the benefits of an acquisition proposal from Tyson or any other third party not endorsed by the Board of Directors.

8. Specifically, at the February 4, 1994 Board meeting, the Directors:

- (a) adopted a Shareholder Rights Agreement ("Poison Pill");
- (b) adopted certain executive severance arrangements ("Golden Parachutes");
- (c) adopted certain severance packages for salaried and hourly employees ("Other Parachutes");
- (d) amended the corporate bylaws of WLR relating to the roles that the Chairman and Vice Chairman of WLR play as officers to enhance management's voting power to block Tyson's merger proposal;
- (e) took actions which denied WLR's disinterested shareholders the opportunities to consider Tyson's proposal; and
- (f) purported to terminate the employment of a number of WLR officers, while at the same time promising to expend substantial sums for the benefit of those officers in the future,

again to enhance management's voting power to block Tyson's merger proposal.

These actions are described in WLR's Form 10-Q for the quarterly period ending January 1, 1994, which was filed with the Securities and Exchange Commission on February 15, 1994 ("Form 10-Q").

9. Pursuant to the Poison Pill, the Board of Directors of WLR declared, among other provisions, that a dividend of one "Right" per outstanding share of WLR stock be issued to WLR stockholders.

10. The Poison Pill provides that it is triggered, or "flips-in," when any person acquires voting control of 15% or more of the outstanding Common Stock of WLR. Once triggered, the Poison Pill provides that the Rights owned by the acquiring person are automatically void, and all other Rights holders automatically may purchase for shares of Common Stock in WLR at half the market price. The Board of Directors of WLR may redeem the Rights at anytime before the flip-in trigger occurs for \$0.01 per Right.

11. The Poison Pill adopted by the Board of Directors of WLR makes any acquisition of more than 15% of the shares of WLR prohibitively expensive to any prospective acquirors. In addition to imposing a severe financial penalty on a potential acquiror, the "flip-in" of the Poison Pill would cut that potential acquiror's voting rights almost in half. As a result, the adoption of the Poison Pill has the effect of deterring any

takeover offers for WLR except those that are approved by the Board of Directors of WLR. Through their adoption of the Poison Pill, the Board of Directors of WLR have entrenched themselves and the present officers of WLR in their positions, and at the same time have deprived WLR's shareholders of the opportunity to consider lucrative offers for their shares.

12. The Golden Parachutes fall into at least three categories. In the first category is James L. Keeler, President and Chief Executive Officer of WLR. If Keeler decides to leave WLR during a specified period after a "Change of Control" (as that term is defined in the Golden Parachutes) in WLR, Keeler will receive three times his total compensation, including base salary, bonuses, and deferred compensation. In addition, Keeler would receive a cash payment equivalent to the value of his stock options which are not vested at the time of the Change of Control, and his fringe benefits such as health insurance will be extended for three years. The Board provided that Keeler's compensation will be "grossed up" if necessary to ensure this level of compensation is received by Keeler as a net amount and any taxes ordinarily paid by Keeler will be borne by WLR. Under Federal tax law, however, a substantial portion of those payments may not be deducted by WLR for federal income tax purposes.

13. In the second category of Golden Parachutes are Delbert L. Seitz, Chief Financial Officer, Secretary, and Treasurer of WLR, and James L. Mason, President of Wampler-Longacre, Inc., a subsidiary of WLR. The terms of Messrs. Seitz' and Mason's

Golden Parachutes are identical to those of Mr. Keeler's Golden Parachute, including the "gross up" provision, except that they do not include deferred compensation.

14. The third category of Golden Parachutes provide certain executives with a payment equal to 150% of their annual compensation (base salary plus bonuses) if the individual is terminated after a "Change in Control." The individuals in the third category will also receive a cash payment equivalent to the value of their stock options which are not vested at the time of the Change of Control and their fringe benefits, such as health insurance, will be extended for one and one-half years. Again, where applicable, these benefits will be "grossed up" at WLR's expense.

15. The terms of the Other Parachutes are not disclosed in the 10Q, thereby depriving Tyson and the other shareholders from learning the true cost to WLR of these precipitous acts by the Directors. Also, because of the gross-up provisions of the Golden Parachutes, the shareholders are further deprived of learning information about the true cost to WLR caused by the Directors' self-serving actions.

16. The Golden Parachutes adopted by the Board of Directors of WLR provide for extremely lucrative financial benefits to WLR's present management, a number of whom presently are members of WLR's Board of Directors. At the same time, the Golden Parachutes and Other Parachutes adopted by the Board of Directors make any acquisition of WLR considerably more expensive, and thereby reduce the likelihood of any such acquisition, or

at the least reduce the price that WLR's shareholders might receive as a result of any such acquisition. WLR has never disclosed the true financial cost of the Golden Parachutes and Other Parachutes that it has conferred on its officers and employees. These costs, which cannot be calculated based on available information run into an indeterminable number of millions of dollars.

17. In addition, the WLR Board adopted a bylaw that provides that the record date for any special meeting held pursuant to the Virginia Control Share Acquisitions statute will be the day on which an Acquiring Person (as defined by the statute) requests such a meeting. Other provisions of the Virginia Control Share Acquisitions statute regarding the timing of such a meeting, and the solicitations that may precede such a meeting, make it extremely difficult for any third party to prevail against management at such a meeting. The bylaw adopted by the Board compounds any such third party's problems because it maintains voting rights for numerous shareholders who will have sold their shares to purchasers who will not have had advance knowledge of a record date. Accordingly, the purchasing shareholders will be disenfranchised at a special meeting held pursuant to the Control Share Acquisitions statute. On the other hand, the selling shareholders who will maintain their voting rights will have little incentive to vote at all. Such non-voters would be counted against the third party, and in favor of management. The bylaw, in combination with other provisions of the Virginia

Control Share Acquisitions statute, make it extremely unlikely that a third party could effectively make its case to WLR's shareholders in connection with a meeting, and thereby eliminates the possibility that WLR's shareholders will have the opportunity to participate in a fair referendum with respect to a third party's participation in WLR's future. Moreover, in light of the bylaw adopted by WLR, the operation of the Virginia Control Share Acquisitions statute would conflict with the operation of federal law regarding the solicitation of proxies.

18. Also on February 4, 1994, the Directors amended the corporate Bylaws purporting to "clarify" that the roles of the Chairman of the Board and the Vice Chairman of the Board are officers of the Board, not of WLR. Notwithstanding this supposed "clarification", in truth and in fact, both the Chairman and the Vice Chairman of the Board have always acted as officers of WLR, as well as to WLR's Board. Simultaneously, two members of the Board, William D. Wampler and George E. Bryan resigned as Senior Vice Presidents; and Charles W. Wampler, Jr., Herman D. Mason, William D. Wampler, and George E. Bryan, the four of whom who control well in excess of 10% of the shares of WLR, resigned as employees of WLR but remained as directors.

19. The sole motive for the actions described in paragraph 18 was to circumvent the fundamental purpose of the Control Share Acquisitions statute which is to leave solely to the disinterested shareholders the decision whether "interested" shareholders will have a right to vote on a transaction.

These cynical acts by the Directors are intended directly to dilute the voting power of the disinterested shareholders, allowing these four directors the opportunity to vote their shares, totaling well in excess of 10% of the outstanding voting shares of WLR, while at the same time barring Tyson from exercising its voting rights, all in direct violation of the plain intent of the statute. The effect of the Board's actions is compounded by the fact that under the Control Share Acquisitions statute, Tyson will be unable to vote its shares, thereby enhancing the voting rights of the remaining shareholders. Thus, unless the Board's actions are rescinded, its own officers who have a plain interest in the outcome of a special meeting called pursuant to the Control Share Acquisitions Act, will have enhanced voting power because of the statute's provision that Tyson will not be able to vote its own shares at such a meeting.

20. On February 6, 1994, defendant Charles W. Wampler, Jr., Chairman of WLR, sent a letter to the Chairman of the Board of Directors of Tyson reporting that the WLR Board unanimously rejected Tyson's offer of merger.

21. By letter dated February 6, 1994, WLR announced to the public that on February 4, 1994 the Directors rejected Tyson's January 24, 1994 merger proposal.

22. Also on February 6, 1994, the Directors sent a letter to WLR's shareholders describing the Poison Pill.

23. None of the February 6, 1994 letters nor any other voluntary communication revealed the actions taken by the Board of Directors of WLR that are described in paragraphs 8 (b)-(e), 12-14 or 17-18.

24. These actions were only made public through the compulsory filing of the Form 10-Q, eleven days after the fact.

Count I

25. Tyson realleges paragraphs 1-24.

26. In its Amended Complaint, WLR seeks a declaration that the Virginia Affiliated Transactions Statute is constitutional.

27. On its face and as applied, the Virginia Affiliated Transactions Statute essentially gives a Virginia corporation's pre-existing board of directors de facto veto power over mergers and therefore thwarts shareholder democracy and burdens interstate commerce.

28. By denying a meaningful opportunity for success by any possibly interested merger partner other than one receiving the pre-existing board's approval, the Virginia Affiliated Transactions statute on its face and as applied:

(a) is preempted by the Williams Act and therefore violates the Supremacy Clause of the United States Constitution;

(b) violates the Commerce Clause of the United States Constitution.

29. The unconstitutionality of the Virginia Affiliated Transactions

Statute has injured and continues to injure Tyson because it:

- (a) diminishes the value of Tyson's shares in WLR; and
- (b) may affect Tyson's ability to merge with WLR.

Count II

30. Tyson incorporates paragraphs 1-24.

31. The Virginia Control Share Acquisitions statute defines "interested shares" in pertinent part as the shares of a corporation subject to the statute, the voting of which may be exercised or directed by (a) an acquiror with respect to a control share acquisition; (b) any officer of a corporation subject to the statute; and (c) any employee of a corporation subject to the statute who is also a director of the corporation. Va. Code 13.1-728.1.

32. Among other things, the Virginia Control Share Acquisitions statute provides that shares acquired in a control share acquisition, as that term is defined by the statute, shall have no voting rights unless voting rights are granted by resolution adopted by a majority of all the votes which could be cast in an election of directors by all outstanding shares, other than "interested shares," which are not entitled to vote on the matter. Va. Code 13.1-728.3(A)-(B).

33. The actions taken by the WLR Board of Directors on February 4, 1994, including (a) the amendments made to the WLR corporate bylaws relating

to the roles that the Chairman and Vice Chairman play as officers of the corporation; (b) the resignations of Additional Counterclaim Defendants William D. Wampler and George E. Bryan as Senior Vice-Presidents; and (c) the termination of compensation from WLR to Additional Counterclaim Defendants Charles W. Wampler, Jr., Herman D. Mason, William D. Wampler, and George E. Bryan, were intended to circumvent the clear purpose of the statute by allowing "interested shares" owned by "management" to vote in a manner prohibited by Va. Code 13.1-728.3(B).

34. Notwithstanding the actions taken by the WLR Board described in paragraph 18, the shares owned or controlled by Additional Counterclaim Defendants W. Wampler, C. Wampler, Bryan and Mason are "interested shares" under the Virginia Control Share Acquisitions statute.

35. An actual controversy exists concerning whether the shares owned or controlled by Additional Counterclaim Defendants W. Wampler, C. Wampler, Bryan and Mason are "interested shares" prohibited from voting on a resolution to extend voting rights to shares acquired in a control share acquisition as provided by Va. Code 13.1-728.3(A).

36. Similarly, if the Court determines that the bylaw described above in paragraph 18 is not rescinded, then such statute as applied:

(a) is preempted by federal proxy law developed under Section 14 of the Securities Exchange Act of 1934 and thereby violates the Supremacy

Clause of the United States Constitution; and,

(b) violates the Commerce Clause of the United States Constitution.

37. In the event the Directors' actions described in paragraph 15 are not rescinded, Tyson is entitled to a declaratory judgment, pursuant to 28 U.S.C. 2201, that all WLR shares owned directly, indirectly or beneficially, by Additional Counterclaim Defendants W. Wampler, C. Wampler, Bryan and Mason, are "interested shares" under the Virginia Control Share Acquisitions statute and accordingly may not be voted in the referendum provided by the statute.

38. Alternatively, if the Court determines that the shares owned directly, indirectly or beneficially, by Additional Counterclaim Defendants W. Wampler, C. Wampler, Bryan and Mason, are not "interested shares" under the Virginia Control Share Acquisitions statute, then such statute as applied:

(a) is preempted by the Williams Act and therefore violates the Supremacy Clause of the United States Constitution;

(b) violates the Commerce Clause of the United States Constitution.

39. The unconstitutionality of the Virginia Control Share Acquisitions statute as applied has injured and continues to injure Tyson because it:

(a) diminishes the value of Tyson's shares in WLR; and

(b) may affect Tyson's ability to merge with WLR.

Count III

40. Tyson realleges paragraphs 1-24.

41. The operation of the Virginia Affiliated Transactions Statute, the Virginia Control Share Acquisitions statute, and Va. Code 13.1-646, taken together, on their face and as applied, gives a Virginia corporation's pre-existing board of directors a de facto veto power over mergers, and therefore thwarts shareholder democracy and burden interstate commerce by, among other things:

- (a) allowing intransigent management to manipulate the record date for determining stock ownership to deprive shareholders of the ability to vote their shares in a fully informed and meaningful way;
- (b) discouraging shareholders from voting their stock by permitting a discriminatory poison pill to be adopted in the face of a noncoercive proposal, particularly when combined with the manipulation of these statutes by the Board as in this case;
- (c) frustrating the full purposes and objectives of Congress in enacting the Williams Act by giving intransigent management the ability to impede a noncoercive proposal without consulting shareholders; and
- (d) impermissibly tilting the balance between management and an acquiror in the context of a noncoercive proposal.

42. By denying a meaningful opportunity for success by any possibly interested merger partner in the face of intransigent management, the operation of the Virginia Affiliated Transaction statute, the Virginia Control Share Acquisitions statute, and Va. Code 13.1-646, taken together, on their face and as applied,

(a) are preempted by the Williams Act and therefore violate the

Supremacy Clause of the United States Constitution;

(b) violate the Commerce Clause of the United States Constitution.

43. The unconstitutionality of these Virginia statutes have injured and continue to injure Tyson because they:

(a) diminish the value of Tyson's shares in WLR; and

(b) may affect Tyson's ability to merge with WLR.

Count IV

44. Tyson realleges paragraphs 1-24.

45. The Directors have fiduciary duties and a duty of loyalty to WLR's shareholders and others.

46. The actions described in paragraphs 7-18 violate these fiduciary duties; are contrary to the interests of WLR's shareholders; and are intended to entrench WLR's present management in its positions at WLR by making an acquisition by Tyson or any other third party practically impossible, all for the purpose of protecting existing management and depriving shareholders the opportunity to consider a non-coercive proposal.

Specifically, the actions taken by the Board of Directors of WLR:

- (a) allow intransigent management to manipulate the Record Date of stock ownership to deprive shareholders of the ability to vote their stock;
- (b) discourage shareholders from voting their shares by permitting a discriminatory poison pill to be adopted in the face of a noncoercive proposal;
- (c) frustrate the full purposes and objectives of Congress in enacting the Williams Act by giving intransigent management the ability to defeat a noncoercive proposal without consulting shareholders;
- (d) impermissibly tilt the balance between management and a potential acquiror in the context of a noncoercive proposal;
- (e) burden WLR with increased and undisclosed costs through operation of the Golden and Other Parachutes;
- (f) manipulate WLR's Bylaws and the status of WLR's officers solely for the purpose of entrenching existing management;
- (g) fail to disclose Board action to the shareholders in a timely and meaningful way; and
- (h) establish a series of corporate artifices in an attempt to deprive the shareholders of the opportunity to consider the Tyson proposal in a fully-informed manner.

47. These violations have injured and continue to injure Tyson because

they:

- (a) diminish the value of Tyson's shares in WLR; and
- (b) may affect Tyson's ability to merge with WLR.

Irreparable Injury

48. Unless preliminary and permanent injunctive relief is granted,

Tyson will be irreparably harmed because it will be denied the opportunity to

have its proposal freely and fairly considered by WLR's shareholders, and

WLR's shareholders will be irreparably harmed because they will be denied the

opportunity to consider and, if they so choose, to accept Tyson's proposal.

49. Unless preliminary and permanent injunctive relief is granted,

Tyson will be irreparably harmed in at least the following additional

respects:

(a) Tyson will be denied a meaningful opportunity to consummate the

proposal;

(b) WLR's management will hold a decided and unlawful advantage in

opposing Tyson's proposal;

(c) Tyson will be compelled to terminate its efforts to acquire control

of WLR due to the economic and financial uncertainties posed by the Virginia

statutes, the Poison Pill, the Golden Parachutes, the Other Parachutes, and

the Board's other actions described above;

(d) WLR's shareholders will be discouraged from tendering their shares

to Tyson because of the economic and financial uncertainty created by the

Virginia statutes, the Poison Pill, the Golden Parachutes, the Other Parachutes, and the Board's other actions described above;

(e) Tyson will be deprived of the opportunity to acquire control of WLR, a unique business;

(f) Tyson will suffer a massive dilution of its equity and voting interest in WLR, pursuant to a discriminatory, unlawful, and ultra vires Poison Pill; and

(g) Tyson will be subjected to unnecessary and unreasonable delay in obtaining the approval of any business combination by the incumbent Board of Directors and management, which could prevent it from consummating an acquisition of WLR.

50. Unless preliminary and permanent injunctive relief is granted, WLR's shareholders, including any residing in the Commonwealth of Virginia, will be irreparably harmed by losing their right to sell their shares to Tyson at a premium.

51. The foregoing circumstances constitute a deprivation of Tyson's rights under the Williams Act, the United States Constitution, and the laws of the Commonwealth of Virginia, and will result in irreparable injury to Tyson, to WLR shareholders, and to the investing public.

Relief Sought

52. Tyson has no adequate remedy at law.

53. Tyson seeks a declaration that:

- (a) the Virginia Affiliated Transactions statute (Va. Code 13.1-725 et seq.) on its face and as applied is unconstitutional;
- (b) the Control Share Acquisitions Statute (Va. Code 13.1-728.1, et. seq.) as applied is unconstitutional;
- (c) Section 13.1-646 of the Virginia Stock Corporation Act as applied is unconstitutional;
- (d) the Directors breached their fiduciary duties and duty of loyalty in taking the actions described in the Counterclaims;
- (e) the Poison Pill, Golden Parachutes and Other Parachutes are invalid;
- (f) notwithstanding the actions taken by the WLR Board described in paragraph 18, the shares owned by Additional Counterclaim Defendants W. Wampler, C. Wampler, Bryan and Mason are "interested shares" under the Virginia Control Share Acquisitions Statute.

54. Tyson seeks to temporarily, preliminarily and permanently:

- (a) enjoin defendants from taking any action invoking the terms of the Virginia Affiliated Transactions and Control Share Acquisitions statutes;
- (b) enjoin defendants from taking any action in furtherance of the Poison Pill, Golden Parachutes or Other Parachutes;

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Attorneys for Defendant and
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CERTIFICATE OF SERVICE

A copy of this document was mailed on February 25, 1994, to:

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/s/ R. Craig Wood _____