# TAUBMAN CENTERS INC

## FORM SC 14D9
(Statement of Ownership: Solicitation)

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**SECURITIES AND EXCHANGE COMMISSION**
**WASHINGTON, DC 20549**

# Schedule 14D-9

**SOLICITATION/RECOMMENDATION STATEMENT UNDER**
**SECTION 14(d)(4) OF THE SECURITIES EXCHANGE ACT OF 1934**

# Taubman Centers, Inc.

*(Name of Subject Company)*

# Taubman Centers, Inc.

*(Name of Person(s) Filing Statement)*

**Common Stock, Par Value $0.01 Per Share**
*(Title of Class of Securities)*

**876664103**
*(CUSIP Number of Class of Securities)*

**Lisa A. Payne**
**Taubman Centers, Inc.**
**200 East Long Lake Road**
**Suite 300, P.O. Box 200**
**Bloomfield Hills, Michigan 48303**
**(248) 258-6800**
*(Name, Address and Telephone Number of Person Authorized to Receive Notice and Communications on Behalf of the Person(s) Filing Statement)*

**With copies to:**

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☐ Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

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**Item 1.** ***Subject Company Information.***

(a) The name of the subject company is Taubman Centers, Inc., a Michigan corporation (the "Company" or "Taubman Centers"). The Company is the managing general partner of The Taubman Realty Group Limited Partnership (the "Operating Partnership"), through which the Company conducts all its operations. The Company has a 62% partnership interest in the Operating Partnership. The Operating Partnership also owns more than 99% of The Taubman Company LLC (the "Manager"), which provides services to the Operating Partnership and the Company. The address and telephone number of the Company's principal executive offices are 200 East Long Lake Road, Suite 300, P.O. Box 200, Bloomfield Hills, Michigan 48303 and (248) 258-6800.

(b) The title of the class of equity securities to which this statement relates is the Company's Common Stock, par value $0.01 per share (the "Common Shares"). As of December 6, 2002, there were 52,205,122 Common Shares outstanding.

**Item 2.** ***Identity and Background of Filing Person.***

**(a) Name and Address of Person Filing this Statement**

The Company's name, address and business telephone number are set forth in Item 1(a) above, which information is incorporated herein by reference, and Taubman Centers is the person filing this statement. The Company's website address is www.Taubman.com. The information on the Company's website should not be considered a part of this Statement.

**(b) Tender Offer of the Purchaser**

This Statement relates to the offer by Simon Property Acquisitions, Inc. ("Offeror"), a wholly owned subsidiary of Simon Property Group, Inc. ("Simon") to pay $18.00 net to the seller in cash, without interest thereon, for each Common Share. The offer is on the terms and subject to the conditions set forth in Simon's offer, dated December 5, 2002, and in the related letter of transmittal (the "Offer").

The Offer is disclosed in a Tender Offer Statement on Schedule TO, dated December 5, 2002, filed by Simon with the Securities and Exchange Commission. The Schedule TO states that the address of Offeror's and Simon's principal executive offices is National City Center, 115 West Washington Street, Suite 15 East, Indianapolis, Indiana 46204 and that Simon's telephone number at such location is (317) 636-1600.

**Item 3.** ***Past Contracts, Transactions, Negotiations and Agreements.***

Except as described in this statement, there are no material agreements, arrangements, or understandings, or any actual or potential conflicts of interest, between Taubman Centers or its affiliates and (1) its executive officers, directors or affiliates or (2) Simon or any of its executive officers, directors or affiliates.

**(a) Arrangements with Executive Officers and Directors of Taubman Centers**

If the directors and executive officers of the Company who own Common Shares tender their Common Shares in the Offer, they will receive the offer consideration for their Common Shares on the same terms and conditions as the other public shareholders. As of December 6, 2002, the directors and executive officers of Taubman Centers beneficially owned in the aggregate 523,349 Common Shares.

As of December 6, 2002, the directors and executive officers of the Company held options to purchase 1,403,231 Common Shares, all of which had vested as of such date, with exercise prices ranging from $9.69 to $13.889 and an aggregate weighted average exercise price of $12.23 per share.

Taubman Centers' directors, executive officers and affiliates have entered into the various agreements discussed below.

***Senior Short Term Incentive Plan***

The officers and senior management of the Manager receive part of their annual compensation pursuant to the Manager's Senior Short Term Incentive Plan (the "SSTIP"). Under the SSTIP, the actual amount awarded to a participant depends upon a review and assessment of the employee's and the Company's performance. Performance that meets expectations results in a bonus of approximately 100% of an employee's target amount. Performance beyond expectations may result in an employee receiving up to 150% of his target bonus. Performance below expectations results in a payment of less than the bonus target.

***Incentive Option Plan***

The Operating Partnership maintains the 1992 Incentive Option Plan for employees of the Manager (which is more than 99% beneficially owned by the Operating Partnership) with respect to Units of Partnership Interest in the Operating Partnership (the "Units"). Upon exercise, it is anticipated that substantially all employees will exchange each underlying Unit for one share of the Company's Common Stock under the Continuing Offer (as defined herein). Mr. Robert Taubman, however, has elected to defer on exercise his receipt of some of his Units of Partnership Interest and right to exchange such Units under the Continuing Offer, see "Option Deferral Agreement with Robert S. Taubman" and "Continuing Offer."

The Company's chief executive officer makes periodic recommendations to the Compensation Committee of the Board, which, after reviewing such recommendations, determines grants. The exercise price of each Incentive Option is equal to the fair market value of a Unit of Partnership Interest on the date of grant. The 1992 Incentive Option Plan was amended in December 2001 to permit a holder of an Incentive Option to pay the exercise price in cash or by surrender of Units having an aggregate fair market value equal to the exercise price. In the event that the exercise price for an Incentive Option is paid by surrendering Units, only those Units of Partnership Interest issued to the optionee in excess of the number of Units surrendered are counted for purposes of determining the remaining number of Units available for future grants of Incentive Options under the 1992 Incentive Option Plan.

Generally, an Incentive Option vests in one-third increments on each of the third, fourth, and fifth anniversaries of the date of grant, although the Compensation Committee may allow an exercise at any time more than six months after the date of grant. If the optionee's employment terminates within the first three years for reasons other than death, disability, or retirement, the right to exercise the Incentive Option is forfeited. If the termination of employment is because of death, disability, or retirement, the Incentive Option may be exercised in full. Outstanding Incentive Options also vest in full upon the termination of the Manager's engagement by the Operating Partnership, upon any "change in control" of the Operating Partnership, or upon the permanent dissolution of the Operating Partnership. No Incentive Option may be exercised after ten years from the date of grant. As discussed under "Compensation Committee Report on Executive Compensation," the 1992 Incentive Option Plan has been replaced by the Performance Plan as the primary source of long-term compensation. There were no Incentive Option grants to Named Officers in 2001.

***Long Term Performance Compensation Plan***

The Company's Long Term Performance Compensation Plan (the "Performance Plan") was adopted by the Manager and approved by the Operating Partnership's compensation committee in 1996 (the Compensation Committee of the Board now performs such functions). The Company's Performance Plan was amended effective January 1, 1999 (the "First Amendment") and again effective January 1, 2000 (the "Second Amendment").

The amount of a participant's award is based on individual and Company performance for the fiscal year prior to the date of the award and the individual's position in the Company. Each eligible participant is granted a cash award (a "Cash Award") and the final payout value of an award is tied to the achievement of a target compounded growth rate of the Company's per share funds from operations ("FFO") over the three-year vesting period of the award. If the target is achieved, the payout amount of each Cash Award is increased, subject to a maximum premium of 30%; otherwise the payout amount remains the amount of the original grant. FFO is defined as income before extraordinary items, real estate depreciation and amortization, and the

allocation to the minority interest in the Operating Partnership, less preferred dividends and distributions. Gains on dispositions of depreciated operating properties are excluded from FFO. In 2001, a $1.9 million charge related to a technology investment was also excluded. Each Cash Award vests on the third January 1 after the date of grant. Upon vesting, the value of the award under the Performance Plan will be paid to the participant in a lump sum, unless the participant elects to defer payment in accordance with the terms of the Performance Plan. The payout amount is determined on the vesting date; and such amount will accrue interest from the vesting date until the deferred payment date.

Prior to the Second Amendment, awards were made in respect of notional shares of Common Stock and the payout value of an award was based on the value of the Company's Common Stock. The Second Amendment affected awards made for fiscal years 1998 and 1999 as well as awards made after the effective date of the Second Amendment. Awards made in 1998 and 1999 were converted from Notional Shares into Cash Awards at a rate based on the value, determined by reference to the price of the Company's Common Stock, of the Notional Shares held by the individual at the time of the conversion. The 1998 Cash Awards vested and, unless deferred in accordance with the provisions of the Performance Plan, were paid during 2001.

Under the Performance Plan, upon a "change of control" of the Manager, each sub account will vest in full and any deferral period elected under the Performance Plan will terminate and any sub account that a participant has elected to defer will be valued as of the settlement date and will be distributed in a lump sum payment as soon as administratively practicable following the termination of the deferral period, and if applicable, the determination of the FFO per share growth rate.

***Employment Agreement with Lisa A. Payne***

In January 1997, the Manager entered into a three-year agreement with Lisa A. Payne (Taubman Centers' Executive Vice President and Chief Financial and Administrative Officer) regarding her employment as an Executive Vice President and the Chief Financial Officer of the Manager and her service to the Company in the same capacities. In January 1999 and January 2000, the agreement was extended for an additional year and continues to have automatic, one-year extensions unless either party gives notice to the contrary. In March 2002, Ms. Payne became the Manager's and Company's Chief Financial and Administrative Officer and continued her position as an Executive Vice President of each entity. The employment agreement provides for an annual base salary of not less than $500,000, to be reviewed annually. The agreement also provides for Ms. Payne's participation in the Manager's SSTIP, with a target award of $250,000 and a maximum annual award of $375,000.

***Employment Agreement with Courtney Lord***

In November 1999, in connection with the Operating Partnership's acquisition of the outstanding stock of Lord Associates, Inc., the Manager entered into an employment agreement with Courtney Lord pursuant to which Mr. Lord became the Manager's Senior Vice President of Leasing. The agreement terminates on January 1, 2005 unless sooner terminated by either the Company or Mr. Lord for cause or by Mr. Lord due to his death, disability or voluntary termination. The employment agreement provides for an annual base salary of not less than $270,000, to be reviewed annually. The agreement also provides for Mr. Lord's participation in the Manager's SSTIP, with a minimum award of $195,000 for each of the years beginning January 1, 2000 and January 1, 2001 and for a grant (effective January 1, 2000) of a Cash Award having an initial payout value of $137,500 under the Performance Plan. Under the Agreement, the Manager paid Mr. Lord $50,000 as a hiring bonus in 1999 and reimbursed Mr. Lord for certain relocation expenses of approximately $26,500 in 2000. Mr. Lord has agreed that in the event his employment is terminated he will not thereafter compete with the Company for a period (depending on the circumstances surrounding such termination) of between one and two years. In addition, part of the consideration received by Mr. Lord in exchange for his shares of Lord Associates, Inc. included 435,153 Units and 435,153 shares of Series B Preferred Stock. Units of Partnership Interest granted to Mr. Lord are subject to vesting, and, once fully vested, may be exchanged for Common Shares under the Continuing Offer. At this time, after taking into account Mr. Lord's exercise of his rights under the Continuing Offer with respect to 68,000 Units, Mr. Lord has both voting and distribution rights with respect to his remaining 193,095 Units and 193,095 shares of Series B Preferred Stock. Mr. Lord has granted

an irrevocable proxy to TG Partners with respect to the remaining Units and shares of Series B Preferred Stock. The remaining Units are not entitled to receive partnership distributions and allocations except upon liquidation. Under the terms of the irrevocable proxy executed by Mr. Lord in favor of TG Partners and a letter agreement between Mr. Lord and the Operating Partnership, the remaining Units and shares of Series B Preferred Stock will be released from the proxy and such Units will become entitled to partnership distributions and allocations over a period ending January 1, 2005. Mr. Lord has pledged 65,271 Units and shares of Series B Preferred Stock to be released from the proxy as collateral for his obligation to remit to the Operating Partnership a portion of the cash consideration he received in exchange for his shares of Lord Associates, Inc., in the event the acquired business does not meet certain performance criteria. In addition, if Mr. Lord's employment is terminated, the Manager has the right to purchase up to 100% of any Units which have not been released from the proxy and become entitled to partnership distributions and allocations for a cash lump sum payment of $50,000.

***Option Deferral Agreement with Robert S. Taubman***

In December 2001, the Manager, the Operating Partnership and Robert S. Taubman entered into an Option Deferral Agreement (the "Deferral Agreement") with respect to an Incentive Option for 2,962,620 Units granted to Mr. R. Taubman in 1992 pursuant to the 1992 Incentive Option Plan (the "Option"). The Deferral Agreement provides that the gains ( *i.e.* , the difference between the fair market value of the Units subject to the Options and the aggregate exercise price of the Options) that would be recognized by Mr. R. Taubman upon his exercise of the Options will be deferred. Mr. Taubman will defer receipt of the Units covered by the Options for a period of ten years from the date of exercise. Until the deferred amount has been distributed in full, Mr. Taubman will receive distribution equivalents on the deferred amounts in the form of cash payments as and when the Company makes distributions on actual Units outstanding. Beginning with the earlier of Mr. Taubman's cessation of employment for any reason or the ten year anniversary of the date of exercise, the deferred Units will be paid to Mr. R. Taubman in ten annual installments. The Deferral Agreement will terminate and the deferred Units of Partnership Interest will be paid to Mr. R. Taubman in a single distribution upon a "change in control" of the Operating Partnership. As of December 9, 2002, all Options covered by the Deferral Agreement have been deferred, resulting in 871,262 Units being subject to the Deferral Agreement.

**Compensation of Directors**

During 2001, the Company paid directors who are neither employees nor officers of the Company or its subsidiaries an annual fee of $35,000, a meeting fee of $1,000 for each Board or committee meeting attended, and reimbursed outside directors for expenses incurred in attending meetings and as a result of other work performed for the Company. For 2001, the Company incurred costs of $214,000 relating to the services of Messrs. Graham T. Allison, Allan J. Bloostein, Jerome A. Chazen, S. Parker Gilbert and Peter Karmanos, Jr., as directors of the Company.

As part of its overall program of charitable giving, the Operating Partnership maintains a charitable gift program for the Company's outside directors. Under this charitable gift program, the Operating Partnership matches an outside director's donation to one or more qualifying charitable organizations. The Operating Partnership generally limits matching contributions to an aggregate maximum amount of $10,000 per director per year. Individual directors derive no financial benefit from this program since all charitable deductions accrue solely to the Operating Partnership. During 2001, the Operating Partnership made two matching contributions in the total amount of $10,000.

***Certain Transactions***

In May 2002, the Operating Partnership acquired for $88 million a 50% general partnership interest in SunValley Associates, a California general partnership that owns the SunValley shopping center located in Concord, California. The $88 million purchase price consists of $28 million of cash and $60 million of existing debt that encumbers the property. The Company's interest in the secured debt consists of a $55 million primary note bearing interest at LIBOR plus 0.92% and a $5 million note bearing interest at LIBOR plus

3.0%. The notes mature in September 2003 and have two one-year extension options. The center is also subject to a ground lease that expires in 2061. The Manager has managed the property since its development and will continue to do so. Although the Operating Partnership purchased its interest in SunValley from an unrelated third party, the other 50% partner in the property is an entity owned and controlled by Mr. A. Alfred Taubman, the Company's largest equity holder, recently retired Chairman of the Board of Directors and the father of Robert and William Taubman. In determining whether or not to proceed with the acquisition, the Company's directors considered, among other things, the advice of independent outside counsel, the fact that the purchase price of the interest had been negotiated at arm's length with the independent third party, and Mr. A. Alfred Taubman's agreement to amend SunValley's partnership agreement upon consummation of the acquisition to name the Operating Partnership as the managing general partner, to provide that so long as the Operating Partnership has an ownership interest in the property, the Manager will remain its manager and leasing agent pursuant to an agreement containing the same favorable terms as in the existing leasing and management agreement between SunValley and the Manager, and to otherwise contain terms similar to partnership agreements the Company has negotiated with unrelated third parties. Messrs. William and Robert Taubman recused themselves from the Board's discussion regarding, and did not vote on the decision to go through with, the acquisition. The Operating Partnership was represented by independent outside counsel in the negotiation of a definitive partnership agreement with Mr. A. Alfred Taubman.

When the Company acquired Lord Associates, Inc. in November 1999, Courtney Lord, who in connection with such acquisition became the Manager's Senior Vice President of Leasing, retained his interest in certain agreements with third parties entitling him to receive a commission or other remuneration in the event the Operating Partnership purchases, leases and/or develops certain parcels of real estate. The remuneration Mr. Lord is entitled to receive is fixed for certain agreements; for others the remuneration ultimately paid to Mr. Lord will depend on the terms of any transaction between the Operating Partnership and such third party. During 2000, Mr. Lord received $320,000 in commissions paid by the joint venture between the Operating Partnership and Swerdlow Real Estate Group to develop Dolphin Mall. During 2001 and through December 9, 2002, Mr. Lord did not receive any such payments.

A. Alfred Taubman and certain of his affiliates receive various property management services from the Manager. For such services, Mr. A. Taubman and affiliates paid the Manager approximately $3.1 million in 2001.

During 2001, the Manager paid approximately $2.7 million in rent and operating expenses for office space in the building in which the Manager maintains its principal offices and in which A. Alfred Taubman, Robert S. Taubman, and William S. Taubman have financial interests.

During 1997, the Operating Partnership acquired an option to purchase certain real estate on which the Operating Partnership was exploring the possibility of developing a shopping center. A. Alfred Taubman, Robert S. Taubman, and William S. Taubman have a financial interest in the optionor. The option agreement required option payments of $150,000 during each of the first five years, $400,000 in the sixth year, and $500,000 in the seventh year. To date, the Operating Partnership has made payments of $450,000. In 2000, the Operating Partnership decided not to go forward with the project and reached an agreement with the optionor to be reimbursed at the time of the sale or lease of the real estate for an amount equal to the lesser of 50% of the project costs to date or $350,000. Under the agreement, the Operating Partnership's obligation to make further option payments was suspended. The Operating Partnership expects to receive $350,000 in total reimbursements, though the timing will depend on the sale or lease of the real estate and is uncertain. After receipt of such amount, the option will be terminated.

Committees of outside directors review business transactions between the Company and its subsidiaries and related parties to ensure that the Company's involvement in such transactions, including those described above, is on arm's length terms.

***Continuing Offer***

The Company has made a continuing offer to the partners in the Operating Partnership (excluding A. Alfred Taubman) to exchange their units of partnership interest in the Operating Partnership for Common

Shares, as described in the Second Amended and Restated Continuing Offer, dated May 16, 2000 (the "Continuing Offer"). Under the Continuing Offer, partnership units are exchangeable for an equal number of Common Shares.

***Cash Tender Agreement***

As A. Alfred Taubman is not a participant in the Continuing Offer, he has entered into a an agreement with the Company under which he has the annual right to tender to the Company units of partnership interest in the Operating Partnership (provided that the aggregate value is at least $50 million) and cause the Company to purchase the tendered interests at a purchase price based on a market valuation of the Company on the trading date immediately preceding the date of the tender (the "Cash Tender Agreement"). At A. Alfred Taubman's election, his family and certain others may participate in tenders. The Company will have the option to pay for these interests from available cash, borrowed funds, or from the proceeds of an offering of the Company's common stock. Generally the Company, if it is ever required to do so, expects to finance these purchases through the sale of new shares of its stock. The tendering partner will bear all market risk if the market price at closing is less than the purchase price and will bear the costs of sale. Any proceeds of the offering in excess of the purchase price will be for the sole benefit of the Company.

Based on a market value at December 6, 2002 of $16.78 per common share, the aggregate value of interests in the Operating Partnership that may be tendered under the Cash Tender Agreement was approximately $414 million. The purchase of these interests at December 6, 2002 would have resulted in the Company owning an additional 29% interest in the Operating Partnership.

***Indemnification***

The Taubman Centers Restated Articles of Incorporation provide that no director will be personally liable to Taubman Centers or its shareholders for monetary damages for a breach of certain duties as a director. The Restated Articles of Incorporation also provide that Taubman Centers will, to the fullest extent permitted under applicable law, indemnify its directors against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement and reasonably incurred in connection with any threatened, pending or completed action, suit or proceeding in which such person was or is a party or is threatened to be made a party by reason of the fact that such person is or was a director of Taubman Centers. Taubman Centers has the power to indemnify its officers under the circumstances set forth in the Restated Articles of Incorporation.

***Rights of the Holders of Series B Preferred Stock***

At the Company's 1996 Annual Meeting, the Company's shareholders authorized the Company to issue up to 50 million shares of preferred stock and the Board of Directors to designate Preferred Stock from time to time in one or more series having the relative rights, preferences, and priorities as determined by the Board of Directors. Pursuant to that authority, the Board of Directors would determine the terms of each series, including the designation of such series, the number of shares of such series (subject to the maximum number of authorized shares of preferred stock), dividend or interests rates, conversion prices, voting rights, redemption prices, maturity dates, and all other relative rights, preferences and priorities of such series. The shareholders granted the Board of Directors such authority with the understanding that the Board of Directors anticipated it would not seek further shareholder approval prior to authorizing the Company to issue preferred stock.

In connection with a corporate restructuring in 1998, the Board of Directors, acting on the previously granted authority, authorized the creation of Series B Non-Participating Convertible Preferred Stock ("Series B Preferred Stock"). Each of the holders of Units at that time was issued one share Series B Preferred Stock for each Unit that they held. In addition, the Company is obligated to issue, upon subscription, one share of Series B Preferred Stock upon each additional issuance of a Unit, other than to the Company. Each share of Series B Preferred Stock entitles the holder to one vote on all matters submitted to the Company's shareholders. The holders of Series B Preferred Stock, voting as a class, have the right to

designate up to four nominees for election as directors of the Company. On all other matters, including the election of directors, the holders of Series B Preferred Stock will vote with the holders of common stock. The holders of Series B Preferred Stock are not entitled to dividends or earnings. As indicated in the Company's public filings in the approximately four years since the restructuring, the Series B Preferred Stock have participated in every election of directors and other shareholder vote. The Series B Preferred Stock is convertible into common stock at a ratio of 14,000 shares of Series B Preferred Stock for one Common Share upon a holder of Units transfer of one or more Units to the Company. As of December 6, 2002, members of the Taubman family held 79.44% of the Series B Preferred Stock.

At the Company's 2000 annual meeting the shareholders approved the adoption of an amendment to the Company's Restated Articles of Incorporation to increase the number of preferred shares authorized from 50,000,000 to 250,000,000.

The Taubman Centers Restated Articles of Incorporation provide that the corporation may not do the following without the affirmative vote or consent of the majority of the holders of the Series B Preferred Stock: (1) create, authorize, or issue any security or equivalent, the issuance of which could adversely and disparately affect the voting power of the holders of Series B Preferred Stock; (2) amend, alter, or repeal the provisions of the Articles of Incorporation, whether by merger, consolidation, or otherwise, in a manner that could adversely affect the voting power or voting rights of the Series B Preferred Stock or its holders; (3) be a party to a material transaction (including, without limitation, a merger, consolidation, or share exchange) if the transaction could adversely and disparately affect the voting power or voting rights of the Series B Preferred Stock or its holders; or (4) issue any shares of Series B Preferred Stock to anyone other than a registered holder of Units.

***Voting Agreements***

On November 14, 2002, Robert S. Taubman entered into the following voting agreements: (1) Voting Agreement among Robert S. Taubman, Max M. Fisher, as Trustee of The Max M. Fisher Revocable Trust, and Martinique Hotel, Inc. (the "Fisher Agreement"); (2) Voting Agreement between Robert S. Taubman and John Rakolta Jr., Terry Rakolta, the Eileen Heather Vanderkloot Irrevocable Trust, U/ A dated 12/22/92, the Lauren Rakolta Irrevocable Trust, U/ A dated 12/22/92, the Paige Alexandra Rakolta Irrevocable Trust, U/ A dated 12/22/92 and the John Rakolta, III Irrevocable Trust, U/ A dated 12/22/92 (the "Rakolta Agreement"); and (3) Voting Agreement between Robert S. Taubman and Robert C. Larson as Trustee of the Robert C. Larson Revocable Trust u/a/d 11/24/86, as amended (the "Larson Agreement" and together with the Fisher Agreement and the Rakolta Agreement collectively the "Voting Agreements").

The Voting Agreements generally grant Robert S. Taubman an irrevocable proxy conferring on him the sole and absolute right to vote the shares of Common Stock and Series B Preferred Stock which are the subject of such agreements. The Larson Agreement has a two year term; the Fisher Agreement and the Rakolta Agreements each have one year terms. The Rakolta Agreement and Larson Agreement grant Robert S. Taubman certain rights to purchase the shares which are subject to that agreement if the grantee decides to sell such shares; the Fisher Agreement contains no such provisions. The foregoing description of the Voting Agreements is qualified in its entirety by reference to such agreements, copies of which are incorporated by reference herein. No consideration was given by Robert S. Taubman for the Voting Agreements.

Pursuant to the Voting Agreements, Robert S. Taubman has the sole and absolute right to vote 885,584 shares of Common Stock and 1,555,178 shares of Series B Preferred Stock. The Taubman family holds 500,437 shares of Common Stock, 25,228,882 shares of Series B Preferred Stock and 25,228,882 Units of Taubman Realty Group Limited Partnership ("Units"). Each member of the Taubman family disclaims beneficial ownership of any shares of Common Stock, Series B Preferred Stock and Units held by any other member of the Taubman family. When combined with the Common Shares and Series B Shares subject to the Voting Agreements, the Taubman family and Robert S. Taubman have the right to vote 26,784,060 shares of Series B Preferred Stock and 1,386,021 shares of Common Stock, representing in the aggregate 33.6% of the outstanding voting stock of the Company, which as of December 6, 2002 consisted of 52,205,122 shares of Common Stock and 31,767,066 shares of Series B Preferred Stock. Simon has challenged the issuance of the

Voting Agreements under the Complaint for Declaratory and Injunctive Relief filed December 5, 2002 in the United States District Court of the Eastern District of Michigan (see Item 5 describing this litigation).

**(b) Transactions with Simon**

Certain affiliates of the Company and Simon, along with certain other entities, were members in MerchantWired, LLC, a limited liability company formed for the purpose of providing high speed broad band networks to retailers for retail stores throughout the United States. On September 2002, MerchantWired, LLC discontinued operations.

In September 2000, Simon, along with certain other real estate companies, formed Constellation Real Technologies, LLC for the purpose of incubating or acquiring real estate related internet, e-commerce or telecommunications enterprises. In 2001, an affiliate of the Company became a member in Constellation. Currently, Constellation has business investments in FacilityPro, ePropertyTax, Inc., eProject, Inc., and Accruent, all of which are service providers to the real estate industry.

Certain affiliates of the Company and Simon, along with an affiliate of The Mills Corporation, a publicly traded REIT, were each partners in the Arizona Mills shopping center property, which is located in Phoenix, Arizona. In May 2002, the Company and The Mills Corporation affiliates acquired the SPG Inc. affiliate's partnership interest in the Arizona Mills shopping center property for cash.

Other than as disclosed herein, there are no material agreements, arrangements or understandings or potential conflicts of interest, between the Company, or its affiliates, on the one hand, and Simon or its respective executive officers, directors or affiliates, on the other.

**Item 4.** ***The Solicitation or Recommendation.***

**(a) Solicitation/ Recommendation**

After careful consideration, including a thorough review of the Offer with the Company's independent financial and legal advisors, the Board of Directors unanimously determined that the Offer is not in the best interests of Taubman Centers' shareholders.

Accordingly, the Board of Directors unanimously recommends that you reject the Offer and not tender your Common Shares pursuant to the Offer.

A form of letter communicating the Board of Directors' recommendation to you and a press release relating to the recommendation to reject the Offer are filed as Exhibits (a)(1) and (a)(2) to this document and are incorporated herein by reference.

**(b) Background of the Transaction**

On October 16, 2002, David Simon, the Chief Executive Officer of Simon faxed to the Company a letter requesting an opportunity to meet with Robert S. Taubman Chairman, President and Chief Executive Officer of the Company for the purposes of presenting a proposal to acquire Taubman Centers. Later that day, Mr. Simon's office called to confirm that the fax had been received. The following is a copy of the letter:

October 16, 2002

Robert S. Taubman
Chairman of the Board, President
and Chief Executive Officer
Taubman Centers, Inc.
200 East Long Lake Road, Suite 300
Bloomfield Hills, Michigan 48303

Dear Bob:

As you know from our conversations over the last few years, I have long admired Taubman Centers, Inc. and the wonderful portfolio of properties built by you and your

family. I would like to discuss with you Simon Property Group's proposal to acquire immediately all of the publicly traded stock of Taubman Centers, Inc. for cash consideration that represents an attractive premium to your common shareholders. In addition, if your limited partners decide to participate, we will make an equally attractive offer to combine their holdings into Simon's operating partnership on a basis that affords both tax efficiencies and liquidity.

We believe that a business combination of Simon and Taubman is compelling, and most importantly, will produce substantial and immediate value for your shareholders. In addition, your limited partners will have the opportunity to convert their holdings to units in the Simon operating partnership on the same economic basis or choose to remain limited partners in the Taubman partnership. It is my personal hope that you, your family and Taubman's board will share our enthusiasm for a combination of our companies and that we can move forward quickly.

Because of the importance of this matter, I would like to present this proposal to you in person as soon as possible. At our meeting, I will be prepared to discuss price and other specific components of our proposal, and address any questions you may have about the transaction. I will contact you shortly to arrange a meeting.

Sincerely,

/s/ DAVID SIMON
DAVID SIMON

On October 21, 2002, Mr. Taubman, spoke via telephone with Mr. Simon. On that telephone call Mr. Simon presented the possibility for Simon to acquire the Company including the possibility of entering into a joint venture with the Taubman family pursuant to which Simon would gain effective control of Taubman Centers. Mr. Taubman told Mr. Simon that while he did not believe there was any interest in pursuing a sale of the Company at this time, he would discuss the matter with the Board of Directors. After this conversation, the Mr. Taubman contacted each of the directors individually to inform them of the letter and the conversation.

On October 22, 2002, Mr. Simon sent the following letter which was received by Mr. Taubman on October 22, 2002:

**VIA OVERNIGHT MAIL**

October 22, 2002

Robert S. Taubman,
Chairman of the Board, President
and Chief Executive Officer
Taubman Centers, Inc.
200 East Long Lake Road, Suite 300
Bloomfield Hills, Michigan 48303

Dear Bob:

I am genuinely disappointed by your response to my October 16, 2002 letter, your refusal to meet with me, and your decision to reject out-of-hand our proposal to buy the public shares of Taubman Centers, Inc. (the "Company") at a very significant premium to their current market price. At a minimum, I thought you would want to meet with me to discuss the specifics of our proposal. Given the current state of the financial markets and considering Simon's financial wherewithal and our demonstrated ability to close deals and add value, our proposal represents a financial opportunity for your shareholders that merits careful consideration.

Although I very much wanted to describe our proposal to you in person, I am instead setting out its basic terms in this letter, so that you and your board can review it carefully. We are prepared to pay $17.50 for each share of Company common stock in cash. We are also willing to provide equivalent value to the holders of all outstanding limited partnership interests in The Taubman Realty Group Limited Partnership (the "Operating Partnership") and allow them to exchange those interests for limited partnership units in Simon's operating partnership on a tax efficient basis, or, at their option, remain limited Partners in your Operating Partnership.

Specifically, Simon would acquire all of the Company's outstanding publicly held common stock pursuant to a merger agreement. The individual steps to accomplish this merger would be as follows:

1. Simon (or its affiliate) would make a tender offer to purchase all of Taubman's common stock for $17.50 per share, net to each seller in cash.

2. As promptly as practicable after consummation of the tender offer, an affiliate of Simon would merge with the Company, and each non-tendering share of Company common stock would be converted into the right to receive $17.50 per share in cash.

We are also prepared to purchase, either for cash or through an exchange of partnership interests, all limited partnership interests in the Operating Partnership, which would include the acquisition of the Company's Series B preferred stock. However, if your family and the other limited partners would prefer to remain limited partners in the Operating Partnership, we are prepared to accommodate that desire while at the same time making our proposal available to holders of the Company's publicly held common stock.

Our $17.50 per share all cash offer represents a price never before realized in the Company's ten year trading history and affords your shareholders a 30% premium to today's closing price, as well as a premium to Wall Street's consensus net asset value for the Company. This proposal is *not* subject to the receipt of financing or any due diligence investigation of the Company and its subsidiaries or any requirement that the limited partners exchange their interests,

We are well aware that the Company's charter contains an "excess share provision" that prohibits the purchase of more than 8.23% of the aggregate value of the Company's stock and that the board of directors can only waive application of this provision to permit a purchase of up to 9.9% of aggregate value. This provision, ostensibly for the purpose of preserving the Company's status as a REIT, goes well beyond what is necessary for that purpose and stands between the Company's shareholders and their ability to realize a substantial premium for their shares. Our proposal, therefore, must be conditioned on the inapplicability of the Company's excess share provision to our bid. In this regard, we note that Simon's acquisition of Company securities need *not* jeopardize the Company's status as a REIT, and we therefore believe that the Company's board of directors, as fiduciaries, must take steps to amend the Company's charter to allow our proposal to go forward for the benefit of the Company's common shareholders. We also believe it is the responsibility of the holders of the Series B Preferred Stock to approve such an amendment so as not to impede the ability of the Company's common shareholders to receive a significant premium, particularly given the fact that our proposal allows the limited partners of the Operating Partnership the option to either convert their holding on a tax efficient basis or remain in their existing structure.

While this letter outlines the basic terms of our proposal, we are ready to work diligently with you and your team to finalize all other terms of the deal.

Bob, I know this is a difficult subject for you personally, but our proposal, which is intended to bring immediate and substantial value to the Company's shareholders, warrants

your serious and immediate attention. I am confident that given the opportunity to meet with you, we could finalize a mutually beneficial transaction between our two companies.

I will call you in the next few days, giving you sufficient time to review this letter, so that we can agree on a time and place for a meeting.

Sincerely,

/s/ DAVID SIMON
DAVID SIMON
*Chief Executive Officer*

On October 28, 2002, the Board of Directors of Taubman Centers met with the Company's management and Goldman, Sachs & Co. ("Goldman Sachs"), the Company's financial advisors, as well as with legal advisors to discuss Simon's unsolicited proposal. The Board reviewed the proposal, and received advice from Mr. Taubman that the Taubman family had no interest in pursuing a sale of the Company and intended to use its significant stake in the Company to oppose the proposed transaction if it were put to a vote. The Board unanimously decided that the Company was not for sale, and that discussions as to Simon's proposal would be unproductive, and authorized the delivery of a letter to Simon communicating its determination. The Board also authorized the issuance of a press release in the event that Simon publicly disclosed his proposal.

Following the Board meeting on October 28, 2002, Mr. Taubman called Mr. Simon and informed him that the Board had met and was unanimous in its conclusion that the Company had no interest in pursuing a sale transaction, and that discussion as to any such transaction would be unproductive. Mr. Taubman sent a copy of the following letter to Mr. Simon:

David Simon
Chief Executive Officer
Simon Property Group
115 West Washington Street
Indianapolis, Indiana 46204

Dear David,

This will respond to your letter dated October 22, 2002. The Board of Directors of Taubman Centers has met and with the advice of its outside financial and legal advisors, has considered your unsolicited proposal. The Board is unanimous in concluding that the company has no interest whatsoever in pursuing a sale transaction, and that discussion as to such a transaction would not be productive.

Sincerely,

/s/ ROBERT S. TAUBMAN
ROBERT S. TAUBMAN
*Chairman, President and Chief Executive Officer*

On November 1, 2002, Mr. Simon's office called Mr. Taubman's office requesting a meeting with Mr. Taubman during the upcoming NAREIT national conference.

On November 5, 2002, in response to Mr. Simon's request of November 1, 2002, Mr. Taubman conveyed in a telephone conversation with Mr. Simon that he would be willing to meet with Mr. Simon but that the Company's position had not changed since they last spoke and that he did not think it would be productive to discuss the contents of Mr. Simon's recent letters to Mr. Taubman.

On November 6, 2002, at the NAREIT national conference Mr. Simon reiterated his interest in acquiring the Company and Mr. Taubman again informed him that the Company's board had met and the Company had no interest in pursuing a sale transaction.

On November 13, 2002, David Simon sent a letter to the Board of Directors of the Company, which was made public in an 8-K filing of the same date:

Dear Members of the Board of Directors:

As you may know, we recently made a written offer to Robert S. Taubman to pay $17.50 in cash for each share of Taubman Centers, Inc. (the "Company") common stock. Our all-cash offer would deliver to all Taubman shareholders a substantial premium — approximately 18% above yesterday's closing price and 30% above the price on the day we initially made our offer — and it exceeds the highest price at which Taubman shares have ever traded. Our offer represents a compelling strategic and financial transaction that would produce substantial and immediate value for all of your shareholders. We can move quickly since our offer is not subject to the receipt of financing or any due diligence investigation of the Company.

On several occasions, we have communicated our offer to Mr. Taubman and suggested that we have an opportunity to discuss it with the members of Taubman's board of directors. We wrote Mr. Taubman on October 16, 2002, to request a meeting to present our offer. He refused to meet. On October 22, 2002, we again wrote Mr. Taubman, this time setting forth the basic terms of our offer. Once again, he refused even to have a discussion, writing to us on October 28, 2002, that "the Company has no interest whatsoever in pursuing a sale transaction...."

We are dismayed that Mr. Taubman continues in his refusal even to discuss our offer — or indeed any sale transaction, particularly in light of the fact that we have expressed a willingness to be very flexible with respect to the structure of the proposed transaction. The offer is not conditioned upon any participation by the Taubman family. Instead we have agreed to accommodate any desire by the Taubman family to retain its economic interest in the Taubman Realty Group Limited Partnership, or, at their option, to participate in the transaction, and receive either cash or equivalent value for their existing partnership interests by exchanging them on a tax efficient basis for partnership interests in the Simon operating partnership.

Since the Taubman family can choose to (1) retain its current Taubman partnership units, (2) convert into Simon partnership units, or (3) sell for cash, we can only conclude that Mr. Taubman's refusal even to discuss our offer reflects the Taubman family's desire not to permit the Company to be sold under any circumstances. While it is entirely appropriate for the Taubman family to retain the right to choose between various options with respect to the treatment of its own partnership units, it is improper for these insiders to prevent public shareholders from choosing to receive a premium for their shares.

Mr. Taubman apparently believes the Taubman family is not accountable to the public shareholders because of the family's claimed blocking position — via the Series B preferred stock — which was surreptitiously issued in a "restructuring" transaction many years after the Company's initial public offering without either proper disclosure or a shareholder vote. We question both the propriety and validity of a transaction which attempts to transfer to the Taubman family control and a permanent veto over material decisions that rightfully belong to the public shareholders of Taubman — such as an all-cash, premium offer to acquire the Company.

The effect of the Series B preferred stock, for which the Taubman family paid a total of only $38,400.00, is to disenfranchise the public shareholders. This entrenchment device is a permanent corporate governance defect embedded in the Company's structure — and it continues to hurt the public shareholders. Indeed, between the time the Series B shares were issued to the Taubman family in 1998 and our October 22 offer letter, the price of Taubman common shares has fallen by 4%.

We understand that the obstacles created in the governance structure by the Taubman family, at the expense of the public shareholders, are significant. However, with the cooperation of the Board of Directors, acting as fiduciaries for the common shareholders, we believe these obstacles are surmountable. We also trust that undisclosed economic or governance burdens have not been, and will not be, imposed on Taubman in response to our offer or otherwise. We hope the Board will agree with us that our offer provides an excellent opportunity for Taubman shareholders to realize immediate liquidity and full value for their shares to an extent not likely to be available to them in the marketplace or in any alternative transaction. At a time when good corporate governance is particularly important to investors, we seek your help in restoring the rights of the public shareholders of Taubman.

We prefer to complete this acquisition through a negotiated transaction. We stand ready to make a detailed presentation of our offer to the Board and to answer any questions you may have.

Very truly yours,

/s/ DAVID SIMON
DAVID SIMON
*Chief Executive Officer*

On November 13, 2002 the Company issued the following press release:

Bloomfield Hills, Michigan, November 13, 2002 — Taubman Centers, Inc. (NYSE: TCO) confirmed today that it has received an unsolicited proposal from Simon Property Group, Inc. (NYSE: SPG) seeking to acquire control of the Company. Taubman Centers said that its Board of Directors had previously met and, with the advice of its outside financial and legal advisors, had considered the proposal. The Board unanimously concluded that Taubman Centers has no interest in pursuing a sale transaction and that discussions regarding such a transaction would not be productive.

The Taubman family, large economic stakeholders with voting control of more than 30% of Taubman Centers, has also confirmed that it has no interest in pursuing a sale of the Company. A sale or other extraordinary transaction would require a 2/3rds affirmative vote.

The Company stated, “The Taubman Centers Board of Directors has unanimously rejected this proposal. In addition, the Taubman family has informed the Board that it is categorically opposed to the sale of the Company. Given the family’s position, any efforts to purchase Taubman Centers would not be productive.” Goldman, Sachs & Co. is acting as financial advisor and the law firm of Wachtell, Lipton, Rosen & Katz is acting as legal advisor.

On December 5, 2002, Simon commenced the Offer and on December 5, 2002, Simon and the Offeror filed the Complaint in the United States District Court for the Eastern District of Michigan against the Company, the Company Board and certain members of the Taubman family.

On December 10, 2002 the Board met with the Company’s management, Goldman Sachs, and legal advisors to discuss the Offer. The Board reviewed the Offer with counsel and management and received the opinion of Goldman Sachs that the Offer was inadequate. The Board unanimously resolved to recommend that the Company’s shareholders reject the offer. The Board of Directors also amended the Company’s by-laws to opt-out of the Michigan Control Share Acquisition Act, and make certain other procedural changes including requiring advance notice for shareholder nominations and proposals.

**(c) Reasons for the Recommendation**

In reaching the conclusion that the Offer is not in the best interest of the Company's shareholders and the recommendation described above, the Taubman Centers Board of Directors consulted with its senior management, legal and financial advisors and took into account numerous factors, including but not limited to the following:

(i) The Board's familiarity with the business of the Company, its financial condition, results of operations and prospects and the nature of, the prospects for, and the Company's position in, the industry in which the Company operates.

(ii) The opinion of Goldman Sachs, the Company's financial advisor, after reviewing with the Board of Directors many of the factors referred to herein and other financial criteria used in assessing an offer, that the Offer is inadequate.

(iii) The Board's belief that a number of the Company's properties are at early stages in their development cycles and are expected to generate increasing returns over the next few years. The Board believes that the Company's current stock price does not reflect the value of these assets or their growth potential. Moreover, the Board believes that the Company's organic growth strategy of concentrating on improving the quality and consistency of its assets, coupled with selective development and acquisitions and divestitures, is likely to yield long term returns to shareholders superior to the offer.

(iv) The Board's belief that both the inadequacy of the offer and the opportunistic manner in which it has been pursued represent a threat to shareholder value, to the Company's stability and to the many other constituencies which have an interest in the Company's success. The Board believes the timing of the offer represents an opportunistic attempt by Simon to acquire a collection of upscale regional mall assets that cannot be replicated, and which are the most productive portfolio of regional malls held by any public company.

(v) The fact that Taubman Centers has delivered more than an 80% total return to shareholders over the past five years, during which time the Company has outperformed the Morgan Stanley REIT Total Return Index (which returned 21.6%), the S&P 500 Total Return Index (which returned 4.3%), and many of its competitors (including Simon Property Group, which returned 63.3%). The Taubman Centers properties have the highest average sales and rents per square foot of any regional mall company.

(vi) The Board's belief that Simon's approach to managing and developing its properties is inconsistent with the Company's portfolio of upscale shopping centers in select high-growth markets and is not likely to yield the maximum value for the Company's assets.

(vii) The fact that the markets for regional malls are already highly concentrated in several cities where Simon and the Company compete. If the proposed transaction were to occur, that concentration would dramatically increase, resulting in decreased competition among all local shopping centers and causing higher lease prices for mall tenants, higher ultimate retail prices for consumers, and lower quality shopping centers in the affected areas. At any time before or after consummation of the Offer, federal antitrust authorities, State Attorneys General, or private parties may investigate the transaction and/or bring legal actions under the federal or state antitrust laws seeking to enjoin Simon's acquisition of the Company's Common Shares or to require divestiture of Simon's or the Company's assets. Accordingly, the Board believes that there is significant uncertainty as to whether Simon could ultimately consummate a transaction along the lines it has proposed.

(viii) The Board's belief that Simon's public relations campaign aimed at damaging the Company is hypocritical and concern about Simon's misleading statements to the public about its own corporate governance in its press releases and Form 8-K filed on November 18, 2002. The Board noted the fact that Simon claimed in a press release that "the Simon family has no veto power or other control mechanism that could block a sale or merger transaction." In a story published in The New York Times on December 1, 2002, Simon admitted the untruth of its statement, calling it "a mistake" and noting that the family does in fact have the power to block a merger and that to date Simon has not issued a

correction and maintained this incorrect press release on its website. In addition, the Board took note of Simon's willingness to mischaracterize Taubman Centers' financial performance and to misrepresent David Simon's communications with Robert Taubman.

(ix) The fact that completion of the Offer and second-step merger will likely be a taxable event to many of the Company's shareholders, the timing of which will not be in their individual control.

(x) The fact that the Taubman family and other shareholders, with combined voting power of over a third of the total voting power of the Company's capital stock, have indicated that they do not intend to tender their Common Shares and have taken the firm position that they are not interested in pursuing a sale transaction. The Board noted that the two-thirds shareholder vote required for a sale or other extraordinary transaction has been in the Company's charter since its initial public offering in 1992. The offer cannot be completed absent a Court ruling in litigation brought by Simon seeking to divest Taubman Center shareholders of their voting rights. Based on the advice of counsel, the Board believes that the litigation brought by Simon to disenfrancise the Series B shareholders is without merit.

(xi) The Board's belief that the unsolicited and hostile nature of the offer when coupled with its inability to be completed, makes it an expensive, disruptive, and detrimental to both companies.

(xii) The Board's belief, based on the factors set forth in paragraphs (i) through (xi) above, that the consideration to be paid in the Offer does not reflect the inherent value of the Company.

(xiii) The fact that the Offer is highly conditional, which results in significant uncertainty that the Offer could or would be consummated. Specifically, according to the Offer it is subject to the following conditions, among many others:

(1) *Minimum Tender Condition.* Consummation of the Offer is conditioned upon there being validly tendered and not withdrawn prior to the expiration of the Offer such number of Common Shares that represents, together with Common Shares owned by the Offeror, Simon or any of its subsidiaries, at least two-thirds (2/3) of the total voting power of the Company. Voting power of the Company is calculated based upon the aggregate voting power attributable to the outstanding Common Shares and the purported voting power attributable to the outstanding shares of Series B Preferred Stock (assuming exercise of all then outstanding rights to purchase Common Shares or partnership units of the Operating Partnership). This condition may only be met if Simon is successful in its litigation which the Company believes is without merit. See "Legal Matters — Litigation."

(2) *Excess Share Condition.* The Company's charter prevents any person or group from beneficially or constructively owning capital stock representing more than 8.23% of the total value of the Company's capital stock (the "Ownership Limit"). As was disclosed to the Company's shareholders in connection with the Company's IPO, and numerous times since, the Ownership Limit is intended both to preserve the Company's status as a REIT and make it more difficult for any person to acquire control of the Company. The Company's Board in certain circumstances can increase the Ownership Limit to 9.9%. Shares owned in excess of the Ownership Limit are considered "Excess Shares" under the Company's Restated Articles of Incorporation and are transferred to a designated agent of the Company (the "Excess Share Provision"). The designated agent upon delivery of the shares must immediately sell such shares and donate any proceeds over the price the acquiror paid for the shares to charity. Consummation of the Offer is conditioned upon the Offeror being satisfied, in its sole discretion, that the Offeror may purchase all of the Shares tendered pursuant to the Offer without triggering the Excess Share Provision.

(3) *Control Share Condition.* Consummation of the Offer is conditioned upon full voting rights for all Common Shares to be acquired by Offeror pursuant to the Offer having been approved by the Company's shareholders under Chapter 7B of the MBCA (the "Michigan Control Share Acquisitions Act") or the Offeror being satisfied, in its sole discretion, that the Michigan Control Share Acquisitions Act is invalid or otherwise inapplicable to the Shares to be acquired by the Offeror in

the Offer. On December 10, 2002 the Board of Directors opted out of the Michigan Control Share Acquisitions Act. "See Legal Matters — Michigan Control Share Acquisitions Act."

(4) *Business Combination Condition.* Consummation of the Offer is conditioned upon the Offeror being satisfied, in its sole discretion, that Chapter 7A of the MBCA (the "Michigan Business Combination Act") will not prohibit for any period of time, or impose any shareholder approval with respect to, its proposed back end merger or any other "Business Combination" (as defined in the Michigan Business Combination Act) involving the Company and the Offeror or any other affiliate of Simon.

(5) *No Material Adverse Change Condition.* Consummation of the Offer is conditioned upon the Offeror not becoming aware of any change that has or will have occurred (or any development that has or will have occurred involving prospective changes) in the business, assets, liabilities, condition (financial or otherwise), prospects or results of operations of the Company or any of its subsidiaries that has, or could reasonably be expected to have, in the sole discretion of the Offeror, a material adverse effect on the Company or, assuming consummation of the Simon Offer or its proposed back end merger, on the Offeror, Simon or any other affiliate of Simon.

(6) *Competing Offer Condition.* Consummation of the Offer is conditioned upon a tender or exchange offer for any Common Shares not having been made or publicly proposed to be made by any other person (including the Company or any of its subsidiaries or affiliates)

(7) *Numerous Other Conditions.* Consummation of the Offer is also subject to other conditions, several of which are unlikely to be satisfied. Notwithstanding the Company's regular practice of increasing its dividend (including its recent announcement of the regular annual increase on December 10, 2002), the offer is conditioned on the Company not increasing its dividend. Similarly, the Offer is conditioned on their being no change to the Company's by-laws regardless of its effect on the Offeror. Presumably this condition is incapable of being satisfied as a result of the Company's recent modification to its by-laws to, among other things, "opt-out" of the Michigan Control Share Acquisitions Act, notwithstanding that this change is consistent with the desires and the specific request of the Offeror. The Offer is also contingent on there being no issuance of stock or options, no changes to employment agreements, no commencement of war or armed hostilities or other national or international crisis involving the United States, and to many other conditions.

In light of the above factors, the Taubman Centers Board determined that the Offer is not in the best interests of Taubman Centers and Taubman Centers' shareholders. **ACCORDINGLY, THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT TAUBMAN CENTERS' SHAREHOLDERS REJECT THE OFFER AND NOT TENDER THEIR SHARES PURSUANT TO THE OFFER.**

In addition, in arriving at their recommendation, the directors of the Company were aware of the interests of certain officers and directors of the Company as described under "Past Contract, Transaction, Negotiations and Agreements."

The foregoing discussion of the information and factors considered by the Taubman Centers Board is not intended to be exhaustive but addresses all of the material information and factors considered by the Taubman Centers Board in its consideration of the Offer. In view of the variety of factors and the amount of information considered, the Taubman Centers Board did not find it practicable to provide specific assessments of, quantify or otherwise assign any relative weights to, the specific factors considered in determining to recommend that shareholders reject the Offer. Such determination was made after consideration of all the factors taken as a whole. In addition, individual members of the Taubman Centers Board may have given differing weights to different factors. Throughout its deliberations, the Taubman Centers Board received the advice of Goldman Sachs, and of outside legal advisors, who were retained to advise the Taubman Centers Board in connection with the Offer.

**(d) Intent to Tender**

To the best of Taubman Centers' knowledge, to the extent permitted by applicable securities laws, rules or regulations, none of Taubman Centers' executive officers or directors currently intend to tender Common Shares over which he or she has sole dispositive power to Simon.

**Item 5.** ***Persons/ Assets Retained, Employed, Compensated or Used.***

The Company has retained Goldman Sachs as its independent financial advisors in connection with the Company's analysis and consideration of, and response to, Simon's proposal and with respect to any possible purchase of all or a portion of the stock or assets of the Company, or a sale of the Company. The Company has agreed to pay Goldman Sachs a reasonable and customary fee for such services. The Company has also agreed to reimburse Goldman Sachs for all reasonable out-of-pocket expenses, including fees of counsel, and to indemnify them and certain related persons against certain liabilities relating to, or arising out of the engagement.

The Company has retained Innisfree M&A Incorporated ("Innisfree") to assist it in connection with the Company's communications with its shareholders with respect to the Offer, to monitor trading activity in the Common Shares, and to identify investors holding noteworthy positions in street name. Innisfree will receive reasonable customary compensation for its services and reimbursement of out-of-pocket expenses in connection therewith. The Company has agreed to indemnify Innisfree against certain liabilities arising out of or in connection with the engagement.

Except as set forth above, neither the Company nor any person acting on its behalf has employed, retained or agreed to compensate any person to make solicitations or recommendations to shareholders of the Company concerning the Offer.

**Item 6.** ***Interest in Securities of the Subject Company.***

Robert S. Taubman exercised options with respect to 150,000 Common Shares on November 14, 2002 at an exercise price per share of $9.69. William S. Taubman exercised options with respect to 150,000 Common Shares on November 14, 2002, of these 79,004 were exercised at an exercise price of $9.39 and 70,996 were exercised at an exercise price of $9.69 per share. On December 3, 2002, John Simon exercised options with respect to 3,951 and 17,776 Common Shares at exercise prices of $13.205 and $13.889 per share respectively.

Robert S. Taubman, pursuant to the Option Deferral Agreement deferred 740,655 Common Shares on November 15, 2002 at $11.139 per share. The total amount deferred was $4,333,572.40. See "Option Deferral Agreement with Robert S. Taubman."

On November 14, 2002, eight of the Company's shareholders granted irrevocable proxies to Robert S. Taubman to vote their Common Shares. See "Voting Agreements."

Except as set forth above, no transactions in the Shares have been effected during the past 60 days by the Company, or, to the best of the Company's knowledge, any of the Company's directors, executive officers, affiliates or subsidiaries.

**Item 7.** ***Purposes of the Transaction and Plans or Proposals.***

Except as set forth in this Statement, Taubman Centers is not currently undertaking or engaged in any negotiation in response to the Offer that relates to (i) a tender offer for or other acquisition of securities by or of Taubman Centers or any other person; (ii) an extraordinary transaction, such as a merger or reorganization, involving Taubman Centers or any of its subsidiaries; (iii) a purchase, sale or transfer of a material amount of assets by Taubman Centers or any of its subsidiaries; or (iv) any material change in the indebtedness, present capitalization or dividend policy of Taubman Centers.

From time to time in the ordinary course of its business the Company considers various transactions involving the issuance of Common Shares or Units or the purchase, sale or exchange of assets. The Company

is currently actively exploring a number of such transactions. As of the date hereof, there are no binding agreements or agreements in principle with respect of any transaction.

Except as set forth in this Statement, there are no transactions, board resolutions, agreements in principle or signed agreements in response to the Offer, that relate to or would result in one or more of the events referred to in the first paragraph of this item.

**Item 8.** ***Additional Information to be Furnished.***

**(a) Legal Matters**

*Litigation.* Shortly after Simon publicized the terms of its unsolicited proposal on November 13, 2002, three shareholders of Taubman Centers filed purported class action complaints in the Michigan Circuit Court for the County of Oakland on behalf of Taubman Centers shareholders; one of the complaints names as defendants Taubman Centers, Robert S. Taubman, William S. Taubman, Lisa A. Payne, Graham T. Allison, Allan J. Bloostein, Jerome A. Chazen, S. Parker Gilbert; and the other two additionally name Peter Karmanos, Jr. The actions generally allege breaches of fiduciary duty by Taubman Centers and the named directors in connection with Simon's proposal and seek injunctive relief. Motions to dismiss are pending in two of the three state cases. Plaintiff in one case amended his complaint to add claims under the Michigan Control Share Acquisitions Act, challenging the validity of the Voting Agreements and the issuance of the Series B Shares, adding Peter Karmanos, Jr. as an additional defendant and asserting derivative allegations.

On December 5, 2002, Simon filed a lawsuit in the United States District Court for the Eastern District of Michigan against Taubman Centers, A. Alfred Taubman, Robert S. Taubman, Lisa A. Payne, Graham T. Allison, Peter Karmanos, Jr., William S. Taubman, Allan J. Bloostein, Jerome A. Chazen, and S. Parker Gilbert alleging, among other things, breach of fiduciary duty by the Company's Board of Directors for not giving adequate consideration to Simon's unsolicited proposal, and challenging the validity of the Voting Agreements and the issuance of the Series B Shares under the Michigan Control Share Acquisitions Act.

The foregoing actions are all at a preliminary stage and it is therefore too soon to predict their outcome.

*Dissenters' Rights.* Under Michigan law, no dissenters' rights are available in connection with the Offer.

*Michigan Control Share Acquisitions Act.* The "Michigan Control Share Acquisitions Act" provides that an acquiring person may not vote Control Shares acquired in a Control Share Acquisition without the approval of the corporation's shareholders. Control Share Acquisitions are acquisitions, directly or indirectly, by any person of issued and outstanding shares of a qualifying Michigan public corporation that, when added to all other shares of the company for which such person may exercise or direct the voting power, would entitle such person (directly or indirectly, alone or as part of a group) to exercise or direct the exercise of voting power of that corporation equal to or greater than one-fifth (1/5), one-third (1/3) or a majority of the voting power of the corporation (the "Control Shares"). Shares acquired for no consideration are not considered Control Shares. The acquiring person may vote the Control Shares only to the extent granted by resolution approved by the shareholders by both of the following: (a) a majority of the votes cast by holders of the shares entitled to vote thereon, and if the proposed Control Share acquisition would, if fully carried out, result in any action which would require a vote as a class or a series, by a majority of the votes cast by the holders of shares of each such class or series entitled to vote thereon; and (b) a majority of the votes cast by the holders of shares entitled to vote and a majority of the votes cast by the holders of shares of each class or series entitled to vote as a class or series, excluding all Interested Shares. "Interested Shares" are the shares that are entitled to vote under the Michigan Control Share Acquisitions Act as to which any of the following persons may exercise or direct the exercise of such voting power: (a) an acquiring person or a member of a group with respect to a Control Share Acquisition, (b) any officer of the corporation, or (c) any employee of the corporation who is also a director.

Simon has also declared its intention to solicit proxies at a later date from the shareholders of the Company with respect to a meeting to determine the status of the Control Shares that it would like to acquire. The Company believes that it does not need the protection of the Michigan Control Share Acquisitions Act and so, in order to avoid the cost and distracting nature of a special meeting of shareholders, on December 10,

2002, the Board of the Company amended the Company's By-laws to among other things opt out of the Control Share Acquisitions Act.

*Michigan Business Combination Act.* Chapter 7A of the Michigan Business Corporation Act (the "Business Combination Act") prohibits specified "Business Combinations" (which is defined to include mergers) between a Michigan corporation and an "Interested Shareholder." An Interested Shareholder is any person other than the corporation or any subsidiary who (a) is the owner of 10% or more of the outstanding voting power of the outstanding voting shares of the corporation; or (b) is an affiliate of a corporation and was the owner of 10% or more of the outstanding voting power of the outstanding voting shares of the corporation at any time within two years immediately prior to the relevant date. These Business Combinations are prohibited for a period of five years following the date the person became such an Interested Shareholder, unless (a) prior to the time the person first became an "interested shareholder" the board of directors of the corporation adopts resolutions approving the Business Combination or (b) each of the following conditions is met: (i) an advisory statement is given by the board of directors; (ii) the Business Combination is approved by a vote of at least 90% of each class of the voting stock of the corporation entitled to vote; and (iii) the Business Combination is approved by a vote of at least two-thirds of each class of the voting stock of the corporation entitled to vote, excluding the voting shares owned by the Interested Shareholder. These special voting requirements do not apply if the corporation's shareholders receive a minimum price for their shares (as specified in the statute) and the consideration is received in cash or in the same form previously paid by the Interested Shareholder for its shares.

The requirements of the Business Combination Act do not currently apply to the Company. The Company may at any time opt into this provision through an action of its Board of Directors.

*By-law Amendments.* On December 10, 2002, the Company's Board of Directors amended the By-laws of the Company in order to opt out of the Michigan Control Share Acquisitions Act and to make certain other procedural changes including adding a requirement that any shareholder nomination or business proposal be submitted a reasonable period prior to the meeting in question.

**(b) Regulatory Matters**

*Antitrust Matters.* Under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), and the rules that have been promulgated thereunder by the Federal Trade Commission (the "FTC"), certain acquisition transactions may not be consummated unless certain information has been furnished to the Antitrust Division of the United States Department of Justice (the "Antitrust Division") and the FTC and certain waiting period requirements have been satisfied. The acquisition of the Common Shares by Simon pursuant to the Offer may be subject to such requirements.

Regardless of whether Simon and Taubman Centers are required to make filings under the HSR Act, the Antitrust Division and the FTC routinely scrutinize the legality of transactions under the antitrust laws. At any time before or after the consummation of a transaction, the Antitrust Division or the FTC could, notwithstanding the necessity of any filing under the HSR Act or the expiration or termination of the various waiting periods under the HSR Act, take such action under the antitrust laws as the agencies deem necessary or desirable in the public interest, including seeking to enjoin the purchase of the Common Shares pursuant to the Offer, seeking divestiture of the Common Shares so acquired, or seeking divestiture of certain of the Company's or Simon's assets. Furthermore, State Attorneys General or private parties may also bring legal actions under the federal or state antitrust laws seeking those same remedies. A challenge to the Offer on antitrust grounds may be made, and, if such a challenge is made, the Offer may not prevail.

**(c) Forward-Looking Statements**

Certain of the information contained in this Schedule 14D-9 should be considered "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 which is subject to a number of risks and uncertainties. These forward-looking statements represent the Company's expectations or beliefs concerning future events, including the following: statements regarding future developments and joint ventures, rents and returns, statements regarding the continuation of trends, and any statements regarding the sufficiency of the Company's cash balances and cash generated from operating and financing activities for the

Company's future liquidity and capital resource needs. The Company cautions that although forward-looking statements reflect the Company's good faith beliefs and best judgment based upon current information, these statements are qualified by important factors that could cause actual results to differ materially from those in the forward-looking statements, including those risks, uncertainties, and factors detailed from time to time in reports filed with the SEC. Other factors and assumptions not identified above are also involved in the preparation of forward-looking statements, and the failure of such other factors and assumptions to be realized may also cause actual results to differ materially from those discussed. The Company assumes no obligation to update such estimates to reflect actual results, changes in assumption or changes in other factors affecting such estimates other than as required by law.

**Item 9.** ***Exhibits.***

| Exhibit No. | Description |
|---|---|
| (a)(1) | Letter, dated December 11, 2002, to Taubman Centers' shareholders |
| (a)(2) | Press release issued by Taubman Centers on December 11, 2002 |
| (a)(3) | Restated Articles of Incorporation of Taubman Centers (incorporated by reference to Exhibit 3 filed by Taubman Centers, Inc. on Form 10-Q on August 11, 2000) |
| (a)(4) | Restated By-Laws of Taubman Centers |
| (a)(5) | Complaint titled Lionel Z. Glancy v. Robert S. Taubman, William S. Taubman, Lisa A. Payne, Graham T. Allison, Allan J. Bloostein, Jerome A. Chazen, S. Parker Gilbert, and Taubman Centers, Inc., filed on November 14, 2002 in the State of Michigan Circuit Court for the County of Oakland |
| (a)(6) | Amended Complaint titled Lionel Z. Glancy v. Robert S. Taubman, William S. Taubman, Lisa A. Payne, Graham T. Allison, Peter Karmanos, Jr., Allan J. Bloostein, Jerome A. Chazen, S. Parker Gilbert, and Taubman Centers, Inc., filed on December 6, 2002 in the State of Michigan Circuit Court for the County of Oakland |
| (a)(7) | Complaint titled Joseph Leone v. Taubman Centers, Inc., Robert S. Taubman, William S. Taubman, Lisa A. Payne, Graham T. Allison, Peter Karmanos, Jr., Allan J. Bloostein, Jerome A. Chazen and S. Parker Gilbert, filed on November 15, 2002 in the State of Michigan Circuit Court for the County of Oakland |
| (a)(8) | Complaint titled Judith B. Shiffman Revocable Living Trust v. Robert S. Taubman, William S. Taubman, Lisa A. Payne, Graham T. Allison, Allan J. Bloostein, Jerome A. Chazen, S. Parker Gilbert, and Taubman Centers, Inc., filed on November 19, 2002 in the State of Michigan Circuit Court for the County of Oakland |
| (a)(9) | Complaint titled Simon Property Group, Inc., and Simon Property Acquisitions, Inc. v. Taubman Centers, Inc., A. Alfred Taubman, Robert S. Taubman, Lisa A. Payne, Graham T. Allison, Peter Karmanos, Jr., William S. Taubman, Allan J. Bloostein, Jerome A. Chazen, and S. Parker Gilbert, filed on December 5, 2002 in the United States District Court in the Eastern District of Michigan |
| (a)(10) | Letter, dated December 11, 2002, to Taubman Centers' employees |
| (a)(11) | Presentation entitled Board Rejection of Simon Offer, by Goldman, Sachs & Co. to the Board of Directors of Taubman Centers |
| (e)(1) | The Taubman Realty Group Limited Partnership 1992 Incentive Option Plan, as Amended and Restated Effective as of September 30, 1997 (incorporated by reference to Exhibit 10(b), filed by Taubman Centers, on Annual Report on Form 10-K on March 27, 1998), together with First Amendment (incorporated by reference to Exhibit 10(b), filed by Taubman Centers on Annual Report on Form 10-K on March 29, 2002) |
| (e)(2) | The Taubman Company Long-Term Performance Compensation Plan, as Amended and Restated Effective January 1, 2000 (incorporated by reference to Exhibit 10(c), filed by Taubman Centers on Form 10-Q on August 11, 2000) |
| (e)(3) | Employment Agreement by and between The Taubman Company Limited Partnership and Lisa A. Payne, dated as of January 3, 1997 (incorporated by reference to Exhibit 10, filed by Taubman Centers on Form 10-Q on May 12, 1997) |

| Exhibit No. | Description |
|---|---|
| (e)(4) | Employment Agreement by and between The Taubman Company Limited Partnership and Courtney Lord, dated November 4, 1999 (incorporated by reference to Exhibit 10(n), filed by Taubman Centers on Form 10-K on March 24, 2000) |
| (e)(5) | Election and Option Deferral Agreement by and between The Taubman Realty Group Limited Partnership, The Taubman Company LLC and Robert S. Taubman, dated as of December 28, 2001 (incorporated by reference to Exhibit 10(r), filed by Taubman Centers on Form 10-K on March 29, 2002) |
| (e)(6) | Second Amended and Restated Continuing Offer, effective as of May 16, 2000 (incorporated by reference to Exhibit 10(b), filed by Taubman Centers on Form 10-Q on August 11, 2000) |
| (e)(7) | Amended and Restated Cash Tender Agreement by and among Taubman Centers, Inc., The Taubman Realty Group Limited Partnership, and A. Alfred Taubman, A. Alfred Taubman, acting not individually but as Trustee of the A. Alfred Taubman Restated Revocable Trust, and TRA Partners, dated as of May 15, 2000 (incorporated by reference to Exhibit 10(a), filed by Taubman Centers on Form 10-Q on August 11, 2000) |
| (e)(8) | Voting Agreement, dated November 14, 2002, among Robert S. Taubman, Max M. Fisher, as Trustee of the Max M. Fisher Revocable Trust, and Martinique Hotel, Inc. (incorporated by reference to Exhibit 3, filed by Taubman Centers on Schedule 13D/ A on November 15, 2002) |
| (e)(9) | Voting Agreement, dated November 14, 2002, between Robert S. Taubman and John Rakolta Jr., Terry Rakolta, the Eileen Heather Vanderkloot Irrevocable Trust, U/A dated 12/22/92, the Lauren Rakolta Irrevocable Trust, U/A dated 12/22/92, the Paige Alexandra Rakolta Irrevocable Trust, U/A dated 12/22/92 and the John Rakolta, III Irrevocable Trust, U/A dated 12/22/92 (incorporated by reference to Exhibit 4, filed by Taubman Centers on Schedule 13D/A on November 15, 2002) |
| (e)(10) | Voting Agreement, dated November 14, 2002, between Robert S. Taubman and Robert C. Larson as Trustee of the Robert C. Larson Revocable Trust u/a/d 11/24/86, as amended (incorporated by reference to Exhibit 4, filed by Taubman Centers on Schedule 13D/A on November 15, 2002) |
| (g) | Not applicable |

**SIGNATURE**

After due 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.

TAUBMAN CENTERS, INC.

By: /s/ ROBERT S. TAUBMAN

Robert S. Taubman
Chairman of the Board, President and
Chief Executive Officer

Dated: December 11, 2002

## INDEX OF EXHIBITS

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| (g) | Not applicable |

**EXHIBIT 99(a)(1)**

Taubman

**Taubman Centers, Inc.**
**200 East Long Lake Road**
**Suite 300, P.O. Box 200**
**Bloomfield Hills, MI 48303**

**December 11, 2002**

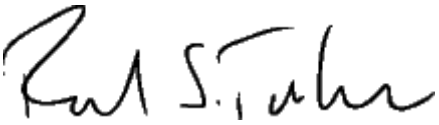
Dear Fellow Shareholder:

As you may know, on December 5, 2002, Simon Property Group made an unsolicited offer to take over your company. As detailed in the attached Recommendation Statement on Schedule 14D-9 and enclosed press release, your Board of Directors, after careful consideration, has unanimously rejected Simon Property Group's proposal. The Board unanimously recommends that all Taubman Centers shareholders reject Simon's offer and *not* tender their shares.

We strongly encourage you to carefully review the Schedule 14D-9 including the Board's "Reasons for the Recommendation" on Pages 14-16. We will keep you apprised of further developments.

Thank you for your continued support.

Sincerely,



Chairman of the Board,
President and Chief Executive Officer

**EXHIBIT 99(a)2**

**FOR IMMEDIATE RELEASE**

**TAUBMAN CENTERS BOARD UNANIMOUSLY REJECTS**
**SIMON PROPERTY GROUP'S INADEQUATE OFFER**

BLOOMFIELD HILLS, MICH., DECEMBER 11, 2002 - Taubman Centers, Inc. (NYSE:TCO) today announced that after careful consideration, including a thorough review with its financial and legal advisors, its Board of Directors has unanimously voted to reject Simon Property Group's (NYSE: SPG) $18.00 per share cash offer as inadequate, opportunistic and clearly not in the best interests of the Taubman Centers shareholders. Accordingly, the Board of Directors strongly recommends that all Taubman Centers shareholders reject Simon's offer and not tender their shares.

Robert S. Taubman, Chairman, President and Chief Executive Officer of Taubman Centers, stated, "The Taubman Centers Board has thoroughly considered Simon's tender offer - as it had considered the original proposal before it was made public - and again has unanimously rejected the offer. The Board believes that the offer is inadequate, opportunistic and does not reflect the underlying value of the Company's assets or its growth prospects. Our collection of upscale regional mall assets cannot be replicated. They represent the most productive portfolio of regional malls in the public sector and have always been and will always be highly coveted. The Company has a strong track record, has delivered more than an 80% total return to shareholders over the past five years, and has also achieved the sector's highest FFO (Funds From Operations) per share growth rate for the first nine months of 2002." Mr. Taubman added: "Simon's hostile offer is not a logical catalyst for a sale. The Board's position remains clear - the Company is not for sale."

S. Parker Gilbert, an independent director of Taubman Centers and retired Chairman of Morgan Stanley Group, Inc., stated, "Our Board believes that this is not the time to sell the Company. Further, the offer put on the table by Simon does not reflect the underlying value of the Company's assets or its growth prospects. In recommending strongly against this offer, we have considered the interests of all of the Company's shareholders."

In making its determination, the Taubman Centers Board of Directors received the opinion of Goldman, Sachs & Co. that the Simon offer is inadequate, and considered a number of additional factors, including, among others:

-- NOW IS NOT THE TIME TO SELL. A number of the Company's properties are at early stages in their development cycle and are expected to generate increasing returns over the next few years. The Board believes that the Company's current stock price does not reflect the value of these assets or their growth potential. Moreover, the Board believes that the Company's organic growth strategy of concentrating on improving the quality and consistency of its assets, along with selective development, acquisitions and divestitures, is likely to yield long term returns to shareholders superior to the Simon offer.

-- THE COMPANY HAS OUTPERFORMED ITS PEERS. Taubman Centers has delivered more than an 80% total return to shareholders over the past five years, during which time the Company has outperformed the Morgan Stanley REIT Total Return Index (which returned 21.6%), the S&P 500 Total Return Index (which returned 4.3%), and many of its competitors (including Simon Property Group, which returned 63.3%). The Taubman Centers properties have the highest average sales and rents per square foot of any regional mall company.

-- THE OFFER CANNOT BE COMPLETED WITHOUT THE SUPPORT OF OWNERS WHO ARE NOT OBLIGATED TO SELL. The Taubman family and other shareholders, with combined ownership and voting power representing over a third of the total voting power of the Company's capital stock, have indicated that they have no interest in pursuing a sale transaction. The affirmative vote of two-thirds of the Company's voting power to approve a merger, sale or other similar transaction has been required under the Company's charter since the initial public offering of Taubman Centers in 1992. The Company believes that the litigation brought by Simon seeking to strip certain Taubman Centers shareholders of their voting rights is without merit.

-- THE OFFER IS A SIGNIFICANT WASTE OF CORPORATE ASSETS. The unsolicited and hostile nature of the Simon offer, coupled with its inability to be completed, makes it expensive, disruptive, and detrimental to both companies.

-- THE OFFER IS HIGHLY CONDITIONAL. Simon's offer is subject to many conditions, resulting in significant uncertainty that the offer could or would be consummated. In addition, the anti-competitive nature of the combination proposed by Simon - which the Company believes is designed to further Simon's control over key markets where Simon is already highly dominant - raises serious antitrust concerns, creating further uncertainty.

-- SIMON MISREPRESENTS FACTS TO SERVE ITS OWN ENDS. The Simon offer is rife with misrepresentation and mischaracterization. Simon's self-serving press campaign aimed at damaging the Company is hypocritical in the extreme. Contrary to the Taubman Centers democratic voting structure with exact alignment between economic ownership and voting rights, the Simon family has hard-wired Board seats and an absolute veto right over major transactions, including a sale of the company. Simon's false denials about these veto rights on its website and in its securities filings are indicative of its willingness to mislead investors. Simon has also been willing to mischaracterize Taubman Centers' financial performance, misrepresent David Simon's communications with Robert Taubman, and mislead about the Taubman Centers 1998 restructuring.

Mr. Taubman stated: "The Simon lawsuit is a cynical attempt to turn a state anti-takeover statute into a hostile takeover device. The Michigan statute was designed to stop opportunists like Simon. They are disingenuously trying to turn the law inside out. We are confident they will not succeed."

"Above all, the Taubman Centers assets have huge scarcity value and are becoming more valuable every day," Mr. Taubman said. "Our new projects-- Millenia, Dolphin Mall, Willow Bend, International Plaza and Wellington Green-- are increasingly contributing to the company's FFO per share and are poised for significant future cash flow growth. The Board of Directors firmly believes that Taubman Centers has great growth prospects. We believe that Simon is pursuing Taubman Centers because Simon lacks the ability to create its own meaningful growth opportunities and needs to improve its portfolio of aging and tired shopping centers by acquiring Taubman's premier properties. We are not here to solve Simon's problems, but rather are focused on maximizing the potential of our assets for the benefit of Taubman Centers shareholders."

The Company also announced that it had opted out of the Michigan Control Share Acquisition Act. The Company believes that it does not need the protection of the Michigan Control Share Acquisition Act.

Stockholders of Taubman Centers are strongly advised to read Taubman Centers' solicitation/ recommendation statement regarding the tender offer referred to in this press release because it contains important information. Stockholders may obtain a free copy of the solicitation/ recommendation statement, which has been filed by Taubman Centers with the Securities and Exchange Commission, at the SEC's web site at www.sec.gov and at Taubman Center's website at www.taubman.com, under Investor Relations. Stockholders may also obtain, without charge, a copy of the solicitation/recommendation statement by directing requests to Taubman Centers' Investor Relations Department.

Goldman, Sachs & Co. is acting as financial advisor and the law firms of Wachtell, Lipton, Rosen & Katz; Miro, Weiner & Kramer, PC; and Honigman Miller Schwartz and Cohn, LLP are acting as legal advisors. Taubman Centers has also retained Innisfree M&A Incorporated to assist it in connection with communications with shareholders with respect to the offer.

**ABOUT TAUBMAN CENTERS, INC.**
Taubman Centers, a real estate investment trust, owns, develops, acquires and operates regional shopping centers nationally. Taubman Centers currently owns and/or manages 30 urban and suburban regional and super regional shopping centers in 13 states. The company is headquartered in Bloomfield Hills, Mich.

This press release contains forward-looking statements within the meaning of the Securities Act of 1933 as amended. These statements reflect management's current views with respect to future events and financial performance. Actual results may differ materially from those expected because of various risks and uncertainties, including, but not limited to changes in general economic and real estate conditions including further deterioration in consumer confidence, changes in the interest rate environment and availability of financing, and adverse changes in the retail industry. Other risks and uncertainties are discussed in the Company's filings with the Securities and Exchange Commission including its most recent Annual Report on Form 10-K.

# # #

**Contacts:**


Barbara Baker
Taubman Centers, Inc.
(248) 258-7367

Joele Frank/Todd Glass
Joele Frank, Wilkinson Brimmer Katcher
(212) 355-4449

**EXHIBIT 99(a)(4)**

TABLE OF CONTENTS TO
RESTATED BY-LAWS OF
TAUBMAN CENTERS, INC.
(Reflecting amendments through December 10, 2002)

**RESTATED BY-LAWS**
**OF**
**TAUBMAN CENTERS, INC.**
(Reflecting amendments through December 10, 2002)

## ARTICLE I

## Meetings of Shareholders

Section 1.01. Place of Meetings.

Annual and special meetings of the shareholders shall be held at such place within or outside the State of Michigan as may be fixed from time to time by the board of directors and stated in the notice of the meeting or in a duly executed waiver of notice thereof.

Section 1.02. Annual Meeting.

The annual meeting of the shareholders for the election of directors and for the transaction of such other business as may properly come before the meeting shall be held on such date as the Chairman of the Board, or the Vice Chairman of the Board or the President or the board of directors shall designate, and at such hour as may be named, in the notice of said meeting. If the election of directors shall not be held on the date so designated for any annual meeting or at any adjournment of such meeting, the board of directors shall cause the election to be held at a special meeting as soon thereafter as it conveniently may be held.

Section 1.03. Special Meetings.

A special meeting of the shareholders may be called at any time and for any purpose or purposes by the Chairman of the Board, the Vice Chairman of the Board, the President, a Vice President or any two directors, or by a shareholder or shareholders holding of record shares entitled to at least twenty-five percent (25%) of all the votes entitled to be cast by the holders of all outstanding capital stock of the corporation entitled to vote at such meeting.

Section 1.04. Notice of Meetings.

A written notice of the place, date, hour, and purposes of each meeting, whether annual or special, and any adjournment thereof, shall be given personally or by mail to each shareholder entitled to vote thereat at least ten
(10) but not more than sixty (60) days prior to the meeting unless a shorter time is provided by the Michigan Business Corporation Act and is fixed by the board of directors. The notice of any special meeting shall also state by or at whose direction it is being issued. If, at any meeting, whether annual or special, action is proposed to be taken which would, if taken, entitle shareholders fulfilling requirements of law to receive payment for their shares, the notice of such meeting shall include a statement of that purpose and to that effect. If any notice, as provided in this Section 1.04 is mailed, it shall be directed to the shareholder in a postage prepaid envelope at his address as it appears on the record of shareholders, or, if he shall have filed with the Secretary a written request that notices to him be mailed to some other address, then directed to him at such other address.

Section 1.05. Inspectors of Election.

The board of directors, or any officer or officers duly authorized by the board of directors, in advance of any meeting of shareholders, may appoint one or more inspectors to act at the meeting or any adjournment thereof. If inspectors are not so appointed, the person presiding at the meeting may, and on the request of any shareholder entitled to vote thereat shall, appoint one or more inspectors. In case any person appointed fails to appear or act, the vacancy may be filled by appointment made by the board of directors in advance of the meeting or at the meeting by the chairman of the meeting. Each inspector, before entering upon the discharge of his duties, shall take and sign an oath faithfully to execute the duties of inspector at such meeting with strict impartiality and according to the best of his ability. The inspectors shall determine the number of shares outstanding and the voting power of each, the shares represented at the meeting, the existence of a quorum, the validity and effect of proxies, and shall receive votes, ballots, or consents, hear and determine all challenges and questions arising in connection with the right to vote, count and tabulate all votes, ballots, or consents, determine the result, and do such acts as are proper to conduct the election or vote with fairness to all shareholders. On request of the person presiding at the meeting or any shareholder entitled to vote thereat, the inspectors shall make a report in writing of any facts or matters found or determined by them and execute a certificate with respect thereto.

Section 1.06. Notice of Shareholder Business and Nominations.

(A) Annual Meetings of Shareholders. (1) Nominations of persons for election to the Board of Directors of the corporation and the proposal of business to be considered by the shareholders may be made at an annual meeting of shareholders (a) pursuant to the corporation's notice of meeting, (b) by or at the direction of the Board of Directors or (c) by any shareholder of the corporation who was a shareholder of record at the time of giving of notice provided for in this by-law, who is entitled to vote at the meeting and who complies with the notice procedures set forth in this by-law.

(2) For nominations or other business to be properly brought before an annual meeting by a shareholder pursuant to clause (c) of paragraph (A) (1) of this by-law, the shareholder must have given timely notice thereof in writing to the Secretary of the corporation and such other business must otherwise be a proper matter for shareholder action. To be timely, a shareholder's notice shall be delivered to the Secretary at the principal executive offices of the corporation not later than the close of business on the 60th day nor earlier than the close of business on the 90th day prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is more than thirty (30) days before or more than sixty (60) days after such anniversary date, notice by the shareholder to be timely must be so delivered not earlier than the close of business on the 90th day prior to such annual meeting and not later than the close of business on the later of the 60th day prior to such annual meeting or the 10th day following the day on which public announcement of the date of such meeting is first made by the corporation. In no event shall the public announcement of an adjournment of an annual meeting commence a new time period for the giving of a shareholder's notice as described above. Such shareholder's notice shall set forth (a) as to each person whom the shareholder proposes to nominate for election or reelection as a director all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors

in an election contest, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "Exchange Act") and Rule 14a-11 thereunder (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected); (b) as to any other business that the shareholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest in such business of such shareholder and the beneficial owner, if any, on whose behalf the proposal is made; and (c) as to the shareholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (i) the name and address of such shareholder, as they appear on the corporation's books, and of such beneficial owner and (ii) the class and number of shares of the corporation which are owned beneficially and of record by such shareholder and such beneficial owner.

(3) Notwithstanding anything in the second sentence of paragraph (A)(2) of this by-law to the contrary, in the event that the number of directors to be elected to the Board of Directors of the corporation is increased and there is no public announcement by the corporation naming all of the nominees for director or specifying the size of the increased Board of Directors at least seventy (70) days prior to the first anniversary of the preceding year's annual meeting, a shareholder's notice required by this by-law shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary at the principal executive offices of the corporation not later than the close of business on the 10th day following the day on which such public announcement is first made by the corporation.

(B) Special Meetings of Shareholders. Only such business shall be conducted at a special meeting of shareholders as shall have been brought before the meeting pursuant to the corporation's notice of meeting or by or at the direction of the Board of Directors. Nominations of persons for election to the Board of Directors may be made at a special meeting of shareholders at which directors are to be elected pursuant to the corporation's notice of meeting (a) by or at the direction of the Board of Directors or (b) provided that the Board of Directors has determined that directors shall be elected at such meeting, by any shareholder of the corporation who is a shareholder of record at the time of giving of notice provided for in this by-law, who shall be entitled to vote at the meeting and who complies with the notice procedures set forth in this by-law. In the event the corporation calls a special meeting of shareholders for the purpose of electing one or more directors to the Board of Directors, any such shareholder may nominate a person or persons (as the case may be), for election to such position(s) as specified in the corporation's notice of meeting, if the shareholder's notice required by paragraph (A)(2) of this by-law shall be delivered to the Secretary at the principal executive offices of the corporation not earlier than the close of business on the 90th day prior to such special meeting and not later than the close of business on the later of the 60th day prior to such special meeting or the 10th day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting. In no event shall the public announcement of an adjournment of a special meeting commence a new time period for the giving of a shareholder's notice as described above.

(C) General. Only such persons who are nominated in accordance with the procedures set forth in this by-law shall be eligible to serve as directors and only such business shall

be conducted at a meeting of shareholders as shall have been brought before the meeting in accordance with the procedures set forth in this by-law. Except as otherwise provided by law, the Chairman of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with the procedures set forth in this by-law and, if any proposed nomination or business is not in compliance with this by-law, to declare that such defective proposal or nomination shall be disregarded. For purposes of this by-law, "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act.

Notwithstanding the foregoing provisions of this by-law, a shareholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this by-law. Nothing in this by-law shall be deemed to affect any rights (i) of shareholders to request inclusion of proposals in the corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act or (ii) of the holders of any series of Preferred Stock to elect directors under specified circumstances.

Section 1.07. Quorum and Adjournment.

Unless a greater or lesser quorum is provided by statute or in the articles of incorporation, shares entitled to cast a majority of the votes at a meeting constitute a quorum at the meeting. The shareholders present in person or by proxy at the meeting may continue to do business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum. By a vote of the shares present, even if less than a quorum, the meeting may be adjourned to another place and time for a period not exceeding thirty (30) days in any one case. No notice of the time and place of adjourned meetings need be given except as required by law. At an adjourned meeting at which a quorum shall be present, any business may be transacted that might have been transacted at the meeting as originally called.

Section 1.08. Vote of Shareholders.

Each share of outstanding capital stock shall entitle its holder to the voting rights set forth in the articles of incorporation. All elections of directors shall be by a plurality vote of the shareholders entitled to vote at such meeting of shareholders. Whenever any corporate action is to be taken by vote, other than the election of directors, it shall, except as otherwise required by statute, by the articles of incorporation, or by these by-laws, be authorized by two-thirds (2/3(rds)) of all the votes entitled to be cast by the holders of all outstanding capital stock entitled to vote on the action. Directors shall be elected if approved by a plurality of the votes cast at an election.

Section 1.09. Proxies.

Every shareholder entitled to vote at a meeting of shareholders or to express consent or dissent without a meeting may authorize another person or persons to act for him by proxy. Every proxy must be in writing and signed by the shareholder or his attorney-in-fact. No

proxy shall be valid after the expiration of three (3) years from the date thereof unless otherwise provided in the proxy.

Section 1.10. Consents.

To the extent permitted by law, any action required or permitted to be taken by the holders of any class or series of capital stock authorized under the articles of incorporation to vote by non-unanimous written consent may be taken without a meeting, without prior notice, and without a vote, if consents in writing, setting forth the action so taken, are signed by the holders of outstanding shares having not less than the minimum number of votes that would be necessary to authorize or take the action at a meeting at which all shares entitled to vote on the action were present and voted. The written consents shall bear the date of signature of each shareholder who signs the consent. No written consents shall be effective to take the action referred to unless, within 60 days after the record date for determining shareholders entitled to express consent to or to dissent from a proposal without a meeting, written consents signed by shareholders holding a sufficient number of shares to take the action are delivered to the corporation. Delivery shall be to the corporation's registered office, its principal place of business, or an officer or agent of the corporation having custody of the minutes of the proceedings of its shareholders. Delivery made to the corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. Prompt notice of the taking of the action without a meeting by less than unanimous written consent shall be given to the holders of the relevant class or series of capital stock who would have been entitled to notice of the shareholder meeting if the action had been taken at a meeting and who have not consented in writing.

Section 1.11. Organization of Shareholders' Meetings.

At every meeting of the shareholders, the Chairman of the Board, or in his absence, the Vice Chairman of the Board, or in his absence, the President, or in his absence, a Vice President, or in the absence of the Chairman of the Board, the President and Vice President, a chairman chosen by a majority in interest of the shareholders of the corporation present in person or by proxy and entitled to vote, shall act as chairman; and the Secretary, or in his absence any person appointed by the chairman, shall act as secretary.

## ARTICLE II

Determination of Voting,
**Dividend, and Other Rights**

For the purpose of determining the shareholders entitled to notice of or to vote at any meeting of shareholders or any adjournment thereof, or to express consent to or dissent from any proposal without a meeting, or for the purpose of determining shareholders entitled to receive payment of any dividend or the allotment of any rights, or the date when any change or conversion or exchange of capital stock shall go into effect, or for the purpose of any other action, the board of directors may fix, in advance, a date as the record date for any such determination of shareholders. Such date shall not be more than sixty (60) nor less than ten (10) days before the date of any such meeting, nor more than thirty (30) days prior to any other action. If a

record date is so fixed, such shareholders and only such shareholders as shall be shareholders of record on that date so fixed shall be entitled to notice of, and to vote at, such meeting and any adjournment thereof, or to express such consent or dissent, or to receive payment of such dividend or such allotment of rights, or otherwise to be recognized as shareholders for the purpose of any other action, notwithstanding any transfer of any shares on the books of the corporation after any such record date so fixed.

## ARTICLE III

## Directors

Section 3.01. General Powers.

The business and all the powers of the corporation, and the stock, property, and affairs of the corporation, except as otherwise provided by the articles of incorporation, the by-laws, or by statute, shall be managed by the board of directors.

Section 3.02. Number, Qualifications, and Term of Office.

Except when the Corporation's articles of incorporation require the board to consist of a fixed number of directors, the board of directors shall consist of that number of directors established from time to time by the board of directors, provided that the board cannot reduce the number of directors below its then current size except upon the expiration of the term of one or more directors or the death, resignation, or removal of a director. Except as otherwise required by the articles of incorporation, the directors, who need not be shareholders, shall be divided into three classes that shall be as nearly equal in number as is possible. At each annual meeting of shareholders, one class of directors shall be chosen for a full three year term and until their successors shall be duly elected and qualified or, if earlier, until death, resignation or removal.

If satisfied immediately following the most recent election or appointment of directors, any requirement under the articles of incorporation or these by-laws regarding the number of directors who must be "independent" shall be deemed to be satisfied until the next annual meeting of shareholders, notwithstanding the occurrence of one or more vacancies on the board of directors occurring between meetings of shareholders.

Section 3.03. Place of Meetings.

Meetings of the board of directors, annual or special, shall be held at any place within or outside the State of Michigan as may from time to time be determined by the board of directors.

Section 3.04. Annual Meeting.

The board of directors shall meet as soon as practicable after each annual election of directors for the purpose of organization, election of officers, and the transaction of other business, on the same day and at the same place at which the shareholders' meeting is held. Notice of such meeting need not be given. Such meeting may be held at such other time and place

as shall be specified in a notice to be given as hereinafter provided for special meetings of the board of directors, or according to consent and waiver of notice thereof signed by all directors.

Section 3.05. Regular and Special Meetings.

Regular (i.e., previously scheduled by action of the board of directors) meetings of the board of directors may be held with or without notice. Special meetings of the board of directors shall be held whenever called by any director. Notice of any special meeting, and any adjournment thereof, stating the place, date, hour and purpose of the meeting, shall be provided to each director, not later than forty-eight (48) hours prior to the day on which the meeting is to be held. Unless limited by statute, the articles of incorporation, these by-laws, or the terms of the notice thereof, any and all business may be transacted at any special meeting.

Section 3.06. Quorum and Manner of Action.

Section 3.07. A majority of the directors in office at the time of any meeting of the board of directors, present in person or by means of telephonic conference, shall be necessary and sufficient to constitute a quorum for the transaction of business. The affirmative vote of a majority of the directors in office shall be required for the approval of all actions to be taken by the board of directors, except as otherwise required by statute or the articles of incorporation and except for adjournment. A majority of the directors present, regardless of whether a quorum is present, may adjourn any meeting to another place and time for a period not exceeding thirty (30) days in any one case. If all of the directors severally or collectively consent in writing to any act taken or to be taken by the corporation, such action shall be valid corporate action as though it had been authorized at a meeting of the board of directors.Compensation.

Each independent director shall be paid such directors' fees and fixed sums and expenses for attendance at each annual, regular or special meeting of the board of directors or committees of the board of directors as the board of directors by resolution so determines; provided, however, that nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity and receiving compensation therefor.

Section 3.08. Removal of Directors.

By a vote of two-thirds (2/3(rds)) of all the votes entitled to be cast by the holders of all outstanding capital stock entitled to vote, the shareholders may remove one or more or all of the directors from office for or without cause.

Section 3.09. Resignations.

Any director may resign at any time by giving written notice to the board of directors, the Chairman of the Board, the Vice Chairman, the President, or the Secretary of the corporation. Such resignation shall take effect at the time specified therein; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 3.10. Vacancies.

Any vacancies occurring on the board of directors by reason of death, resignation, retirement, disqualification, removal, or an increase in the size of the board of directors shall be temporarily filled by the board of directors then in office. Except as provided in the next sentence, unless a successor director is elected by a vote of the shareholders, any director elected by the board of directors to fill a vacancy temporarily shall hold office for the unexpired portion of the term of his predecessor. If a director is elected by the directors in order to fill a vacancy created as a result of an increase in the size of the board of directors, then such director shall have an initial term equal to the remaining term of the class of directors that such director is placed in pursuant to the resolution of the board of directors adopted pursuant to Section 3.02 of these by-laws.

Section 3.11. Organization of Board Meeting.

At each meeting of the board of directors, the Chairman, or in his absence, the Vice Chairman, or in his absence, the President, if he is a director, or in his absence, a director chosen by a majority of the directors present, shall act as chairman of the meeting. The Secretary, or in his absence, any person appointed by the chairman, shall act as secretary of the meeting.

## ARTICLE IV

## Committees

Section 4.01. Committees.

The corporation may have such committees as the board of directors shall by resolution from time to time determine, which shall have such powers and authority as are designated by the board of directors.

Section 4.02. Regular Meetings.

Regular meetings of a committee shall be held without notice at such time and at such place as shall from time to time be determined by resolution of the committee. In case the day so determined shall be a legal holiday, such meeting shall be held on the next succeeding day, not a legal holiday, at the same hour.

Section 4.03. Special Meetings.

Special meetings of a committee shall be held wherever called by the chairman of the committee. Notice of any special meeting and any adjournment thereof shall be provided not later than the second (2nd) day before the day on which the meeting is to be held. Notice of any meeting of a committee need not be given to any member who submits a signed waiver of notice before or after the meeting, or who attends the meeting without protesting prior thereto or at its commencement the lack of notice to him. Unless limited by statute, the articles of incorporation,

these by-laws, or the terms of the notice thereof, any and all business may be transacted at any special meeting of the committee.

Section 4.04. Quorum and Manner of Action.

A majority of the members of a committee in office at the time of any regular or special meeting of the committee present in person or by means of telephonic conference shall constitute a quorum for the transaction of business. The vote of a majority of the members shall be the act of the committee. Any member of a committee may require that action proposed to be taken by the committee instead be submitted to the board of directors for its consideration and action. A majority of the members present, whether or not a quorum is present, may adjourn any meeting to another time and place. No notice of an adjourned meeting need be given.

Section 4.05. Records.

A committee shall keep minutes of its proceedings and shall submit the same from time to time to the board of directors. The Secretary of the corporation, or in his absence an assistant secretary, shall act as secretary to the committee; or the committee may in its discretion appoint its own secretary.

Section 4.06. Vacancies.

Any newly created memberships and vacancies occurring in a committee shall be filled by resolution adopted by a majority of the entire board of directors.

## ARTICLE V

## Officers

Section 5.01. Officers.

The elected officers of the corporation shall be a Chairman of the Board, a President, a Chief Financial Officer, a Secretary, a Treasurer, and, if the board of directors so determines, one or more Vice Chairman of the Board and Vice Presidents. The board of directors may also appoint one or more Assistant Secretaries, one or more Assistant Treasurers, and such other officers and agents as may from time to time appear to be necessary or advisable in the conduct of the affairs of the corporation. Any two or more offices, whether elective or appointive, may be held by the same person, except that an officer shall not execute, acknowledge or verify any instrument in more than one capacity if the instrument is required by law or the articles of incorporation or the by-laws to be executed, acknowledged or verified by two or more officers.

Section 5.02. Term of Office and Resignation.

So far as practicable, all elected officers shall be elected at the first meeting of the board of directors following the annual meeting of shareholders in each year and, except as otherwise hereinafter provided, shall hold office until the first meeting of the board of directors following

the next annual meeting of shareholders and until their respective successors shall have been elected or appointed and qualified. All other officers shall hold office during the pleasure of the board of directors. Any elected or appointed officer may resign at any time by giving written notice to the board of directors, the Chairman, the Vice Chairman, the President, the Chief Financial Officer, or the Secretary of the corporation. Such resignation shall take effect at the time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 5.03. Removal of Elected Officers.

Any officer may be removed at any time, with or without cause, by vote at any meeting of the board of directors.

Section 5.04. Vacancies.

If any vacancy shall occur in any office for any reason, the board of directors may elect or appoint a successor to fill such vacancy for the remainder of the term.

Section 5.05. Compensation.

The compensation, if any, of all elected or appointed officers and agents of the corporation shall be fixed by the board of directors.

Section 5.06. The Chairman of the Board.

The Chairman of the Board (sometimes herein the "Chairman") shall preside at all meetings of the shareholders and board of directors and shall appoint all standing and special committees as are deemed necessary in the conduct of the business. The Chairman shall exercise any and all powers and perform any and all duties which are required by the by-laws and which the board of directors may additionally confer upon him.

Section 5.07. The Vice Chairman of the Board.

The Vice Chairman of the Board (sometimes herein the "Vice Chairman"), in the absence of the Chairman, shall preside at all meetings of the shareholders and board of directors. The Vice Chairman shall exercise any and all powers and perform any and all duties which are required by the by-laws and which the board of directors may additionally confer upon him.

Section 5.08. The President.

The President shall be the Chief Executive Officer and, if he is a director, in the absence of the Chairman and the Vice Chairman, preside at all meetings of the board of directors; and shall perform such other duties as are usually ascribed to that office. The President shall exercise any and all powers and perform any and all duties which are required by the by-laws and which the board of directors may additionally confer upon him.

Section 5.09. The Chief Financial Officer.

The Chief Financial Officer shall perform all necessary acts and duties in connection with the administration of the financial affairs of the corporation; and shall perform such other duties as are usually ascribed to that office. The Chief Financial Officer shall exercise any and all powers and perform any and all duties which are required by the by-laws and which the board of directors may additionally confer upon him.

Section 5.10. The Vice President.

The Vice President, if any, or if there is more than one Vice President, each Vice President, shall have such powers and discharge such duties as may be assigned to him from time to time by the board of directors.

Section 5.11. The Secretary.

The Secretary shall attend all meetings of the board of directors and the shareholders and shall record all votes and the minutes of all proceedings in a book to be kept for that purpose and shall, when requested, perform like duties for all committees of the board of directors. He shall attend to the giving of notice of all meetings of the shareholders, and special meetings of the board of directors and committees thereof; he shall have custody of the corporate seal, if same is provided, and, when authorized by the board of directors, shall have authority to affix the same to any instrument and, when so affixed, it shall be attested by his signature or by the signatures of the Treasurer or an Assistant Secretary or an Assistant Treasurer. He shall keep an account for all books, documents, papers, and records of the corporation, except those for which some other officer or agent is properly accountable. He shall have authority to sign stock certificates, and shall generally perform all the duties appertaining to the office of secretary of a corporation. In the absence of the Secretary, such person as shall be designated by the President shall perform his duties.

Section 5.12. The Treasurer.

The Treasurer shall have the care and custody of all the funds of the corporation and shall deposit the same in such banks or other depositories as the board of directors, or any officer and agent jointly, duly authorized by the board of directors, shall, from time to time, direct or approve. He shall keep a full and accurate account of all monies received and paid on account of the corporation, and shall render a statement of his accounts whenever the board of directors shall require. In addition, he shall generally perform all duties usually appertaining to the office of Treasurer of a corporation. When required by the board of directors, he shall give bonds for the faithful discharge of his duties in such sums and with such sureties as the board of directors shall approve. In the absence of the Treasurer, such person as shall be designated by the Chief Financial Officer shall perform his duties.

## ARTICLE VI

## Indemnification

Section 6.01. Indemnification.

Subject to and in accordance with the provisions of the corporation's articles of incorporation, the corporation has the power to (and, if so provided in the corporation's articles of incorporation, shall) indemnify any person (and the heirs, executors, and administrators of any such person) against any loss, cost, damage, fine, penalty, or expense (including attorneys' fees) suffered, incurred, assessed, or imposed by reason of the fact that such person is or was a director, officer, employee, or agent of the corporation or is or was serving, at the request of the corporation, as a director, officer, employee, agent, partner, or trustee of another corporation, partnership, joint venture, trust, or other enterprise.

Section 6.02. Advancement of Expenses.

Subject to and in accordance with the corporation's articles of incorporation, expenses incurred in defending or settling a civil or criminal action, suit, or proceeding to which any person described in Section 6.01 is or was a party, or is or was threatened to be made a party, may (and, if so provided in the corporation's articles of incorporation, shall) be paid by the corporation in advance.

Section 6.03. Indemnification: Insurance.

The corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the corporation or is liable as a director of the corporation, or is or was serving, at the request of the corporation, as a director, officer, partner, trustee, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such, regardless of whether the corporation would have power to indemnify him against such liability under the provisions of this Article VI.

Section 6.04. Indemnification: Constituent Corporations.

For the purposes of this Article VI, references to the corporation include all constituent corporations absorbed in a merger and the resulting or surviving corporation, so that a person who is or was a director or officer of such constituent corporation or is or was serving at the request of such constituent corporation as a director or officer of another corporation, partnership, joint venture, trust, or other enterprise shall (as shall his heirs, executors, and administrators) stand in the same position, under the provisions of this Article, with respect to the resulting or surviving corporation as he would if he had served the resulting or surviving corporation in the same capacity.

## ARTICLE VII

## Share Certificates

Section 7.01. Form; Signature.

The shares of the corporation shall be represented by certificates in such form as shall be determined by the board of directors and shall be signed by the Chairman, Vice Chairman, President or a Vice President and the Secretary or an Assistant Secretary or the Treasurer or an Assistant Treasurer of the corporation, and if a seal has been provided for the corporation, may be sealed with the seal of the corporation or a facsimile thereof. The signatures of the officers upon a certificate may be facsimiles if the certificate is countersigned by a Transfer Agent or registered by a Registrar other than the corporation or its employee. In case any officer who has signed or whose facsimile has been placed upon a certificate shall have ceased to be such officer before such certificate is issued, it may be issued by the corporation with the same effect as if he were such officer at the date of issue.

Section 7.02. Transfer Agents and Registrars.

The board of directors may, in its discretion, appoint one or more banks or trust companies in the State of Michigan and in such other state or states as the board of directors may deem advisable, from time to time, to act as Transfer Agents and Registrars of the shares of the corporation; and upon such appointments being made, no certificate representing shares shall be valid until countersigned by one of such Transfer Agents and registered by one of such Registrars.

Section 7.03. Transfers of Shares.

Transfers of shares shall be made on the books of the corporation only upon written request by the person named in the certificate, or by his attorney lawfully constituted in writing, and upon surrender and cancellation of a certificate or certificates for a like number of shares of the same class, with duly executed assignment and a power of transfer endorsed thereon or attached thereto, and with such proof of the authenticity of the signatures as the corporation or its agents may reasonably require.

Section 7.04. Registered Shareholders.

The corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends and other distributions, and to vote as such owner, and to hold liable for calls and assessments the person registered on its books as the owner of shares, and shall not be bound to recognize any equitable or other claim to or interest in such shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by law or contemplated by the articles of incorporation.

Section 7.05. Lost Certificates.

In case any certificate representing shares shall be lost, stolen, or destroyed, the board of directors, or any officer or officers duly authorized by the board of directors, may authorize the issuance of a substitute certificate in place of the certificate so lost, stolen, or destroyed, and may cause or authorize such substitute certificate to be countersigned by the appropriate Transfer Agent and registered by the appropriate Registrar. In each such case the applicant for a substitute certificate shall furnish to the corporation and to such of its Transfer Agents and Registrars as may require the same, evidence to their satisfaction, in their discretion, of the loss, theft, or destruction of such certificate and of the ownership thereof, and also such security or indemnity as may by them be required.

## ARTICLE VIII

## Miscellaneous

Section 8.01. Fiscal Year.

The board of directors from time to time shall determine the fiscal year of the corporation.

Section 8.02. Signatures on Negotiable Instruments.

All bills, notes, checks, or other instruments for the payment of money shall be signed or countersigned by such officers or agents and in such manner as from time to time may be prescribed by resolution of the board of directors, or may be prescribed by any officer or officers, or any officer and agent jointly, duly authorized by the board of directors.

Section 8.03. Dividends.

Except as otherwise provided in the articles of incorporation, dividends upon the shares of the corporation may be declared and paid as permitted by law in such amounts as the board of directors may determine at any annual or special meeting. Dividends may be paid in cash, in property, or in shares of the capital stock of the corporation, subject to the articles of incorporation.

Section 8.04. Reserves.

Before payment of any dividend, there may be set aside out of any funds of the corporation available for dividends such sum or sums as the board of directors from time to time, in its absolute discretion, deems proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the corporation, or for such other purpose as the board of directors deems conducive to the interest of the corporation; and in its discretion, the board of directors may decrease or abolish any such reserve.

Section 8.05. Seal.

The board of directors may, but need not, provide a corporate seal which shall consist of two concentric circles between which is the name of the corporation and in the center of which shall be inscribed "SEAL".

Section 8.06. Corporation Offices.

The registered office of the corporation shall be as set forth in the articles of incorporation. The corporation may also have offices in such places as the board of directors may from time to time appoint or the business of the corporation require. Such offices may be outside the State of Michigan.

Section 8.07. Notices and Waivers of Notice.

(A) Delivery of Notices. All notices to shareholders, directors and Board committee members shall be given (a) personally, (b) by mail (registered, certified or other first class mail, except where otherwise provided in the Michigan Business Corporation Act, with postage pre-paid), addressed to such person at the address designated by him or her for that purpose or, if none is designated, at his or her last known address, (c) by electronic transmission in a manner authorized by the person, or (d) as otherwise provided in the Michigan Business Corporation Act. In addition to any other form of notice to a shareholder permitted by the Articles of Incorporation, these By-Laws, or the Michigan Business Corporation Act, any notice given to a shareholder by a form of electronic transmission to which the shareholder has consented is effective. Notices to directors of or Board committee members may also be delivered at his or her office on the Corporation's premises, if any, or by express carrier, addressed to the address referred to in the first sentence of this Section. When a notice is required or permitted by the Michigan Business Corporation Act or these By-Laws to be given in writing, electronic transmission is written notice. Notices given pursuant to this Section 8.07 shall be deemed to be given when dispatched, or, if mailed, when deposited in a post office or official depository under the exclusive care and custody of the United States postal service; provided that when a notice or communication is permitted by the Michigan Business Corporation Act or these By-Laws to be transmitted electronically, the notice or communication is given when electronically transmitted to the person entitled to the notice or communication in a manner authorized by the person. Notices given by express carrier shall be deemed "dispatched" on the date and at the time the express carrier guarantees delivery of the notice. The Corporation shall have no duty to change the written or electronic address of any director, Board committee member or shareholder unless the Secretary receives notice in writing or by electronic transmission of such address change.

(B) Waiver of Notices. Action may be taken without a required notice and without lapse of a prescribed period of time, if at any time before or after the action is completed the person entitled to notice or to participate in the action to be taken or, in the case of a shareholder, his or her attorney-in-fact, submits a signed waiver or a waiver by electronic transmission of the requirements, or if such requirements are waived in such other manner permitted by applicable law. Neither the business to be transacted at, nor the purpose of, the

meeting need be specified in the waiver of notice of the meeting. A shareholder's attendance at a meeting (in person or by proxy) will result in both of the following:

(i) Waiver of objection to lack of notice or defective notice of the meeting, unless the shareholder at the beginning of the meeting objects to holding the meeting or transacting business at the meeting.

(ii) Waiver of objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the shareholder objects to considering the matter when it is presented.

A director's attendance at or participation in any Board or Board committee meeting waives any required notice to him or her of the meeting unless he or she, at the beginning of the meeting or upon his or her arrival, objects to the meeting or the transacting of business at the meeting and does not thereafter vote for or assent to any action taken at the meeting.

## ARTICLE IX

## Amendments

Section 9.01. Power to Amend.

These by-laws may be amended, repealed, or adopted by the shareholders or the board of directors. Any by-law adopted by the board of directors may be amended or repealed by the board of directors or by shareholders entitled to vote thereon as herein provided; and any by-law adopted by the Incorporators or the shareholders may be amended or repealed by the board of directors, except as limited by statute and except when the shareholders have expressly provided otherwise with respect to any particular by-law or by-laws.

## ARTICLE X

## Control Shares

Chapter 7B of the Michigan Business Corporation Act does not apply to control share acquisitions of shares of the Corporation.

**EXHIBIT 99(a)(5)**

**STATE OF MICHIGAN**

**IN THE CIRCUIT COURT FOR THE COUNTY OF OAKLAND**

**LIONEL Z. GLANCY,**

| | |
|---|---|
| Individually<br>And On Behalf of All Others<br>Similarly Situated,<br><br>Plaintiff,<br>vs. | Case No. 2002- -CK<br>Hon. |
| ROBERT S. TAUBMAN, WILLIAM S. TAUBMAN, LISA A. PAYNE, GRAHAM T. ALLISON, ALLAN J. BLOOSTEIN, JEROME A. CHAZEN, S. PARKER GILBERT, and TAUBMAN CENTERS, INC., | There is no other civil action arising out of the same transaction or occurrence as alleged in the Complaint pending in this court, nor has any such action been previously filed and dismissed after having been assigned to a Judge.<br><br>/s/ E. Powell Miller |

**Defendants.**

**COMPLAINT AND JURY DEMAND**

Plaintiff, by his attorneys, alleges upon personal knowledge as to his own acts and upon information and belief as to all other matters, as follows:

**NATURE OF THE ACTION**

1. Plaintiff brings this action individually and as a class action on behalf of all persons, other than defendants, who own the securities of Taubman Centers, Inc. ("TCI" or the "Company") and who are similarly situated, to enjoin certain actions of the Individual Defendants (as defined below), which are intended to thwart any takeover of the Company and thereby deny shareholders any opportunity to maximize the value of their TCI stock. The Individual Defendants have failed to taken even rudimentary action to inform themselves about the

generous offer made by Simon Property Group ("SPG") to acquire all of the outstanding TCI shares for $17.50 per share.

2. In particular, defendants have categorically refused to meet or "to even have a discussion" with SPG despite the fact that SPG's existing offer is almost 30% higher than the price of TCI stock when the offer was made and could likely be negotiated to an even higher price.

3. Such action and inaction represent an effort by the Individual Defendants to entrench themselves in office so that they may continue to receive their substantial salaries, compensation, and other benefits and perquisites.

4. The Individual Defendants are abusing their fiduciary positions of control over TCI to thwart legitimate attempts to acquire the Company and are seeking to entrench themselves in the management of the Company. The actions of the Individual Defendants constitute a breach of their fiduciary duties to maximize stockholder value, to not consider their own interests over that of the public stockholders, and to respond reasonably and on an informed basis to bona fide offers for TCI.

**PARTIES**

5. Plaintiff, a resident of California, has been a continuous owner of shares of TCI common stock at all relevant times described herein.

6. Defendant TCI is a corporation duly organized and existing under the laws of the State of Michigan, with its principal offices located at 200 East Long Lake Road, Suite 300, Bloomfield Hills, MI 48303-0200. As of April 1, 2002, the Company had approximately 82,784,497 shares of voting stock outstanding, TCI's principal business is the development and operation of real estate interests including shopping malls throughout the United States. TCI stock trades on the New York Stock Exchange.

7. Defendant Robert S. Taubman, at all times material hereto has been the Chairman of the Board, President, and Chief Executive Officer of TCI. Robert S. Taubman is the brother of William S. Taubman and the son of A. Alfred Taubman.

8. Defendant William S. Taubman, at all times material hereto has been an Executive Vice President, Manager, and a Director of TCI.

9. Defendant Lisa A. Payne, at all times material hereto has been an Executive Vice President, Chief Financial Officer, and a Director of TCI.

10. Defendants Graham T. Allison, Allan J. Bloostein, Jerome A. Chazen, and S. Parker Gilbert are Directors of TCI.

11. The defendants named in paragraphs 7 through 10 above are hereinafter referred to as the "Individual Defendants".

12. The Individual Defendants, by reason of their corporate directorship and/or executive positions, are fiduciaries to and for the Company's stockholders, which fiduciary relationship requires them to exercise their best judgment, and to act in a prudent manner and in the best interests of the Company's stockholders and to maximize stockholder value.

13. Each defendant herein is sued individually as a conspirator and aider and abettor, as well as in his/her capacity as an officer and/or director of the Company, and the liability of each arises from the fact that he or she has engaged in all or part of the unlawful acts, plans, schemes, or transactions complained of herein.

**CLASS ACTION ALLEGATIONS**

14. Plaintiff brings this action individually on its own behalf and as a class action, on behalf of all stockholders of the Company (except the defendants herein and any person, firm, trust, corporation, or other entity related to or affiliated with any of the defendants) and

their successors in interest, who are or will be threatened with injury arising from defendants' actions as more fully described herein (the "Class").

15. This action is properly maintainable as a class action.

16. The Class is so numerous that joinder of all members is impracticable. There are hundreds of stockholders who hold the approximately 82.78 million shares of TCI common stock outstanding.

17. There is a well-defined community of interest in the questions of law and fact involved affecting the members of the Class. Among the questions of law and fact which are common to the Class, which predominate over questions affecting any individual class member are, inter alia, the following:

(a) whether the Individual Defendants have breached their fiduciary and other common law duties owed by them to plaintiff and other members of the Class;

(b) whether defendants wrongfully failed to maximize stockholder value;

(c) whether defendants are wrongfully impeding takeover attempts at the expense of TCI's public stockholders; and

(d) Whether plaintiff and the other members of the Class would be irreparably damaged if the transaction were not enjoined.

18. Plaintiff is a member of the Class and is committed to prosecuting this action. Plaintiff has retained competent counsel experienced in litigation of this nature. The claims of plaintiff are typical of the claims of other members of the Class, and plaintiff has the same interests as the other members of the Class. Plaintiff does not have interests antagonistic to

or in conflict with those he seeks to represent. Plaintiff is an adequate representative of the Class.

19. The likelihood of individual class members prosecuting separate individual actions is remote due to the relatively small loss suffered by each Class member as compared to the burden and expense of prosecuting litigation of this nature and magnitude. Absent a class action, defendants are likely to avoid liability for their wrongdoing, and Class members are unlikely to obtain redress for their wrongs alleged herein. There are no difficulties likely to be encountered in the management of the Class claims. This Court is an appropriate forum for this dispute.

**SUBSTANTIVE ALLEGATIONS**

20. On October 16, 2002, David Simon, Chief Executive Officer of SPG, sent a letter to TCI expressing SPG's desire to acquire TCI. SPG's offer included a $17.50 per share payment for all of TCI's outstanding stock (the "Offer"). The Offer places a total value on TCI at about $3.8 billion. David Simon send a second letter on October 22, 2002 reiterating the Offer.

21. The Offer was approximately 30% greater than TCI's stock price in October 2002 and was 18% higher ($2.70 per share) than TCI's stock price on November 12, 2002.

22. On November 13, 2002, SPG made the Offer public after Robert Taubman refused to even discuss the Offer with SPG representatives. As Mr. Simon explained, "We are dismayed that W. Taubman continues in his refusal even to discuss our offer - or indeed any sale transaction."

23. The Offer provides an extremely generous premium over the unaffected trading price of TCI stock, especially in light of the Company's currently reported performance. TCI recently reported low returns on two of its premier properties; Miami's Dolphin Mall and

Dallas' Willow Bend Mall, which in turn caused TCI's overall return to be 5.5% lower than estimated.

24. Analysts following TCI do not see any future upswing in the prospects of TCI. David Fick, an analyst at Legg Mason Wood Walker states that TCI has "one of the most incompetent management teams in mall development. . . . The company continues to make bad decisions. . . . It's the opposite end of the quality spectrum (from Simon) in terms of how it manages the balance sheet and assets."

25. The Taubman Family is the principal holder of TCI stock. A. Alfred Taubman is the beneficial owner of approximately 24,856,000 shares of TCI or $30%. A. Alfred Taubman was a Director of TCI until his recent incarceration in connection with auction house price-fixing activities. Robert S. Taubman controls 3,919,506 shares or an additional $4.6%. The Taubman family as a whole controls more than 35% of TCI's outstanding stock. 26. Defendants have breached their fiduciary duty to maximize stockholder value by refusing to even consider the Offer or take any other steps to insure a market check, such as implementing an auction process or solicit bids from other third parties.

27. The defendants unwillingness to seriously consider the Offer stems from their attempt to entrench themselves in their positions of control with the Company. Instead of proceeding with alacrity and diligence to negotiate with SPG concerning the Offer, the Individual Defendants is proceeding on a course of delay and resistance by refusing to negotiate to secure the maximum value for the Company's public stockholders.

28. Defendants' conduct has deprived and will continue to deprive the Company's public stockholders of the very substantial control premium which SPG or another third party bidder is prepared to pay or the enhanced premium which further negotiation could secure.

29. The Individual Defendants are acting to entrench themselves in their offices and positions and maintain their substantial salaries and prerequisites, all at the expense and to the detriment of the public stockholders of TCI.

30. By virtue of the acts and conduct alleged herein the Individual Defendants, who control the actions of the Company have carried out a preconceived plan and scheme to place their own personal interests ahead of the interests of the stockholders of TCI and thereby entrench themselves in their offices and positions within the Company. The Individual Defendants have violated their fiduciary duties owed to plaintiff and the Class in that they have not and are not exercising independent business judgment and have acted and are acting to the detriment of the Company's public stockholders for their own personal benefit.

31. As a result of the actions of the Individual Defendants, plaintiff and the other members of the Class have been and will be damaged in that they have not and will not receive their fair proportion of the value of TCI's assets and businesses and/or have been and will be prevented from obtaining a fair and adequate price for their shares of TCI's common stock.

32. By reason of all of the foregoing, defendants herein have willfully participated in unfair dealing toward the plaintiff and the other members of the Class and have engaged in and substantially assisted and aided and abetted each other in breach of the fiduciary duties owed by them to the Class.

33. As a result of the action of defendants, plaintiff and the Class have been and will be damaged in that they have been deceived, are the victims of unfair dealing, and are not receiving the fair value of TCI's assets and businesses.

34. Unless enjoined by this Court, defendants will continue to breach their fiduciary duties owed to plaintiff and the Class, and will succeed in their plan to enrich themselves

by excluding the Class from its fair proportionate share of TCI' valuable assets and businesses, all to the irreparable harm of the Class.

35. The plaintiff and the Class have no adequate remedy of law.

WHEREFORE, plaintiff prays for judgment and relief as follows:

(a) declaring that this lawsuit is properly maintainable as a class action and certifying the plaintiff as proper representative of the Class;

(b) ordering the Individual Defendants to carry out their fiduciary duties to plaintiff and the other members of the Class;

(c) preliminarily and permanently enjoining defendants and their counsel, agents, employees, and all persons acting under, in concert with, or for them, from proceeding with any action that will entrench the defendants to the detriment of maximizing the value of the public stockholders;

(d) awarding compensatory damages against defendants, jointly and severally, in an amount to be determined at trial, together with prejudgment interest at the maximum rate allowable by law;

(e) awarding plaintiff and the Class their costs and disbursements and reasonable allowances for plaintiff's counsel and experts' fees and expenses; and

(f) granting such other and further relief as may be just and proper.

**JURY DEMAND**

Plaintiff requests a trial by jury.

**MILLER SHEA, P.C.**
**Attorneys for Plaintiff**

*By: /s/ E. Powell Miller*
*---------- E. Powell Miller (P39487)*
*Marc L. Newman (PS 1393)*
*1301 West Long Lake Road, Suite 135*
*Troy, Michigan 48098*
*(248) 267-1200*

*Dated: November 14, 2002*

**OF COUNSEL:**

**WECHSLER HARWOOD LLP**
488 Madison Avenue
New York, New York 10022
(212) 935-7400

**EXHIBIT 99(a)(6)**

**STATE OF MICHIGAN**

**IN THE CIRCUIT COURT FOR THE COUNTY OF OAKLAND**

----------X

| | |
|---|---|
| LIONEL Z. GLANCY, Individually And on Behalf of All Others Similarly Situated, | ) |
| Plaintiff, | ) |
| - against - | ) |
| ROBERT S. TAUBMAN, WILLIAM S. TAUBMAN, LISA A. PAYNE, GRAHAM T. ALLISON, PETER J. KARMANOS, JR., ALLAN J. BLOOSTEIN, JEROME A. CHAZEN, S. PARKER GILBERT, And TAUBMAN CENTERS, INC., | ) |
| Defendants. | ) |

----------X

**PLAINTIFF'S FIRST AMENDED CLASS AND DERIVATIVE ACTION**

Plaintiff, by his attorneys, alleges upon personal knowledge as to his own acts and upon information and belief as to all other matters, as follows:

NATURE OF THE ACTION

1. Plaintiff brings this action individually and as a class action on behalf of all persons, other than defendants, who own the securities of Taubman Centers, Inc. ("TCI" or the "Company") and who are similarly situated, to enjoin certain actions of the Individual Defendants (as defined below), which are intended to thwart any takeover of the Company and thereby deny shareholders any opportunity to maximize the value of their TCI stock. Plaintiff

also seeks to derivatively recover damages on behalf of TCI as a result of multiple breaches of fiduciary duty committed by TCI's Board of Directors.

2. The Individual Defendants have failed to taken even rudimentary action to inform themselves about the generous offer made by Simon Property Group ("SPG") to acquire all of the outstanding TCI shares for $17.50 per share. In particular, defendants have categorically refused to meet or "to even have a discussion" with SPG despite the fact that SPG's existing offer is almost 30% higher than the price of TCI stock when the offer was made and could likely be negotiated to an even higher price.

3. Such action and inaction represent an effort by the Individual Defendants to entrench themselves in office so that they may continue to receive their substantial salaries, compensation, and other benefits and perquisites.

4. The Individual Defendants have already taken action to assure their control by entering into a restructuring program that ostensibly transferred voting control over TCI from the public to the Taubman family and secured proxies from friends of Alfred Taubman that has ostensibly provided the Taubman family with a veto control.

5. At present, the Individual Defendants are abusing their fiduciary positions of control over TCI to thwart legitimate attempts to acquire the Company and are seeking to entrench themselves in the management of the Company. The actions of the Individual Defendants constitute a breach of their fiduciary duties to maximize stockholder value, to not consider their own interests over that of the public stockholders, and to respond reasonably and on an informed basis to bona fide offers for TCI.

**PARTIES**

6. Plaintiff, a resident of California, has been a continuous owner of shares of TCI common stock at all relevant times described herein.

7. Defendant TCI is a corporation duly organized and existing under the laws of the State of Michigan, with its principal offices located at 200 East Long Lake Road, Suite 300, Bloomfield Hills, Michigan 48303-0200. As of April 1, 2002, the Company had approximately 82,784,497 shares of voting stock outstanding. TCI's principal business is the development and operation of real estate interests including shopping malls throughout the United States. TCI stock trades on the New York Stock Exchange.

8. Defendant Robert S. Taubman, at all times material hereto has been the Chairman of the Board, President, and Chief Executive Officer of TCI. Robert Taubman is the brother of William S. Taubman and the son of A. Alfred Taubman. Robert Taubman was named Chairman of TCI after the conviction of
A. Alfred Taubman on charges associate with the Sotheby's auction house price-fixing scandal. Robert Taubman received more than $1,240,000 in total compensation during 2001.

9. Defendant William Taubman, at all times material hereto has been an Executive Vice President, Manager, and a Director of TCI. William Taubman received $812,629 in compensation from TCI during 2001.

10. Defendant Lisa A. Payne, at all times material hereto has been an Executive Vice President, Chief Financial Officer, and a Director of TCI.

11. Defendant Peter Karmanos, Jr., at all times material hereto, has beet a Director of TCI. Karmanos and Alfred Taubman also served as directors of Detroit Renaissance, an urban renewal initiative.

12. Defendants Graham T. Allison, Allan J. Bloostein, Jerome
A. Chazen, and S. Parker Gilbert have been Directors of TCI for more than the past three years and thus do not

qualify as an "Independent Director" `under Section 450.1107 of the Michigan Business Corporations Act.

13. The defendants named in paragraphs 8 through 12 above are hereinafter referred to as the "Individual Defendants."

14. The Individual Defendants, by reason of their corporate directorship and/or executive positions, are fiduciaries to and for the Company's stockholders, which fiduciary relationship requires them to exercise their best judgment, and to act in a prudent manner and in the best interests of the Company's stockholders and to maximize stockholder value.

15. Each defendant herein is sued individually as a conspirator and aider and abettor, as well as in his/her capacity as an officer and/or director of the Company, and the liability of each arises from the fact that he or she has engaged in all or part of the unlawful acts, plans, schemes, or transactions complained of herein.

**CLASS ACTION ALLEGATIONS**

16. Plaintiff brings this action individually on his own behalf and as a class action, on behalf of all stockholders of the Company (except the defendants herein and any person, firm, trust, corporation, or other entity related to or affiliated with any of the defendants) and their successors in interest, who are or will be threatened with injury arising from defendants' actions as more fully described herein (the "Class").

17. This action is properly maintainable as a class action.

18. The Class is so numerous that joinder of all members s impracticable. There are hundreds of Stockholders who hold the approximately 82.78 million shares of TCI common stock outstanding.

19. There is a well-defined community of interest in the questions of law and fact involved affecting the members of the Class. Among the questions of law and fact which are common to the Class, which predominate over questions affecting any individual class member are, inter alia, the following:

(a) whether the Individual Defendants have breached their fiduciary and other common law duties owed by them to plaintiff and other members of the Class;

(b) whether defendants wrongfully failed to maximize stockholder value;

(c) whether defendants are wrongfully impeding takeover attempts at the expense of TCI's public stockholders; and

(d) whether plaintiff and the other members of the Class would be irreparably damaged if the transaction were not enjoined.

20. Plaintiff is a member of the Class and is committed to prosecuting this action. Plaintiff has retained competent counsel experienced in litigation of this nature. The claims of plaintiff are typical of the claims of other members of the Class, and plaintiff has the same interests as the other members of the Class. Plaintiff does not have interests antagonistic to or in conflict with those he seeks to represent. Plaintiff is an adequate representative of the Class.

21. The likelihood of individual class members prosecuting separate individual actions is remote due to the relatively small loss suffered by each Class member as compared to the burden and expense of prosecuting litigation of this nature and magnitude. Absent a class action, defendants are likely to avoid liability for their wrongdoing, and Class members are unlikely to obtain redress for their wrongs alleged herein. There are no difficulties

likely to be encountered in the management of the class claims. This Court is an appropriate forum for this dispute.

**DERIVATIVE ALLEGATIONS**

22. Plaintiff brings this action on behalf of and for the benefit of TCI pursuant to MCR 3.502 and to remedy the wrongdoing alleged herein.

23. Plaintiff will fairly and adequately represent the interests of TCI and its shareholders in enforcing and prosecuting the rights of TCI and has retained competent counsel, experienced and successful in securities and derivative litigation of this nature, to prosecute this action.

24. Plaintiff has not made a demand on the Board to pursue the claims herein, because such a demand is excused and would have been a futile act for the reasons set forth below:

(a) Defendants Robert S. Taubman, William Taubman, and Lisa Payne actively participated in the ultra vires acts to further their own interests above those of the TCI unaffiliated shareholders. Further, given their prominence on the Board and majority stock control, Robert Taubman and William Taubman controlled and dominated the remainder of the Board and received undue deference by their colleagues;

(b) Defendant Karmanos was unable to act independently as a result of his interlocking directorships with Alfred Taubman and the dominance of the Taubman Family on the TCI board;

(c) Defendants Allison, Bloostein, Chazen, and Gilbert are not independent as they have served for many years as directors of TCI and, at a minimum, fail to meet the standard of independence set forth in MCL Section 450.1107;

(d) In particular, all of the Individual Defendants have been aware or should have been aware of the ultra vires acts being committed and in any event could never have ratified such illegal action;

(e) Indeed, rather than take corrective measures, the Individual Defendants participated in, aided and abetted, acquiesced in, approved or ignored the problems and wrongs claimed herein; and

(f) Further, the Individual Defendants cannot defend their actions by any alleged "independent" business judgment because:

(i) in seeking to have this action dismissed it would undoubtedly be to the benefit of the Individual Defendants to the detriment of TCI (because, inter alia, the existence of an insured versus insured provision in any insurance policy) to recover the damages caused by the defendants and to assert these derivative claims. Further, the allegations against the Individual Defendants concern, inter alia, corporate inaction, is not protected by the business judgment rule; and

(ii) the Individual Defendants' failure to institute policies and procedures to prevent, or at a minimum to discover, inter alia, the improprieties, problems and ultimate losses constitutes inaction and total abdication of their duties, which is not protected by the business judgment rule.

25. Plaintiff brings this action to remedy violations of state common law.

## SUBSTANTIVE ALLEGATIONS

### THE CORPORATE STRUCTURE OF TCI

26. TCI was incorporated in Michigan in 1973 and had its initial public offering in 1992. Upon completion of the IPO, TCI became the managing general partner of The Taubman Realty Group Limited Partnership (the "Operating Partnership"). TCI has a 62%

partnership interest in the Operating Partnership, through which the Company conducts all its day-to-day operations.

27. TCI's portfolio is concentrated in highly productive super-regional shopping centers. Of the 20 regional shopping centers it owns, 17 had annual rent rolls at December 31, 2001 of over $10 million.

28. TCI has multiple classes of stock outstanding: TCI common stock, Series A Preferred stock, Series B Preferred stock and Series C Preferred stock. Holders of TCI common stock and the Series B Preferred stock are entitled to one vote per share. In addition, the holders of the Series B Preferred stock are entitled to nominate up to four directors.

29. As of April 1, 2002, Alfred Taubman, Robert Taubman, William Taubman, and other members of the Taubman family (the "Taubman Family") own or control the majority of Series B Preferred stock outstanding. Alfred Taubman alone controls 77.7% of the Series B Preferred stock. The Taubman Family's majority ownership of the Series B Preferred stock, together with common stock owned, and options which they hold, provide them with control over 30% of the voting shares of TCI.

30. The creation of the multiple tiered stock structure was part of an on-going reorganization of TCI that was never submitted for shareholder approval. Through a series of transfers of partnership units held in certain pension trusts, the Taubman Family paid approximately $38,000 in consideration for the exchange of the majority of the Series B Preferred stock. The above-described transaction constitutes a material transaction that, without shareholder approval, is ultra vires and is dilutive to the non-affiliated TCI shareholders.

31. The acquisition of the Series B Preferred stock constituted a "control share acquisition" under the Michigan Control Share Act. The Taubman Family increased its share

ownership and voting power from less than one-fifth of TCI's total stock to between one-fifth and one-third of TCI's stock. Any "control share acquisition" must be approved by a majority of a company's shareholders. TCI shareholders did not give such approval and, thus, the Taubman Family's use of voting rights in connection with the Series B Preferred shares must be nullified.

32. Subsequently, the Individual Defendants caused TCI to restate the TCI By-Laws so that any future material corporate action could not be taken without approval of two-thirds of the voting stock. On August 11, 2000, the Restated By-Laws were filed and provided that a two-thirds majority vote was required to: i) remove any TCI directors for, or without, cause; ii) amend TCI's Articles of Incorporation; and iii) take any other shareholder action such as approving a merger or strategic business combination.

33. Alfred Taubman also has the annual right to tender to the Company units of partnership interest in the Operating Partnership (provided that the aggregate value is at least $50 million) and cause the Company to purchase the tendered interests at a purchase price based on a market valuation of the Company on the trading date immediately preceding the date of the tender (the "Cash Tender Agreement"). At Alfred Taubman's election, his family, and certain others may participate in tenders. The Company will have the option to pay for these interests from available cash, borrowed funds, or from the proceeds of an offering of the Company's common stock.

**SPG'S INITIAL OFFER**

34. On October 16, 2002, David Simon, Chief Executive Officer of SPG, sent a letter to TCI expressing SPG's desire to acquire TCI. SPG's offer included a $17.50 per share payment for all of TCI's outstanding stock (the "Initial Offer"). The Offer places a total value on TCI of approximately $3.8 billion.

35. On October 21, 2002, the Initial Offer was rejected by Robert Taubman without any discussion or consideration by the TCI board of directors.

36. David Simon sent a second letter to TCI on October 22, 2002 reiterating the offer.

37. The Offer was approximately 30% greater than TCI's stock price in October 2002.

38. On October 28, 2002, Robert Taubman again rejected the proposal without any consideration by sending a letter to SPG indicating that discussions "would not be productive."

39. On November 13, 2002, SPG made the Offer public after Robert Taubmans continuing refusal to even discuss the Initial Offer with SPG representatives. As Mr. Simon explained, "We are dismayed that Mr. Taubman continues in his refusal even to discuss our offer -- or indeed any sale transaction."

40. The Offer provides an extremely generous premium over the unaffected trading price of TCI stock, especially in light of the Company's recently reported performance. TCI recently reported low returns on two of its premier properties; Miami's Dolphin Mall and Dallas' Willow Bend Mall, which in turn caused TCI's overall return to be 5.5% lower than estimated. This was a continuation of a trend from October 1998 that has seen TCI"S stock decline by 4% even though the average stock price of other REITs have performed strongly for the same period.

41. Analysts following TCI do not see any future upswing in the prospects of TCI. David Fick, an analyst at Legg Mason Wood Walker, states that TCI has "one of the most incompetent management teams in mall development .
. . . The company continues to make bad

decisions . . . . It's the opposite end of the quality spectrum (from Simon) in terms of how it manages the balance sheet and assets."

**THE TAUBMAN FAMILY'S RESPONSE TO THE INITIAL OFFER**

42. In addition to stonewalling SPG in its attempts to discuss the Initial Offer, the Taubman Family immediately began to further entrench itself in power over TCI by announcing various "private" transactions all designed to solidify power in the Taubman Family.

43. On November 14, 2002, Robert and William Taubman exercised options that gave them 300,000 shares of TCI common stock.

44. Robert Larson, a former TCI Vice Chairman and close friend of Alfred Taubman, purchased 266,366 shares of stock in the open market. Larson then transfer his voting interest over all of the shares he held to Robert Taubman.

45. Max M. Fisher, a friend of Alfred Taubman, purchased through The Max M. Fisher Revocable Trust 150,000 shares of TCI and then transferred voting right over all his shares to Robert Taubman.

46. As a result of the described transfers and other similar transactions, Robert Taubman has voting rights over an additional 2,440,762 TCI shares or approximately 3% of the outstanding TCI stock.

**SPG'S TENDER OFFER**

47. On December 5, 2002, SPG commenced a tender offer for purchase of TCI common stock at $18.00 per share (the "Tender Offer").

48. The Tender Offer was conditioned the immunization of the Taubman Family's voting rights in connection with the Series B stock and the recently acquired stock after announcement of SPG's Initial Offer. The Tender Offer was further conditioned on the valid

tender of two-thirds of the TCI stock and determination that shares acquired by SPG would be granted full voting rights under the Michigan Control Share Act.

49. Defendants have breached their fiduciary duty to maximize stockholder value by refusing to even consider the Initial Offer or the Tender Offer or take any other steps to insure a market check, such as implementing an auction process or solicit bids from other third parties.

50. The defendants unwillingness to seriously consider SPG's offers stems from their attempt to entrench themselves in their positions of control with the Company. Instead of proceeding with alacrity and diligence to negotiate with SPG concerning the Offer, the Individual Defendants have proceeded on a course of delay and resistance by refusing to negotiate in order to secure the maximum value for the Company's public stockholders.

51. Defendants' conduct has deprived and will continue to deprive the Company's public stockholders of the very substantial control premium which SPG or another third party bidder is prepared to pay or the enhanced premium which further negotiation could secure.

52. The Individual Defendants are acting to entrench themselves in their offices and positions and maintain their substantial salaried and prerequisites, all at the expense and to the detriment of the public stockholders of TCI.

53. By virtue of the acts and conduct alleged herein the Individual Defendants, who control the actions of the Company have carried out a preconceived plan and scheme to place their own personal interests ahead of the interests of the stockholders of TCI and thereby entrench themselves in their offices and positions within the Company. The Individual Defendants have violated their fiduciary duties owed to plaintiff and the Class in that they have not and

are not exercising independent business judgment and have acted and are acting to the detriment of the Company's public stockholders for their own personal benefit.

54. As a result of the actions of the Individual Defendants, plaintiff and the other members of the Class have been and will be damaged in that they have not and will not receive their fair proportion of the value of TCI's assets and businesses and/or have been and will be prevented from obtaining a fair and adequate price for their shares of TCI's common stock.

55. By reason of all of the foregoing, defendants herein have willfully participated in unfair dealing toward the plaintiff and the other members of the Class and have engaged in and substantially assisted and aided and abetted each other in breach of the fiduciary duties owed by them to the Class

56. As a result of the action of defendants, plaintiff and the Class have been and will be damaged in that they have been deceived, are the victims of unfair dealing, and are not receiving the fair value of TCI's assets and businesses.

57. Unless enjoined by this Court, defendants will continue to breach their fiduciary duties owed to plaintiff and the Class, and will succeed in their plan to enrich themselves by excluding the Class from its fair proportionate share of TCI's valuable assets and businesses, all to the irreparable harm of the Class.

**FIRST CLAIM**

**DECLARATORY JUDGMENT FOR VIOLATION OF THE MICHIGAN CONTROL SHARE ACT AGAINST ALL DEFENDANTS**

58. Plaintiff repeats and realleges each and every allegation contained in preceding paragraphs, as though fully set forth herein.

59. TCI, which is a company incorporated under the laws of the State of Michigan, is subject to the Michigan Control Share Act (the "Control Share Act").

60. Under the terms of the Control Share Act, controls shares are those share of stock take enable a person and or a group to exercise or direct the exercise of voting power in the following ranges:

A. At least one-fifth, but less than one-third, of all voting power;

B. At least one-third, but less than a majority, of all voting power, or;

C. A majority of voting power.

61. Acquisition of shares within these ranges absent an affirmative vote of all shares of a company will invalidate the right to vote such shares.

62. The Taubman Family's acquisition of the majority of the Series B Preferred stock was never submitted to a shareholder vote and, thus, not approved by a majority of the stockholders.

63. Plaintiff seeks a declaration that the voting right attached to the Series B Preferred stock is invalid and not to be considered for purposes of voting on any proposed transaction involving TCI.

**SECOND CLAIM**

**DECLARATORY JUDGMENT FOR INVALIDATION OF THE TAUBMAN FAMILY'S VOTING RIGHTS AGAINST ALL DEFENDANTS**

64. Plaintiff repeats and realleges each and every allegation contained in preceding paragraphs, as though fully set forth herein.

65. In addition to the voting rights secured through the illegal acquisition of the Series B Preferred Shares, additional voting rights have been acquired by Robert Taubman as set forth herein.

66. The voting right proxies for more than 2.4 million shares constitutes an unreasonable defensive action in light of SPG's Initial Offer and must be invalidated.

67. Further, the acquisition of voting rights over these additional shares constitutes transfer of control shares under the Control Share Act and has not be submitted for shareholder approval.

68. As such, plaintiff seeks a declaration that the voting rights attached to the recently acquired shares are invalid and not to be considered for purposes of voting on any proposed transaction involving TCI.

**THIRD CLAIM**

**CLASS CLAIM FOR BREACH OF FIDUCIARY DUTY AGAINST ALL DEFENDANTS**

69. Plaintiff repeats and realleges each and every allegation contained in preceding paragraphs, as though fully set forth herein.

70. Defendants owe fiduciary duties of loyalty, due care, and candor to TCI's shareholders. Defendants further owe a duty directly to shareholders to maximize the value of their shareholdings in TCI.

71. Defendants have breached such fiduciary duties as a result of the conduct set forth herein by permitting the Taubman Family to gain ultimate control over any shareholder vote and further refusing to negotiate, or even thoughtfully consider, bona fide offers that would maximize the value of the stock held by TCI shareholders.

72. The plaintiff and the Class have no adequate remedy of law.

**FOURTH CLAIM**

**DERIVATIVE CLAIM FOR BREACH OF FIDUCIARY DUTY AGAINST THE INDIVIDUAL DEFENDANTS**

73. Plaintiff repeats and realleges each and every allegation contained in preceding paragraphs, as though fully set forth herein.

74. During their tenure as officers and/or directors of the Company, each Individual Defendant owed to the Company and its shareholders the duty to exercise good faith and loyalty in the management and administration of the affairs of TCI.

75. Defendants' conduct set forth herein was not due to an honest error or misjudgment, but rather was due to the Individual Defendants' intentional breach and/or reckless disregard of their fiduciary duties to the Company and its shareholders. Defendants intentionally breached and/or recklessly disregarded their fiduciary duties by, among other things, knowingly violating the Michigan Control Share Act, and other ultra vires acts enabling the Taubman Family to illegitimately seize control over TCI's voting shares, at the expense of TCI and its public shareholders, and denying shareholders the opportunity to realize the maximum value of their investment in TCI.

76. Moreover, the Individual Defendants have abused their fiduciary position owed to TCI and its shareholders to take all actions necessary to maximize the shareholder value.

77. As a result, TCI and its shareholders have sustained and will continue to sustain injury and damages by reason of defendants' intentional breach and/or reckless disregard of their fiduciary duties to the Company and its shareholders.

WHEREFORE, plaintiff prays for judgment and relief as follows:

(a) declaring that this lawsuit is properly maintainable as a class action and certifying the plaintiff as proper representative of the Class;

(b) ordering the Individual Defendants to carry out their fiduciary duties to plaintiff and the other members of the Class;

(c) preliminarily and permanently enjoining defendants and their counsel, agents, employees, and all persons acting under, in concert with, or for them, from proceeding with any action that will entrench the defendants to the detriment of maximizing the value of the public stockholders;

(d) awarding compensatory damages against defendants, jointly and severally, in an amount to be determined at trial, together with prejudgment interest at the maximum rate allowable by law;

(e) awarding plaintiff and the Class their costs and disbursements and reasonable allowances for plaintiff's counsel and experts' fees and expenses; and

(f) granting such other and further relief as may be just and proper.

*Dated:* *December 5, 2002*

*MILLER SHEA, P.C.*

*By:* */s/ E. Powell Miller*
*E. Powell Miller (P39487)*
*Marc L. Newman (P51393)*
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**OF COUNSEL:**

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**EXHIBIT 99(a)(7)**

**STATE OF MICHIGAN**

**IN THE CIRCUIT COURT FOR THE COUNTY OF OAKLAND**

**X**

CASE NO. 02-045425-cz

Hon.

JOSEPH LEONE, on behalf of himself and all others similarly situated,

Plaintiff,

vs.

:
TAUBMAN CENTERS, INC., ROBERT S. TAUBMAN, :
WILLIAM S. TAUBMAN, LISA A. PAYNE, GRAHAM :
T. ALLISON, PETER KARMANOS, JR., ALLAN J. :
BLOOSTEIN, JEROME A. CHAZEN and S. PARKER :

GILBERT,

Defendants.

X

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**CLASS ACTION COMPLAINT**

Plaintiff, by his attorneys, for his complaint against defendants, alleges upon personal knowledge with respect to paragraph 4, and upon information and belief based, inter alia, upon the investigation of counsel, as to all other allegations herein, as follows:

## NATURE OF THE ACTION

1. Plaintiff brings this action as a class action on behalf of himself and all other stockholders of Taubman Centers, Inc. ("Taubman Centers" or the "Company") who are similarly situated, against the directors and/or senior officers of Taubman Centers to enjoin certain actions of the Individual Defendants (as defined herein) which will, unless enjoined by the Court, thwart a favorable takeover of the Company by Simon Property Group, Inc. ("Simon Property"), which has offered to purchase the Company's shares for a substantial premium over Taubman Centers' previously unaffected stock price.

2. As described herein, defendants have failed to adequately consider and/or pursue (including the possibility of negotiating for higher value) Simon Property's premium offer for Taubman Centers. Rather, the director defendants are utilizing their fiduciary positions of control over Taubman Centers to thwart Simon Property and others in their legitimate attempts to acquire the Company. Such action and inaction represent an effort by the Individual Defendants to entrench themselves in office so that they may continue to receive the substantial salaries, compensation and other benefits and perquisites of their offices.

3. The actions of the Individual Defendants constitute a breach of their fiduciary duties of loyalty and care and to respond reasonably and on an informed basis to bona fide offers for the Company.

## PARTIES, JURISDICTION & VENUE

4. Plaintiff Joseph Leone is, and at all relevant times has been, the owner of common stock of defendant Taubman Centers.

5. Defendant Taubman Centers is a Michigan corporation with its principal executive offices located at 200 East Long Lake Road, Suite 300, Bloomfield Hills, Michigan. Taubman Centers owns, develops, acquires and operates regional shopping centers.

6. Defendants Robert S. Taubman ("Robert Taubman"), William S. Taubman "William Taubman"), Lisa A. Payne ("Lisa Payne"), Peter Karmanos Jr., Graham T. Allison, S. Parker Gilbert, Allan J. Bloostein and Jerome A. Chazen comprise the Board of Directors of Taubman Centers (collectively, the "Individual Defendants"). The Individual Defendants, if not members of the Taubman family, are selected by and dominated and controlled by the Taubmans.

7. Defendant Robert Taubman also serves as the Company's Chairman, President and Chief Executive Officer and the Chief Executive Officer and President of Taubman Realty Group Limited Partnership ("TRG"), the entity through which the Company conducts all of its operations. In 2001, Robert Taubman earned $1,244,414 in total compensation from the Company. In addition, he accrued $1,196,250 under the Company's Long-Term Performance Compensation Plan.

8. Defendant William Taubman also serves as Executive Vice President of the Company and of TRG. William Taubman is the brother of Robert Taubman. In 2001, William Taubman earned $812,629 in bonus and salary and accrued $453,750 under the Long-Term Performance Compensation Plan.

9. Non-party A. Alfred Taubman ("Alfred Taubman"), who is the father of Robert and William Taubman, founded the Company in 1950 and served as its Chairman until his resignation in December 2001. As described herein, Alfred Taubman and his sons, William and Robert, control over 34% of the Company's voting power and have the power to dictate almost all of the Company's decisions. Alfred Taubman was also the former Chairman of Sotheby's Holdings Inc. In December 2001, he was convicted of conspiring with a rival auction house to

fix commissions charged to sellers and is currently serving time in a federal prison facility. Upon his resignation from the Company's Board, in order to keep firm control of the Company in Taubman family hands during his incarceration, holders of the Company's Series B Preferred Stock waived the nine member Taubman Centers' Board requirement, thereby temporarily reducing the number of Company directors to eight.

10. Defendant Lisa Payne also serves as Executive Vice President and Chief Financial and Administrative Officer of the Company.

11. By virtue of their positions as directors and/or officers of Taubman Centers and exercise of control over the business and corporate affairs of Taubman Centers, the Taubman Centers officers and directors named as defendants herein (the Individual Defendants) have and at all relevant times had the power to control and influence, and did control and influence and cause Taubman Centers to engage in the practices complained of herein. Each Individual Defendant owed and owes Taubman Centers and its common stockholders fiduciary obligations and were and are required to: (i) use their ability to control and manage Taubman Centers in a fair, just and equitable manner, (ii) act in furtherance of the best interests of Taubman Centers and its stockholders; (iii) refrain from abusing their positions of control; and (iv) not favor their own interests at the expense of Taubman Centers and its stockholders. By reason of their fiduciary relationships, these defendants owed and owe plaintiff and other members of the Class (as herein defined) the highest obligations of good faith, fair dealing, loyalty and due care.

12. By virtue of the acts and conduct alleged herein, the Individual Defendants, who control the actions of Taubman Centers, are breaching their fiduciary duties to the common shareholders of Taubman Centers.

13. Each defendant herein is sued individually as a conspirator and/or aider and abettor, or, as appropriate, in his capacity as a director of the Company, and the liability of each

arises from the fact that he or it has engaged in all or part of the unlawful acts, plans, schemes or transactions complained of herein.

14. The Court has jurisdiction over this Complaint and the subject matter of this action because the amount in controversy exceeds $25,000 exclusive of interest, costs and fees.

15. Venue is proper in this Court pursuant to MCL Section 600.1621.

16. Plaintiff brings this action individually and as a class action on behalf of all stockholders of Taubman Centers (excluding from the Class the defendants herein and any person, firm, trust, corporation or other entity related to or affiliated with any of the defendants) and their successors in interest, pursuant to Michigan Court Rule 3.501. ( The "Class")

17. This action is properly maintainable as a class action.

18. The Class is so numerous that joinder of all members is impracticable. As of March 25, 2002, there were approximately 51 million shares of Taubman Centers common stock outstanding.

19. There are questions of law and fact which are common to the Class and which predominate over questions affecting any individual class member. The common questions include, inter alia, the following:

(a) whether defendants have breached their fiduciary and other common law duties owed by them to plaintiff and the other members of the Class; and

(b) whether plaintiff and the other members of the Class are being and will continue to be injured by the wrongful conduct alleged herein and, if so, what is the proper remedy and/or measure of damages.

20. The claims of plaintiff are typical of the claims of other members of the Class and plaintiff has the same interests as the other members of the Class. Plaintiff is an adequate representative of the Class and will fairly and adequately protect and assert the interests of the

Class. Plaintiff is committed to prosecuting this action and has retained competent counsel experienced in litigation of this nature.

21. Defendants have acted and are about to act on grounds generally applicable to the Class, thereby making it appropriate to render final injunctive, or corresponding declaratory relief, with respect to the Class.

22. A class action is superior to other methods for the fair and efficient adjudication of the claims herein asserted, and no unusual difficulties are likely to be encountered in the management of this class action. Since the damages suffered by individual class members may be relatively small, the expense and burden of individual litigation make it impossible for members of the Class to individually seek redress for the wrongful conduct alleged. Management of this action as a class action poses no manageability issues.

**SUBSTANTIVE ALLEGATIONS**

A. TAUBMAN CENTERS

23. Taubman Centers is a Real Estate Investment Trust ("REIT") that owns, develops, acquires and operates regional shopping centers. The Company had its initial public offering in 1992. Upon completion of its IPO, Taubman Centers was installed as the managing general partner of TRG. Taubman Centers currently owns a 62% partnership interest in TRG, through which it conducts all of its operations. Currently, Taubman Centers' real estate portfolio consists of approximately 20 urban and suburban shopping centers located in nine states.

B. IN 1998, THE TAUBMANS IMPROPERLY OBTAIN VETO POWER OVER ALL OF THE TAUBMAN CENTERS' MAJOR CORPORATE DECISIONS

24. Taubman Centers' capital structure at the present time includes, inter alia, common stock and Series B Preferred Stock, which are the classes of shares outstanding. These classes of stock are sometimes collectively referred to as its "Capital Stock." The common stock and Series B Preferred Stock each entitle their holders to one vote per share on all matters, but otherwise differ with respect to their preferences, entitlements and features. The Taubmans'

holdings of Series B Preferred Stock (coupled with their common stock) purportedly provide them with approximately 34.6% of the voting power of the Company, or slightly in excess of one-third of the outstanding voting power.

25. Importantly, the Company's Restated Articles of Incorporation (the "Articles of Incorporation"), filed August 11, 2000, and Restated By-laws (the "By-laws") provide that a vote of two-thirds (2/3s) of the outstanding shares of Capital Stock is required to, inter alia: (a) remove any of Taubman Centers' directors for, or without, cause (see By-laws, Section 3.08); (b) amend the Company's Articles of Incorporation (see Articles of Incorporation, Section
2(b)); or (c) take any other shareholder action (including the approval of any merger) (see By-laws, Section 1.08; Articles of Incorporation, Section 3.08). Thus, by virtue of the Taubman's Capital Stock holdings, they have attempted to confer upon themselves veto power over all of the aforementioned shareholder actions, e.g., the Company cannot obtain a 2/3s vote of the Capital Stock without the Taubman's consent on the matter.

26. Further cementing the Taubman's voting control over major corporate decisions, so long as the Series B Preferred Stock remains outstanding, Taubman Centers shall not, without the affirmative vote or consent of the holders of a majority of the outstanding shares of Series B Preferred Stock (voting as a separate class): (a) amend, alter or repeal the provisions of the Company's Articles of Incorporation; and (b) be a party to any material transaction, including without limitation, a merger, consolidation or share exchange (see Articles of Incorporation, Section II, (j)). Additionally, the holders of Series B Preferred Stock (as a separate class) are entitled to nominate up to four individuals for election as directors of the Company.

27. The Series B Preferred Stock, however, which was issued in late 1998 to defendant Robert Taubman and his father, Alfred Taubman, was obtained by these individuals without proper disclosure and without a necessary shareholder vote.

28. More specifically, in September of 1998, TRG exchanged its interests in 10 shopping centers for all of the partnership units owned by two pension trusts of General Motors Corporation ("GMPT") (the "GMPT Exchange"). This significant transaction had several important effects on the Company's corporate structure. Among others, under the terms of the GMPT Exchange, the Company became obligated to issue to certain non-controlling partners of TRG (which included the Taubmans), upon subscription, one share of Series B Preferred Stock for each of the TRG units held by such person. At the time of the GMPT Exchange, Alfred Taubman owned 18.2% of the TRG units while defendant Robert Taubman owned 2.3% of that entity's units. By virtue of the GMPT Exchange, the Taubmans accumulated their purported 34.6% positions in the Capital Stock of Taubman Centers. In connection with that exchange, the Taubmans paid approximately $38,000 for their Series B Preferred Stock,

29. The receipt of Series B Preferred Stock by Taubman family members in connection with the GMPT Exchange in or about September 1998 was surreptitiously obtained without a necessary shareholder vote and is ultra vires. Specifically, the Series B Preferred Stock was not identified in Taubman Centers' Second Amended and Restated Articles of Incorporation, effective as of August 14, 1996. The currently effective Articles of Incorporation did not become operative until August 11, 2000, and provide therein for a class of Series B Preferred Stock of the type issues to the Taubmans approximately two years before. There has never been a shareholder meeting to vote approval of the creation of the Series B Preferred Stock. The directors of Taubman Centers in 1998 could not arrogate to themselves the power to create and issue such shares without a prior two-thirds affirmative vote of the outstanding Taubman Centers shares.

30. Notwithstanding that the Taubmans' acquisition of the Series B Preferred Stock should be deemed null and void and given no effect, the defendant directors, contrary to the governing corporate law and their fiduciary duties, deem and treat the Series B Preferred Stock

of having been validly issued and include those shares in the Capital Structure for purposes of any vote. Thus, the Individual Defendants have conferred and/or purported to acquire veto power which is unlawful, preemptive and dilative of the legitimate rights of the remaining shareholders.

31. The artifice and manipulation reflected in the issuance of the Series B Preferred Stock to the Taubmans in 1998 is highlighted by their reportedly having paid the Company only $38,000 for the stock.

32. The Taubmans' veto power -- which is an even more absolute anti-takeover defense then the well-known "poison pill" -- has the effect of making it extraordinarily difficult, expensive and/or impossible for any potential acquirer not approved by the Taubmans to acquire Taubman Centers. As a result, the veto power has the effect of precluding successful completion of even the most attractive offer for Taubman Centers unless the Taubmans acquiesce or approve.

33. By virtue of this self-conferred veto power, the Taubmans caused a fundamental shift of power from Taubman Centers' common shareholders to themselves. The veto power thus permits the Individual Defendants, to act as the prime negotiators of -- and, in effect, to completely preclude -- any and all acquisition offers.

34. This fundamental shift of control of the Company's destiny from its common shareholders to the Taubmans on the part of the Taubmans and the other members of the Board results in a heightened fiduciary duty on the part of the Board to consider, in good faith, a third-party bid, and further requires the directors to pursue a third-party's bona fide interest in acquiring the Company and to negotiate in good faith with a bidder on behalf of the Company's shareholders.

35. As explained herein, the Individual Defendants are using their veto power to the detriment of the Company's shareholders. Indeed, in light of Alfred Taubman's conviction and

imprisonment, to comport with their fiduciary duties to the Company's shareholders, the Taubmans should have immediately relinquished their stranglehold over the Company's affairs.

C. SIMON PROPERTY MAKES A PREMIUM BID FOR THE COMPANY WHICH THE TAUBMANS SUMMARILY REJECT

36. On November 13, 2002, David Simon, the CEO of Simon Property, a publicly traded REIT based in Indianapolis, sent a letter to the Taubman Centers Board complaining that defendant Robert Taubman had summarily rejected, without any consideration whatsoever, Simon Property's offer to purchase each of the shares of Taubman Centers for $17.50 in cash. That offer, which was fully financed and was not subject to further due diligence, was 18% higher than the Company's unaffected closing stock price of $14.80 on November 12, 2002, and was higher than the price at which the common stock of Taubman Centers had ever traded. Simon Property even offered to allow the Taubmans' to retain their interests in TRG. The deal, which includes the assumption of debt, is valued at over $4 billion, at which approximately $1.7 billion would be for the outstanding stock.

37. Mr. Simon's letter was made public by Simon Property in a press release issued over the PR News Wire. It is clear from that letter that the Taubmans, as well as the other Individual Defendants, have disregarded the interests of the Company's other shareholders and have flagrantly abused their control and veto power over key corporate decisions.

38. The press release states as follows in relevant part:

**Dear Members of the Board of Directors:**

As you may know, we recently made a written offer to Robert S. Taubman to pay $17.50 in cash for each share of Taubman Centers, Inc. (the "Company") common stock. Our all-cash offer would deliver to all Taubman shareholders a substantial premium -- approximately 18% above yesterday's closing price and 30% above the price on the day we initially made our offer -- and it exceeds the highest price at which Taubman shares have ever traded. Our offer represents a compelling strategic and financial transaction that would produce substantial and immediate value for all of your shareholders. We can move quickly since our offer is not subject to the receipt of financing or any due diligence investigation of the Company.

On several occasions, we have communicated our offer to Mr. Taubman and suggested that we have an opportunity to discuss it with the members of Taubman's board of directors. We wrote Mr. Taubman on October 16, 2002, to request a meeting to present our offer. He refused to meet. On October 22, 2002, we again wrote Mr. Taubman, this time setting forth the basic terms of our offer. Once again, he refused even to have a discussion, writing to us on October 28, 2002, that "the Company has no interest whatsoever in pursuing a sale transaction..."

We are dismayed that Mr. Taubman continues in his refusal even to discuss our offer -- or indeed any sale transaction, particularly in light of the fact that we have expressed a willingness to be very flexible with respect to the structure of the proposed transaction. The offer is not conditioned upon any participation by the Taubman family. Instead we have agreed to accommodate any desire by the Taubman family to retain its economic interest in the Taubman Realty Group Limited Partnership, or, at their option, to participate in the transaction, and receive either cash or equivalent value for their existing partnership interests by exchanging them on a tax efficient basis for partnership interests in the Simon operating partnership.

Since the Taubman family can choose to (1) retain its current Taubman partnership units, (2) convert into Simon partnership units, or (3) sell for cash, we can only conclude that Mr. Taubman's refusal even to discuss our offer reflects the Taubman family's desire not to permit the Company to be sold under any circumstances. While it is entirely appropriate for the Taubman family to retain the right to choose between various options with respect to the treatment of its own partnership units, it is improper for these insiders to prevent public shareholders from choosing to receive a premium for their shares.

Mr. Taubman apparently believes the Taubman family is not accountable to the public shareholders because of the family's claimed blocking position -- via the Series B preferred stock -- which was surreptitiously issued in a "restructuring" transaction many years after the Company's initial public offering without either proper disclosure or a shareholder vote. We question both the propriety and validity of a transaction which attempts to transfer to the Taubman family control and a permanent veto over material decisions that rightfully belong to the public shareholders of Taubman -- such as an all-cash, premium offer to acquire the Company.

The effect of the Series B preferred stock, for which the Taubman family paid a total of only $38,400.00, is to disenfranchise the public shareholders. This entrenchment device is a permanent corporate governance defect embedded in the Company's structure -- and it continues to hurt the public shareholders. Indeed, between the time the Series B shares were issued to the Taubman family in 1998 and our October 22 offer letter, the price of Taubman common shares has fallen by 4%.

We understand that the obstacles created in the governance structure by the Taubman family, at the expense of the public shareholders, are significant. However, with the cooperation of the Board of Directors, acting as fiduciaries for the common shareholders, we believe these obstacles are surmountable. We also trust that undisclosed economic or governance burdens have not been, and will not be, imposed on Taubman in response to our offer or otherwise.

We hope the Board will agree with us that our offer provides an excellent opportunity for Taubman shareholders to realize immediate liquidity and full value for their shares to an

extent not likely to be available to them in the marketplace or in any alternative transaction. At a time when good corporate governance is particularly important to investors, we seek your help in reasoning the rights of the public shareholders of Taubman.

We prefer to complete this acquisition through a negotiated transaction. We stand ready to make a detailed presentation of our offer to the Board and to answer any questions you may have.

39. Not surprisingly, Simon Property's proposal and plea to the Company's Board fell on deaf ears. On November 13, 2002, the Company issued a press release categorically rejecting the offer, stating that, "The Board unanimously concluded that Taubman Centers has no interest in pursuing a sale transaction and that discussions regarding such a transaction would not be productive." In no uncertain terms, the press release sends a clear message to Simon Property and other potential bidders that the Taubman family is in charge and is only looking out for the Taubmans' interests.

40. Defendants, acting in concert, have violated their fiduciary duties owed to the public shareholders of Taubman Centers and put their own personal interests ahead of the interests of the Taubman Centers public shareholders and are using their control positions as officers and directors of Taubman Centers for the purpose of retaining their positions and perquisites as Board members at the expense of Taubman Centers' public shareholders.

41. The Individual Defendants are engaged in a course of conduct which evinces their failure to: (a) seriously evaluate the benefits to the Company's shareholders of the Simon Property offer; (b) undertake an adequate evaluation of Taubman Centers' worth as a potential acquisition candidate; (c) take adequate steps to enhance Taubman Centers's value and/or attractiveness as an acquisition candidate; (d) effectively expose Taubman Centers to the marketplace in an effort to create an open auction for Taubman Centers; or (e) act independently so that the interests of public shareholders would be protected. Instead, defendants have sought to chill or block any potential offers for Taubman Centers.

42. The Individual Defendants have improperly utilized the Company's defenses, including the Taubman's blocking position. To act consistent with their fiduciary duties, the Individual Defendants should evaluate all available alternatives, including negotiating with Simon Property and any other potential suitors, which they have failed to do.

43. The Individual Defendants owe fundamental fiduciary obligations under the present circumstances to take all necessary and appropriate steps to explore in good faith the Simon Property proposal and obtain all material information available. In addition, the Individual Defendants have the responsibility to act independently so that the interests of Taubman Centers' public stockholders will be protected, to seriously consider all bona fide offers for the Company, and to conduct fair and active bidding procedures or other mechanisms for checking the market to assure that the highest possible price is achieved. Further, the directors of the Company must adequately ensure that no conflict of interest exists between defendants' own interests and their fiduciary obligations to act in the shareholders' best interests or, if such conflicts exist, to ensure that they will be resolved in the best interests of the Company's public stockholders.

44. Taubman Centers represents a highly attractive acquisition candidate. Defendants' conduct has deprived and will continue to deprive the Company's public shareholders of the very substantial premium which Simon Property (or any other bona fide bidder) is prepared to pay or of the enhanced premium which further exposure of the Company to the market could provide. Defendants have denied shareholders their enjoyment of the full economic value of their investment by failing to evaluate Simon Property's proposal, offering an attractive premium, in good faith. In addition, defendants' actions will likely deter any other potential bidders from coming forward so long as the Taubman's retain their choke-hold over the Company.

45. Taubman Centers' Board and its top management (including the Taubmans) have frustrated Simon Property's current acquisition proposal, even though such proposal would result in Taubman Centers' shareholders receiving a substantial premium over the then market-price of Taubman Centers stock. Indeed, the price of Taubman Centers' common stock has never traded above the $17.50 per share price offered by Simon Property. The Individual Defendants have engaged in these actions because they know that in the event Taubman Centers were acquired by any potential bidders, most or all of the directors of Taubman Centers and its senior management would, either in connection with the acquisition or shortly thereafter, be removed from the Board of the surviving company because their services would not be necessary and they would be mere surplusage and thus an acquisition would bring an end to their power, prestige and profit. In so acting, Taubman Centers's directors and those in management allied with them have been aggrandizing their own personal positions and interests over those of Taubman Centers and its broader shareholder community to whom they owe fundamental fiduciary duties not to entrench themselves in office.

46. By virtue of the acts and conduct alleged herein, the Individual Defendants, who control the actions of the Company, have carried out a preconceived plan and scheme to place their own personal interests ahead of the interests of the shareholders of Taubman Centers and thereby entrench themselves in their offices and positions within the Company. The Individual Defendants have violated their fiduciary duties owed to plaintiff and the Class in that they have not and are not exercising independent business judgment and have acted and are acting to the detriment of the Company's public shareholders for their own personal benefit.

47. Plaintiff seeks preliminary and permanent injunctive relief and declaratory relief preventing defendants from inequitably and unlawfully depriving plaintiff and the Class of their rights to realize a full and fair value for their stock at a substantial premium over the market price and to compel defendants to carry out their fiduciary duties of due care and loyalty.

48. Only through the exercise of this Court's equitable powers can plaintiff be fully protected from the immediate and irreparable injury which the defendants' actions threaten to inflict.

49. Unless enjoined by the Court, defendants will continue to breach their fiduciary duties owed to plaintiff and the members of the Class, and/or aid and abet and participate in such breaches of duty, will continue to entrench themselves in office, and will prevent the sale of Taubman Centers at a substantial premium, all to the irreparable harm of plaintiff and the other members of the Class.

50. Plaintiff and the Class have no adequate remedy at law.

WHEREFORE, plaintiff demands judgment as follows:

A. Declaring this to be a proper class action and certifying plaintiff as class representative;

B. Ordering the Individual Defendants to carry out their fiduciary duties to plaintiff and the other members of the Class by announcing their intention to:

(i) cooperate fully with any entity or person, including Simon Property, having a bona fide interest in proposing any transaction which would maximize shareholder value, including, but not limited to, a buy-out or takeover of the Company;

(ii) immediately undertake an appropriate evaluation of Taubman Centers' worth as a merger or acquisition candidate;

(iii) take all appropriate steps to effectively expose Taubman Centers to the marketplace in an effort to create an active auction of the Company;

(iv) act independently so that the interests of the Company's public shareholders will be protected; and

(v) adequately ensure that no conflicts of interest exist between the Individual Defendants' own interest and their fiduciary obligation to maximize shareholder value or, in the

event such conflicts exist, to ensure that all conflicts of interest are resolved in the best interests of the public shareholders of Taubman Centers,

C. Declaring that the Individual Defendants have violated their fiduciary duties to the Class;

D. Enjoining defendants from abusing the corporate machinery of the Company for the purpose of entrenching themselves in office;

E. Declaring the Taubman's 34.6% voting power in the Company illegal and ultra vires;

F. Ordering the Individual Defendants, jointly and severally to account to plaintiff and the Class for all damages suffered and to be suffered by them as a result of the acts and transactions alleged herein;

G. Awarding plaintiff the costs and disbursements of this action, including a reasonable allowance for plaintiff's attorneys' and experts' fees; and

H. Granting such other and further relief as may be just and proper.

**JURY DEMAND**

Plaintiff demands a trial by jury of all issues so triable.

DATED: November 15, 2002

**FINK, ZAUSMER & KAUFMAN, P.C.**


*/s/ Mark J. Zausmer*
---
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**ATTORNEYS FOR PLAINTIFF**

**EXHIBIT 99(a)(8)**

**STATE OF MICHIGAN**

**IN AND FOR OAKLAND COUNTY**

x

| | | |
|---|---|---|
| Judith B. Shiffman Revocable Living Trust, | : | |
| | : | Case No. 02- -CB |
| Plaintiff, | : | Hon. |
| | : | |
| v. | : | There is another pending case arising out the transaction alleged herein against these Defendants, entitled Glancy v. Robert S. Taubman, et al, Case No. 02-045409-CK assigned to the Hon. Deborah G. Tyner. |
| Taubman Centers, Inc., Robert S. Taubman, Lisa A. Payne, Graham T. Allison, Peter Karmanos, Jr., William S. Taubman, Allan J. Bloostein, Jerome A. Chazen, and S. Parker Gilbert, | : | |
| | : | |
| Defendants. | : | |

x

**PLAINTIFF'S CLASS ACTION COMPLAINT AND JURY DEMAND**

Plaintiff, by its attorneys, alleges the following upon information and belief, except for those allegations which pertain to plaintiff, which allegations are based upon personal knowledge:

**THE PARTIES**

1. Plaintiff Judith B. Shiffman Revocable Living Trust ("plaintiff") is the owner of common stock of Taubman Centers, Inc. ("Taubman" or the "Company") and has been the owner of such shares continuously since prior to the wrongs complained of herein.

2. Defendant Taubman is a real estate investment trust ("REIT") duly existing and organized under the laws of the State of Michigan, with its principal offices located at 200 East Long Lake Road, Bloomfield Hills, Michigan. The Company is engaged in the ownership, management, leasing, acquisition, development and expansion of regional shopping centers through its subsidiary, The Taubman Realty Group Limited Partnership (the "Partnership").

3. Defendant Robert S. Taubman ("Robert Taubman") is and at all times relevant hereto has been Chief Executive officer, President and Chairman of the Board of Directors of Taubman. Robert Taubman is the son of the Company's founder, Albert Taubman, and the brother of defendant William S. Taubman. Although Robert Taubman and other members of his family and their affiliates (the "Taubman Family") own less than 1% of the Company, they have over 30% of the voting control of the Company through their ownership of Series B preferred shares. Effectively the controlling shareholders of Taubman, the Taubman Family owes fiduciary duties of good faith, fair dealing, loyalty, candor, and due care to plaintiff and the other members of the Class.

4. Defendant Lisa A. Payne ("Payne") is and at all times relevant hereto has been Executive Vice President, Chief Financial and Administrative Officer and a director of Taubman. K. Corson is the brother of defendant Thomas H. Corson and the uncle of defendant Skinner.

5. Defendant William S. Taubman ("William Taubman") is and at all times relevant hereto has been a Executive Vice President and a director of Taubman. He is the son of Albert Taubman and the brother of defendant Robert Taubman.

6. Defendants Graham T. Allison, Peter Karmanos, Jr., Allan Bloostein, Jerome A. Chazen and S. Parker Gilbert are and at all times relevant hereto have been directors of Taubman.

7. The defendants referred to in paragraphs 3 through 6 are collectively referred to herein as the "Individual Defendants."

8. By reason of the Individual Defendants' positions with the Company as officers and/or directors, said individuals are in a fiduciary relationship with plaintiff and the other public

stockholders of Taubman, and owe plaintiff and the other members of the class the highest obligations of good faith, fair dealing, due care, loyalty and full, candid and adequate disclosure,

**CLASS ACTION ALLEGATIONS**

9. Plaintiff brings this action on its own behalf and as a class action, pursuant to Rule 23 of the Michigan Rules of Civil Procedure, on behalf of itself and holders of Taubman common stock (the "Class"). Excluded from the Class are defendants herein and any person, firm, trust, corporation or other entity related to or affiliated with any of the defendants.

10. This action is properly maintainable as a class action.

11. The Class is so numerous that joinder of all members is impracticable. As of November 2002, there were approximately 51.4 million shares of Taubman common stock outstanding.

12. There are questions of law and fact which are common to the Class and which predominate over questions affecting any individual Class members, including the following

a. whether defendants have breached their fiduciary and other common law duties owed by them to plaintiff and the other members of the Class;

b. whether defendants are unlawfully entrenching themselves in office and preventing the Company's shareholders from maximizing the value of their holdings; and

c. whether the Class is entitled to injunctive relief or damages as a result of the wrongful conduct committed by defendants.

13. Plaintiff is committed to prosecuting this action and has retained competent counsel experienced in litigation of this nature. Plaintiff's claims are typical of the claims of the other members of the Class and plaintiff has the same interests as the other members of the Class. Accordingly, plaintiff is an adequate representative of the Class and will fairly and adequately protect the interests of the Class.

14. Plaintiff anticipates that there will be no difficulty in the management of this litigation.

15. Defendants have acted on grounds generally applicable to the Class with respect to the matters complained of herein, thereby making appropriate the relief sought herein with respect to the Class as a whole.

**SUBSTANTIVE ALLEGATIONS**

16. In August 1998, the Taubman Family increased its stake in the Company to 36% from 7% by exchanging $38,400 for special Series B partnership shares that are convertible into a 36% ownership stake in the Company. The Taubman board effectuated this restructuring without putting it to a shareholders vote, describing it in a press release as a simplification of its governance structure. This "simplification" provided the Taubman Family with an extraordinary veto power to block any sale or merger transaction.

17. In a further attempt to entrench itself, the Taubman Family recently added to its blocking power. Defendants Robert and William Taubman recently exercised a total of 300,000 options. A former officer and director of the Company, who is also a close friend of Alfred Taubman, recently bought a total of 416,366 shares and gave voting power over these shares to Robert Taubman.

18. On or about November 13, 2002, the Company confirmed that it had received an unsolicited proposal from Simon Property Group, Inc. ("Simon") seeking to acquire Taubman for $17.50 per share in cash plus assumed debt. The proposal represents a total value of $920 million. In addition, Simon will acquire the operating partnership units for about $555 million and assume the Company's debt, estimated at about $2.5 billion, bringing the total price tag close to $4 billion. The $17.50 proposal represents an 18% premium to the shares, closing price on

November 12, 2002 and a 30% premium to when Simon on October 16 first asked to present the offer to Taubman's board.

19. Not more than a couple of hours after the announcement, the Company issued a press release indicating that their Board "unanimously concluded that Taubman Centers has no interest in pursuing a sale transaction" and that the Taubman Family was "categorically opposed to the sale of the Company."

20. Simon officials have attempted to engage Taubman in merger discussions for some time. Taubman has completely refused to consider discussions regarding combining the two companies. Following receipt of the October 16 letter from Simon, Robert Taubman declined an invitation to meet to discuss the offer. Following a second letter from Simon on October 22, Robert Taubman wrote, "The company has no interest whatsoever in pursuing a sale transaction."

21. Any buyout of the Company would require the approval of a two-thirds majority of Taubman's shareholders. Thus, the Taubman Family has veto power over any takeover bid, including the proposal by Simon.

**COUNT I**

**BREACH OF FIDUCIARY DUTY**

22. The Individual Defendants were and are under a duty: to act in the interests of the equity owners;

a. to maximize shareholder value;

b. to undertake an appropriate evaluation of the Company's net worth as a merger/acquisition candidate; and

c. to act in accordance with their fundamental duties of due care and loyalty.

23. By the acts, transactions and courses of conduct alleged herein, defendants, individually and as part of a common plan and scheme or in breach of their fiduciary duties to plaintiff and the other members of the Class, are attempting unfairly to deprive plaintiff and other members of the Class of the true value of their investment in Taubman.

24. By reason of the foregoing acts, practices and course of conduct, including their outright refusal to enter into any negotiations or discussions with Simon, the Individual Defendants have failed to exercise ordinary care and diligence in the exercise of their fiduciary obligations toward plaintiff and the other Taubman public stockholders.

25. The Individual Defendants have refused to enter into any negotiations with Simon in an attempt to entrench themselves in their positions with the Company and to protect their substantial salaries and prestigious positions. The Individual Defendants' placement of their own interests ahead of the interests of Taubman's shareholders is in direct violation of their fiduciary duties.

26. As a result of the actions of the Individual Defendants, plaintiff and the other members of the Class will be prevented from obtaining appropriate consideration for their shares of Taubman's common stock.

27. Unless enjoined by this Court, the Individual Defendants will continue to breach their fiduciary duties and prevent the Class from receiving its fair share of Taubman's valuable assets and businesses.

28. Plaintiff and the Class have no adequate remedy at law.

WHEREFORE, plaintiff demands judgment and preliminary and permanent relief, including injunctive relief, in its favor and in favor of the Class and against defendants as follows:

1. Declaring that this action is properly maintainable as a class action;

2. Directing the Individual Defendants to exercise their duty of care by giving due consideration to any proposed business combination that would maximize the Company's shareholder value;

3. Directing the Individual Defendants to adequately ensure that no conflicts of interest exist between the Individual Defendants and their fiduciary obligation to maximize shareholder value or, if such conflicts exist, to ensure that all conflicts are resolved in the best interests of Taubman's public stockholders;

4. Awarding plaintiff the costs and disbursements of this action, including reasonable attorneys' and experts' fees;

5. Granting such other and further relief as this Court may deem just and proper.

**JURY DEMAND**

Plaintiff demands a trial by jury.

*DATED: November 19, 2002*

*MILLER SHEA, P.C.*

*By: /s/ E. Powell Miller*
*---*

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**EXHIBIT 99(a)(9)**

**UNITED STATES DISTRICT COURT**
**EASTERN DISTRICT OF MICHIGAN**

| | | |
|---|---|---|
| SIMON PROPERTY GROUP, INC., and SIMON PROPERTY ACQUISITIONS, INC., | | |
| Plaintiffs, | : | CIVIL ACTION NO.: |
| - against - | | |
| TAUBMAN CENTERS, INC., A. ALFRED TAUBMAN, ROBERT S. TAUBMAN, LISA A. PAYNE, GRAHAM T. ALLISON, PETER KARMANOS, JR., WILLIAM S. TAUBMAN, ALLAN J. BLOOSTEIN, JEROME A. CHAZEN, AND S. PARKER GILBERT, | | |
| Defendants. | : | JUDGE: |

**COMPLAINT FOR DECLARATORY AND INJUNCTIVE RELIEF**

Plaintiffs Simon Property Group, Inc. ("SPG"), and Simon Property Acquisitions, Inc. ("SPA"), by their undersigned attorneys, as their complaint against defendants, allege as follows:

**PRELIMINARY STATEMENT**

1. SPG, the nation's largest retail mall real estate investment trust, with 249 malls and shopping centers in 36 states, has offered an extraordinary opportunity to the public stockholders of Taubman Centers, Inc. (the "Company") to sell their shares to SPG for $18.00 in cash. This price represents approximately a 33% premium to the closing market price of the Company's common stock on the day SPG made its initial $17.50 offer to the Company in October of this year. It is also higher than the price at which the Company's shares have ever traded. SPG's offer is not conditioned on the receipt of financing or any due diligence investigation of the Company. SPG has today formally commenced a tender offer through SPA, a subsidiary of

SPG, which would allow the Company's shareholders to take advantage of SPG's compelling offer and directly tender their shares to SPA (the "SPG Tender Offer").

2. While SPG seeks nothing more than to give the Company's public shareholders a full and fair opportunity to consider the merits of its offer, that opportunity is being thwarted by the Taubman family, which flatly opposes the offer and refuses even to discuss it. This is despite the fact that the SPG offer gives the Taubman family complete flexibility to retain, sell or exchange its economic stake as it wishes. Of greater and more immediate concern, however, is that the family, which owns only 1% of the economic interest in the Company, purports to wield an effective veto power over the offer to the public shareholders who own the remaining 99%. The Taubmans have erected their purported veto power through a series of tactical corporate mechanisms giving it a blocking voting position against unsolicited takeovers. As detailed below, these include

(a) a provision in the Company's charter, extraordinary in that it is unalterable and unwaivable by the Company's board of directors, preventing any outside party from acquiring more than 9.9% of the Company's capital stock absent amendment of the charter by a two-thirds shareholder vote (the "Excess Share Provision");

(b) providing to the Taubman family, for nominal consideration, without shareholder approval as required under Michigan statutory law, a new series of voting preferred stock (the "Series B Preferred Stock") that increased its purported voting power over the Company from less than 1% to just over 30%;(1) and

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(1) As detailed below, the Michigan Control Share Act, M.B.C.A. Section 450.1790 et seq., required that the Taubmans' purported increase in voting power from less than 1% to over 30% be approved by a shareholder vote. No such vote was held, and accordingly the shares of Series B Preferred Stock held by the Taubmans have no voting rights.

(c) most recently, and in direct response to SPG's offer, the acquisition of an additional 3% of voting power by exercising options and persuading several close associates of the family to sign over voting rights on their shares, designed to ensure the Taubmans' veto power over any sale (the "New 3% Shares").

3. Whatever the motivation for and validity of any of these actions taken individually -- and there is ample basis for challenging them in both respects -- taken in tandem, their practical effect is to foreclose an all-cash premium tender offer that the Company's public shareholders may well consider to be in their economic interest to accept. At least three shareholder lawsuits have already been filed against the Company and its board of directors alleging that the board is improperly acting out of self-interest to frustrate SPG's offer and to deny what one of those lawsuits terms the "extremely generous premium" afforded by the offer. An analyst following the Company recently stated that SPG's offer "represents a valuation well in excess of where the shares have traded any time in the past and well in excess of where the shares may trade in the foreseeable future." Indeed, even the Company's board has not stated that the offer is inadequate from a financial standpoint. So that the shareholders at least be given a choice as to whether to accept the offer, relief from this Court is necessary to declare invalid and enjoin any vote by the Taubmans of their purported blocking position that would have the effect of disenfranchising the public shareholder body who own 99% of the economic interest in the Company.

4. Such relief has become necessary not only because of the practical operation of the various procedural impediments created by the board and the Taubmans, but because the Company's board of directors is simply slavishly following the dictates of the Taubman family. Without engaging in a careful, independent and deliberate consideration of the SPG offer, the

board has supinely accepted the Taubman family line that because of the family's asserted veto power, there is nothing to talk about and any efforts to purchase the Company would not be "productive." Indeed, within one hour of SPG's public announcement of its offer to the board on November 13, 2002, the Company, at the behest of the Taubman family, summarily rejected it.

5. Directors have a fiduciary duty not to allow the corporate machinery to be used in a manner injurious to the public shareholders, and controlling shareholders, such as the Taubmans, likewise have a duty to exercise their control in a fair and equitable manner. Having caused or allowed the Series B Preferred Stock to be given to the Taubman family while aware of the Excess Share Provision embedded in the Company's charter, which, in conjunction with the New 3% Shares, operate to preclude SPG's all-cash offer, the board must now act affirmatively to protect the Company's shareholders and not resign itself to domination and control by the Taubman family, whose interests directly contravene the best interests of the Company's shareholders.

**PARTIES**

6. Plaintiff SPG is organized and exists under the laws of the State of Delaware and has its principal place of business located at 115 West Washington Street, Suite 15 East, Indianapolis, Indiana. SPG is a self-administered and self-managed real estate investment trust ("REIT"). SPG is the managing general partner of Simon Property Group, L.P. (the "SPG Operating Partnership"). Through the SPG Operating Partnership, SPG is engaged in the ownership, operation, leasing, management, acquisition, expansion and development of real estate properties, primarily regional malls and community shopping centers. SPG owns 5,500 shares of the Company's common stock.

7. Plaintiff SPA is organized and exists under the laws of the State of Delaware and has its principal place of business located at 115 West Washington Street, Suite 15 East,

Indianapolis, Indiana. SPA is a wholly-owned subsidiary of SPG and is the entity that is making the SPG Tender Offer. SPA owns 5,500 shares of the Company's common stock.

8. The Company, also a REIT, is organized and exists under the laws of the State of Michigan and has its principal place of business located at 200 East Long Lake Road, Suite 300, Bloomfield Hills, Michigan. The Company conducts its operations through The Taubman Realty Group Limited Partnership ("TRG"), a real estate company, which manages the Company's properties and business affairs. The Company is the managing general partner of, and has an approximate 62% interest in, TRG. (Approximately 30% of the remaining interest in TRG is owned by the Taubman family and 8% is owned by other investors.)

9. Defendant A. Alfred Taubman is the founder of the Company and, upon information and belief, currently resides in Rochester, Minnesota. Alfred Taubman was a director of the Company from its incorporation in 1973 until his resignation in December 2001. Alfred Taubman has a 0.4% economic interest in the Company. By contrast, he purportedly has nearly 30% voting power in the Company (individually and through various entities under his control). He possesses this purported voting power principally through the Series B Preferred Stock. Alfred Taubman has previously served as the Chairman of the Board of Sotheby's Holdings, Inc., and as a director of Livent, Inc., and Hollinger International, Inc.

10. Defendant Robert S. Taubman is Chairman of the Board, President and Chief Executive Officer of the Company, and, upon information and belief, resides in Michigan. Robert Taubman has served as a director of the Company since 1992. Robert Taubman is also a director of Comerica Bank and of Sotheby's Holdings, Inc., and represents the Company as a director of fashionmall.com, Inc. Robert Taubman, or entities he controls, owns less than 1% of the outstanding voting shares of the Company's stock. He is the brother of defendant William

Taubman and the son of defendant Alfred Taubman. In his capacity as Chairman of the Board, President and Chief Executive Officer of the Company, Robert Taubman was paid $2,439,864 in total compensation for fiscal year 2001, including $750,000 in salary, $468,000 in bonuses, $1,196,250 in deferred compensation, and $25,614 in other compensation.

11. Defendant William S. Taubman is a director and Executive Vice President of the Company, and, upon information and belief, resides in Michigan. William Taubman has served as a director of the Company since 2000. William Taubman has held various executive positions with The Taubman Company LLC, which is an indirect subsidiary of TRG. William Taubman is the brother of defendant Robert Taubman and the son of defendant Alfred Taubman. In his capacity as a director and Executive Vice President of the Company, William Taubman was paid approximately $1,266,079 in total compensation for fiscal year 2001, including $474,994 in salary, $312,500 in bonus, $453,450 in deferred compensation, and $25,135 in other compensation.

12. Defendant Lisa A. Payne ("Payne") is a director, Executive Vice President, and Chief Financial and Administrative Officer of the Company, and, upon information and belief, resides in Michigan. Payne has served as a director of the Company since 1997.

13. Defendant Graham T. Allison ("Allison") is a director of the Company, and, upon information and belief, resides in Massachusetts. He has served as a director of the Company since 1996. Allison previously served as a director of the Company for one year, from 1992 through 1993.

14. Defendant Peter Karmanos, Jr. ("Karmanos"), is a director of the Company, and, upon information and belief, resides in Michigan. He has served as a director of the Company

since 2000. Karmanos is also a director of Detroit Renaissance, an urban renewal organization, of which defendant Alfred Taubman has also served as a director.

15. Defendant Allan J. Bloostein ("Bloostein") is a director of the Company, and, upon information and belief, resides in Connecticut. Defendant Bloostein has served as a director of the Company since 1992.

16. Defendant Jerome A. Chazen ("Chazen") is a director of the Company, and, upon information and belief, resides in New York. Defendant Chazen has served as a director of the Company since 1992. Chazen is Chairman of Chazen Capital Partners, a private investment company, and along with Robert Taubman is also a director of fashionmall.com, Inc.

17. Defendant S. Parker Gilbert ("Gilbert") is a director of the Company, and, upon information and belief, resides in New York. Gilbert has served as a director of the Company since 1992. He is a retired Chairman of Morgan Stanley Group, Inc.

18. Defendants Robert Taubman, William Taubman, Payne, Allison, Karmanos, Bloostein, Chazen and Gilbert are referred to herein collectively as the "Director Defendants." Defendants Bloostein, Chazen and Gilbert have been directors of the Company for approximately ten years, and Allison for approximately seven years. Because all four have served on the Company's board for more than three years, none of Allison, Bloostein, Chazen, or Gilbert qualifies as an "Independent Director" under Michigan Business Corporations Act Section 450.1107, which provides that an "Independent Director" is a director who "[d]oes not have an aggregate of more than 3 years of service as a director of the corporation, whether or not as an independent director." In fact, all of the non-officer/non-employee directors are dominated and controlled by, and are beholden to, the Taubman family and do not possess the independence necessary to qualify as independent directors.

## JURISDICTION AND VENUE

19. This court has jurisdiction pursuant to 28 U.S.C.Section 1332, as plaintiffs and defendants are citizens of different states, and the amount in controversy exceeds the sum or value of $75,000, exclusive of interest and costs.

20. Defendants are subject to personal jurisdiction in this judicial district, and transact business in this judicial district.

21. Venue is proper in this judicial district pursuant to 28 U.S.C.Section 1391(a)(2), as a substantial part of the events and omissions giving rise to this action occurred in this district.

## BACKGROUND
## SPG'S OFFER TO PURCHASE TAUBMAN CENTERS

22. On October 16, 2002, SPG made a written proposal to defendant Robert Taubman to purchase all of the outstanding common stock of the Company at a significant premium to its current market price.

23. On October 21, 2002, without the benefit of discussing with SPG the details of its proposal, and, upon information and belief, without disclosure to the Company's board of directors or stockholders, Robert Taubman summarily rejected SPG's proposal.

24. In a letter dated October 22, 2002, SPG reiterated the basic terms of its offer. SPG proposed that it would pay $17.50 in cash for each share of Company common stock, which represented a 30% premium to the $13.50 closing market price of the Company's common stock on the date of this letter. SPG also gave the Taubman family a choice: The Taubman family could exchange its limited partnership interests in TRG for limited partnership interests in the SPG Operating Partnership. Alternatively, the Taubman family could remain limited partners in TRG. Thus, SPG's offer to purchase the outstanding common stock would not impact the Taubman family's economic interests in any way if the Taubman family so wished. Nor would

the offer jeopardize the Company's status as a REIT for tax purposes, the purported rationale for the Excess Share Provision in the Company's charter. SPG's proposal also expressly stated that it was not subject to the receipt of financing or any due diligence investigation of the Company or its subsidiaries.

25. On October 28, 2002, Robert Taubman again rejected SPG's proposal, and on October 29, 2002, sent a summary one-paragraph letter, which conclusorily stated: "The Board is unanimous in concluding that the company has no interest whatsoever in pursuing a sale transaction, and that discussion as to such a transaction would not be productive."

26. On November 13, 2002, SPG publicly announced its offer to the board. SPG also apprised the Company's board regarding SPG's flexibility in structuring the deal to allow the Taubman family to retain, sell or exchange their interests as they wished.

27. Less than one hour later, the Company issued a press release stating that:

"The Taubman Centers Board of Directors has unanimously rejected this proposal. In addition, the Taubman family has informed the Board that it is categorically opposed to the sale of the Company. Given the family's position, any efforts to purchase Taubman Centers would not be productive."

**THE TAUBMAN FAMILY FURTHER ACTS TO SOLIDIFY ITS BLOCKING POSITION AND ENTRENCH ITSELF**

28. Within days of SPG's public announcement of its initial $17.50 all cash offer, the Taubman family began to solidify its voting power and to further entrench itself. On November 15, 2002, the Taubman family issued a press release, and filed a corresponding Schedule 13D with the Securities and Exchange Commission, announcing that certain non-family stockholders had given Robert Taubman proxies to vote their shares and that the Taubman family now controlled over one-third of the Company's outstanding voting stock. All of the stockholders mentioned in the Company's November 15, 2002 press release were either holding companies

for the Taubman family, or close friends (or entities controlled by close friends) of the Taubman family.

29. On November 14, 2002, Alfred Taubman's two sons -- Robert and William -- exercised a total of 300,000 options; Robert Larson, former vice chairman of the board, purchased 266,366 shares in the open market; The Max M. Fisher Revocable Trust purchased 150,000 shares in the open market; and Mr. Larson, Max M. Fisher, and John and Terry Rakolta (and entities they control), each of whom is a close personal friend of Alfred Taubman, transferred voting power over an aggregate of 2,440,762 shares to Robert Taubman.

30. Thus, at a time when the board should have been evaluating SPG's premium all-cash offer on the merits, the Taubman family was hurriedly acting to further entrench itself by adding to its blocking position. As detailed more fully below, the acquisition of voting power by the Taubman family with respect to the New 3% Shares was a "control share acquisition" because, as a result, the Taubman family's claimed voting power -- individually, as well as through various family members, trusts and other members of a group which includes the Taubman family -- in the Company increased from about 30% to 33.6%. Under Michigan law, such a transaction required the approval of a majority of the holders of the disinterested shares for the Taubman family to acquire the right to vote those shares. No such approval was sought or obtained.

**THE SPG TENDER OFFER**

31. On December 5, 2002, SPA commenced a tender offer to purchase the Company's outstanding common stock for $18.00 in cash per share. The SPG Tender Offer is conditioned on a number of events, including that the Excess Share Provision be amended or waived as to SPG and that there be validly tendered and not withdrawn shares of the Company's common stock representing at least two-thirds of the Company's total voting power. If the Taubman

family is permitted to vote the Series B Preferred Stock and the New 3% Shares, then, as a practical matter, the SPG Tender Offer will not be consummated.

32. The SPG Tender Offer is also conditioned on SPG being granted full voting rights for all shares acquired in the SPG Tender Offer under the Michigan Control Share Act, or that the Michigan Control Share Act does not apply to the shares being acquired in the SPG Tender Offer or is invalid. For purposes of satisfying this condition, SPA intends, pursuant to the Michigan Control Share Act, to demand that a special meeting of the Company's shareholders be called (the "Control Share Special Meeting"), to be held no later than 50 days after such demand, at which the Company's shareholders will be asked to vote to approve full voting rights for the shares to be acquired in the SPG Tender Offer. SPG intends to solicit proxies from the Company's shareholders with respect to the Control Share Special Meeting and is filing with the Securities and Exchange Commission its preliminary proxy statement. A majority vote of the Company's shareholders is necessary for approval of voting rights for these shares. If the Taubman family is permitted to vote the Series B Preferred Stock and the New 3% Shares at the Control Share Special Meeting, then, as a practical matter, SPG's ability to obtain the necessary majority vote will be impeded.

**THE COMMON STOCK OF TAUBMAN CENTERS**
**HAS SIGNIFICANTLY UNDERPERFORMED THE MARKET**

33. The Company was incorporated in Michigan in 1973 and had its initial public offering (the "IPO") in 1992. Upon completion of the IPO, the Company became the managing general partner of TRG. Upon information and belief, the Company currently has a 62% managing general partnership interest in TRG, through which the Company conducts all of its operations.

34. The stock price of the Company has underperformed the market in recent months and years. From October 1998 until October 22, 2002 (the day SPG made its initial $17.50 offer to the Company), the Company's shares declined 4%, even though the average stock price of comparable REITs has increased for the same period.

35. Market observers familiar with the Company have attributed its recent underperformance to bad management. As one analyst was recently quoted, if SPG is successful in acquiring the Company, "[y]ou would be swapping bad management for good management." A University of Michigan finance professor, commenting on the Company, explained to the Detroit Free Press that typical targets of takeovers are "ones that are doing poorly financially" and that SPG sees in Taubman Centers a company that is "not performing up to its potential."

**THE SERIES B PREFERRED STOCK IS GIVEN TO THE FAMILY WITHOUT A SHAREHOLDER VOTE**

36. Prior to August 1998, the Taubman family's voting power in the Company and economic interest in the Company were both below 1%. The remainder of the voting and economic interests in the Company were in the hands of the public shareholders. The Company and TRG were (and remain) separate legal entities, a design originally created to provide tax benefits to the Taubman family. Prior to August 1998, TRG was controlled by a 13-member Partnership Committee, on which the Taubman family held only a minority of four seats. The Taubman family owned approximately 23% of the partnership units of TRG, while General Motors Pension Trust ("GMPT") owned approximately 37% of the partnership units and the remainder were owned by the Company. Decisions of the Partnership Committee and control of TRG were governed by majority vote. Thus, as of August 1998, the Taubman family did not hold a blocking position with respect to either the Company or TRG. At any time prior to August 1998, if an offer (such as the SPG Tender Offer) to acquire shares of the Company's

common stock were received, the public shareholders of the Company would have been free to amend the Company's charter to repeal the Excess Share Provision and take any other actions necessary to ensure that they received the highest value for their shares without fear of a Taubman family veto.

37. This entire structure was drastically and improperly altered through an August 1998 restructuring that was designed to give the Taubman family substantial veto powers in the Company that they were not and are not entitled to exercise. Through this transaction the Board, in breach of its fiduciary duty and Michigan statutory law, purportedly increased the Taubman family's voting power in the Company notwithstanding the lack of a parallel change in the Taubman family's economic interest in the Company.

38. Specifically, on August 19, 1998, the Company announced that it had purchased the TRG partnership units owned by GMPT (the "GMPT Exchange"). As a result of its purchase, the Company obtained a controlling interest in TRG. Simultaneously with the GMPT Exchange, although not announced in any public filings until after the transaction, the Company, for the nominal amount of $38,400, gave to the remaining limited partners in TRG (consisting primarily of the Taubman family) one share of the new Series B Preferred Stock in the Company for each TRG unit held by those limited partners. The transaction concerning the Series B Preferred Stock was not submitted to a shareholder vote, nor was it even disclosed in the press release announcing the GMPT Exchange. Indeed, the Series B Preferred Stock transaction was not even mentioned until, nearly two months after the GMPT Exchange was publicly announced, the Company made a filing with the Securities and Exchange Commission cryptically stating that it "became obligated" to issue the Series B Preferred Stock to the Taubman family in connection with the GMPT Exchange. Even then, the filing provided no explanation of the fact that the

Series B Preferred Stock purported to give the Taubman family a virtual veto power over major transactions concerning the Company and, in particular, unsolicited takeover attempts.

39. The Series B Preferred Stock purported to increase the Taubman family's voting power in the Company from less than 1% to 30%. The Series B Preferred Stock, if valid, gives the Taubman family effective control over decisions affecting the Company's public stockholders even though the family's economic interest in the Company is de minimis. Thus, the Taubman family could vote its shares to effectively block amendments to the Company's charter and any other action requiring a two-thirds vote of the voting stock. Prior to receiving the Series B Preferred Stock, the Taubman family did not possess such control or veto powers over the Company. The Series B Preferred Stock is convertible to common stock at a ratio of 14,000 shares to one; therefore, all of Alfred Taubman's Series B shares, if converted to common stock, would amount to less than 2,000 common shares out of more than 51 million shares of common stock.

40. The following table illustrates the purported change in ownership at the Company by virtue of the transfer of the Series B Preferred Stock to the Taubman family:

| | TAUBMAN FAMILY TOTAL VOTING POWER IN THE COMPANY | PUBLIC STOCKHOLDERS, TOTAL VOTING POWER IN THE COMPANY | TAUBMAN FAMILY ECONOMIC INTEREST IN THE COMPANY | PUBLIC STOCKHOLDERS ECONOMIC INTEREST IN THE COMPANY |
|---|---|---|---|---|
| Pre-GMPT Exchange | less than 1% | more than 99% | less than 1% | more than 99% |
| Post-GMPT Exchange | 30% | 70% | 1% | 99% |

41. On August 18, 1998, the Company told the public in a press release accompanying the GMPT Exchange transaction:

With the [Company] now having a majority and controlling interest in TRG, we will dissolve the TRG Partnership Committee. GMPT will relinquish its two seats on the [Company's] board of directors resulting in the [Company] having a majority of independent directors.

42. The press release did not disclose that, simultaneously with the GMPT Exchange, the Company gave the Series B Preferred Stock to the limited partners in TRG, consisting primarily of the Taubman family, and thus endowed them with a purported 30% voting position over the Company.

43. The acquisition of the Series B Preferred Stock by the Taubman family -- and the effective control that such an acquisition handed to the Taubman family -- was a "control share acquisition" under the Michigan Control Share Act, because the Taubman family's ostensible voting power in the Company was increased from (1) less than one-fifth, to (2) between one-fifth and one-third. Under the Control Share Act, for the Taubman family to acquire the right to vote those shares, the transaction required the approval of a majority of the Company's shareholders. No such approval was ever sought or given, and those shares therefore have no voting rights.

44. The Taubman family and the other limited partners paid an aggregate of only $38,400 for the shares of Series B Preferred Stock in the 1998 control share transaction, although the stock provided the Taubman family with a purported 30% vote and substantial veto powers over the Company. The transfer of the Series B Preferred Stock had no valid corporate purpose, except to bestow upon the Taubman family extraordinary powers and rights, and to dilute the voting power of the public shareholders. No fair consideration was paid by the Taubman family for the Series B Preferred Stock.

45. The terms of the Series B Preferred Stock, set forth in the charter, make it clear that the holders would wield extreme -- indeed, dispositive -- power with respect to the voting rights of the Company. Each share of Series B Preferred Stock purportedly would entitle the holder to vote with the holders of the Company's common stock on all matters submitted to the Company's shareholders.

**THE COMPANY'S EXCESS SHARE PROVISION
AS ADOPTED AND APPLIED BY THE COMPANY'S
BOARD OF DIRECTORS HAS SIGNIFICANT ANTI-TAKEOVER EFFECT**

46. Article III, Section 2, Subsection (d) of the Company's Articles of Incorporation (the "Articles"), the Excess Share Provision, is designed to prohibit the ownership by any person, as defined by the Articles, of shares in excess of 8.23% of the "aggregate value" of the outstanding common stock and preferred stock of the Company. Subject to certain specified exceptions, any transfer that would result in any person owning in excess of 8.23% of the aggregate value of the outstanding common stock and preferred stock of the Company (or 9.99% where the board has exempted a person from the 8.23% limit), is purportedly void ab initio as to the shares of common stock and/or preferred stock that are in excess of the limit, and the intended transferee acquires no rights -- including voting rights -- in such shares.

47. Although it is not uncommon for a REIT to include an excess share provision in its articles of incorporation or bylaws to ensure compliance with the Internal Revenue Code, which prohibits five or fewer individuals from owning in the aggregate in excess of 50% of the value of the shares of a REIT, such provisions invariably grant the REIT's board of directors the discretion to waive the limitation with respect to particular acquirors. This gives the board discretion to act in the best interests of the stockholders. In any event, acquisition of a REIT by a REIT, as is contemplated by SPG's offer, would not implicate the REIT status rules of the Internal Revenue Code.

48. The Company's Excess Share Provision is far more restrictive because it cannot be waived by the board to allow any person to own more than 9.9% of the aggregate value of the Company's outstanding capital stock, even if the board believes that such a transaction is in the Company's best interests, and even if (as here) the transaction does not jeopardize the Company's status as a REIT for tax purposes. This provision may only be amended or

eliminated by a two-thirds vote of the Company's voting stock. The non-waivability of the Excess Share Provision is fundamentally unfair where, as shown above, the Taubman family and its friends now purport to control more than one-third of the Company's outstanding voting stock, because the Excess Share Provision cannot be amended or eliminated without the affirmative vote and imprimatur of the Taubman family -- if the Taubman family is permitted to vote the Series B Preferred Stock and the New 3% Shares. The Company did not disclose to the public stockholders at any time that the non-waivable Excess Share Provision would effectively be forever embedded in the Articles by virtue of the Series B Preferred Stock given to the Taubman family.

49. Although the Company's board cannot directly waive the Excess Share Provision, given the impediment that the Excess Share Provision, in conjunction with the Series B Preferred Stock and the New 3% Shares, poses to the public shareholders' consideration of the offer, the board should not permit the Taubman family to vote its Series B Preferred Stock or the New 3% Shares at any shareholder vote that affects the ability of the SPG Tender Offer to proceed. The family's economic interest in TRG, the Company's operating partnership, is in a separate legal entity and does not justify a veto power over the ability of the public shareholders of the Company (the publicly-traded REIT) to take advantage of the SPG Tender Offer. The board's current and continuing failure to prevent the family from voting its purported blocking position simply confirms that the board continues to defer completely to the wishes of the Taubman family at the expense of the public stockholders.

**DECLARATORY AND INJUNCTIVE RELIEF**

50. The Court may grant the declaratory and injunctive relief sought herein pursuant to 28 U.S.C. Section 2201 and Fed. R. Civ. P. 57 and 65. A substantial controversy exists because the board is breaching its fiduciary duties by allowing a stockholder -- who owns 1% of the

economic interest in the Company -- to tell it what to do. The board has failed -- and continues to fail -- to discharge its fiduciary duties by failing to give independent scrutiny and evaluation to SPG's premium all cash offer, thus depriving the public shareholders of the right to choose for themselves whether to accept the SPG offer. Furthermore, the Taubman family is also breaching the duties that it owes, as a purported controlling shareholder, to the public stockholders by not giving the public shareholders the opportunity to consider SPG's offer -- a transaction that, if the Taubman family chooses, will have no impact on the Taubman family's economic interests, but will substantially benefit the public stockholders.

51. The interests of defendants in maintaining their grip over the Company is adverse to the interest of the Company's common stockholders in maximizing the value of their holdings. Any purchase by SPG of the Company's outstanding publicly held stock has effectively been rendered impossible because of the non-waivable Excess Share Provision in conjunction with the veto powers purportedly bestowed upon the Taubman family. In addition, SPG's ability to obtain the necessary majority vote at the Control Share Special Meeting to approve the voting rights of the shares acquired in the SPG Tender Offer -- and therefore to satisfy a condition to the SPG Tender Offer -- will be impeded if the Taubman family is permitted to vote the Series B Preferred Stock and the New 3% Shares at that meeting. The existence of this controversy -- especially given the public tender offer currently in effect -- is causing confusion and uncertainty in the market for public securities. Investors do not know whether, or when, they will have the opportunity to avail themselves of an advantageous all cash offer for their shares. Declaratory relief will serve the public interest by affording relief from such uncertainty and by permitting the holders of the Company's stock to maximize the value of their holdings by, at the very least, having the opportunity to consider the SPG Tender Offer.

52. Injunctive and declaratory relief is required, inter alia to declare that the Taubman family's Series B Preferred Stock and the New 3% Shares cannot vote at the Control Share Special Meeting or any other meeting, to prevent the board from permitting the Taubman family's Series B Preferred Stock and the New 3% Shares to be voted, to prevent the Taubman family from voting that stock at any meeting of shareholders, and to eliminate the uncertainty as to whether the Company's public shareholders will be permitted to achieve a superior transaction in the sale of their corporation.

**FIRST CLAIM FOR RELIEF**

**MICHIGAN CONTROL SHARE ACT**

(MICHIGAN BUSINESS CORPORATION ACT SECTION 450.1790 ET SEQ. --
**AGAINST ALL DEFENDANTS)**

53. Plaintiffs repeat and reallege Paragraphs 1 through 52 as if fully set forth herein.

54. The Michigan Control Share Act, Chapter 7B of the Michigan Business Corporation Act (M.B.C.A.Sections 450.1790 et seq.), applies to the Company.

55. Pursuant to the Michigan Control Share Act, control shares are shares of a corporation that, when added to the pre-existing shares owned by a person or in respect to which that person may exercise or direct the exercising of voting power, would entitle that person, immediately after the acquisition of the shares, directly or indirectly, alone or as part of a group, to exercise or direct the exercise of the voting power of the corporation within any of the following ranges:

(a) at least one-fifth, but less than one-third, of all voting power;

(b) at least one-third, but less than a majority, of all voting power; or

(c) a majority of all voting power.

56. Pursuant to the Michigan Control Share Act, a control share acquisition is any direct or indirect acquisition of ownership of, or the power to direct the exercise of voting power with respect to, control shares.

57. A person who acquires shares in a control share acquisition without the affirmative vote of a majority of the holders of all disinterested shares entitled to vote does not acquire the right to vote those control shares.

58. The Series B Preferred Stock increased the Taubman family's claimed voting power of the Company's stock from less than 1% to 30%. In other words, the Taubman family's voting power purportedly increased from (a) less than one-fifth, to (b) between one-fifth and one-third, and therefore constituted a control share acquisition pursuant to M.B.C.A. Section 450.1790(2)(a).

59. The holders of the Company's disinterested voting stock have not voted to confer any voting rights on the Series B Preferred Stock held by the Taubman family.

60. Accordingly, plaintiffs seek (i) a declaration that pursuant to the Michigan Control Share Act, the Taubman family's Series B Preferred Stock does not have any voting rights, and (ii) injunctive relief prohibiting the Taubman family from voting the Series B Preferred Stock.

61. Plaintiffs have no adequate remedy at law.

**SECOND CLAIM FOR RELIEF**

**MICHIGAN CONTROL SHARE ACT**

(MICHIGAN BUSINESS CORPORATION ACT SECTION 450.1790 ET SEQ. --
**AGAINST ALL DEFENDANTS)**

62. Plaintiffs repeat and reallege Paragraphs 1 through 61 as if fully set forth herein.

63. The Michigan Control Share Act, Chapter 7B of the Michigan Business Corporations Act (M.B.C.A.Section 450.1790 et seq.), applies to the Company.

64. Pursuant to the Michigan Control Share Act, control shares are shares of a corporation that, when added to the pre-existing shares owned by a person or in respect to which that person may exercise or direct the exercising of voting power, would entitle that person, immediately after the acquisition of the shares, directly or indirectly, alone or as part of a group, to exercise or direct the exercise of the voting power of the corporation within any of the following ranges:

(a) at least one-fifth, but less than one-third, of all voting power;

(b) at least one-third, but less than a majority, of all voting power; or

(c) a majority of all voting power.

65. Pursuant to the Michigan Control Share Act, a control share acquisition is any direct or indirect acquisition of ownership of, or the power to direct the exercise of voting power with respect to control shares.

66. A person who acquires shares in a control share acquisition without the affirmative majority vote of the holders of all disinterested shares entitled to vote does not acquire the right to vote those control shares.

67. On November 15, 2002, the Taubman family announced that certain non-family stockholders, including Robert Larson, Max Fisher and the Rakolta family (and entities they control), had given Robert Taubman irrevocable proxies to vote their shares. In addition, the Taubman family announced that Robert Taubman and William Taubman had exercised a total of 300,000 options. Thus, the Taubman family announced that it now controlled over one-third of the Company's outstanding voting stock.

68. The power to vote the New 3% Shares increased the Taubman family's claimed voting power in the Company from 30% to 33.6%. In other words, the Taubman family's voting

power purportedly increased from (a) between one-fifth and one-third, to (b) between one-third and a majority, and constituted a control share acquisition pursuant to M.B.C.A. Section 450.1790(2)(b).

69. The holders of the Company's disinterested voting stock have not voted to confer any voting rights with respect to the New 3% Shares.

70. Accordingly, plaintiffs seek (i) a declaration that pursuant to the Michigan Control Share Act, the New 3% Shares do not have any voting rights, and
(ii) injunctive relief prohibiting the Taubman family from voting the New 3% Shares.

71. Plaintiffs have no adequate remedy at law.

**THIRD CLAIM FOR RELIEF**

**DECLARATORY JUDGMENT**

(INVALIDITY OF TAUBMAN FAMILY VOTING RIGHTS -- AGAINST
**ALL DEFENDANTS)**

72. Plaintiffs repeat and reallege Paragraphs 1 through 71 as if fully set forth herein.

73. The Series B Preferred Stock and the New 3% Shares do not have the right to vote and should not be allowed to vote at any meeting of shareholders because, inter alia:

(a) the board is following the dictates of the Taubman family without engaging in a searching, independent and deliberative consideration of the SPG offer, and passively accepting the Taubman family's position that it controls a blocking voting position when, in fact, that position was largely obtained without the shareholder vote required under the Michigan Control Share Act;

(b) the board has created, and continues to allow, an effective veto position for the Taubman family by giving them the Series B Preferred Stock for no fair consideration for the improper purpose of insulating the Company from third-party proposals such as the SPG Tender Offer;

(c) the board is depriving the public stockholders of the opportunity to consider SPG's offer and effectively removing from the shareholders the choice of whether or not to tender their shares;

(d) the board is acquiescing in the Taubman family's arbitrary, irrational and spiteful conduct towards the public shareholders and SPG, that is designed solely to entrench the Taubman family;

(e) the board is permitting the Series B Preferred Stock given to the Taubman family and the New 3% Shares to effectively prevent amendment of the charter to remove the Excess Share Provision, and failing to take steps to remove this impediment; and

(f) the Series B Preferred Stock held by the Taubman family and the New 3% Shares have no voting rights under the Michigan Control Share Act.

74. Plaintiffs have been damaged, and continue to be damaged, as a direct result of defendants' conduct.

75. Accordingly, plaintiffs seek a declaration that the Taubman family may not validly vote the Series B Preferred Stock and the New 3% Shares under circumstances that would have the effect of foreclosing the SPG Tender Offer and disenfranchising the public shareholder body, including at the Control Share Special Meeting and any vote to amend the charter's Excess Share Provision.

76. Plaintiffs have no adequate remedy at law.

**FOURTH CLAIM FOR RELIEF**

**BREACH OF FIDUCIARY DUTY -- AGAINST ALFRED TAUBMAN AND THE DIRECTOR DEFENDANTS**

77. Plaintiffs repeat and reallege Paragraphs 1 through 76 as if fully set forth herein.

78. Directors of Michigan corporations, such as the Company, owe a fiduciary duty to the Company's stockholders. Directors also have a fiduciary duty to refrain from interfering with the shareholder franchise and from inequitably manipulating the corporate machinery for improper purposes. In addition, directors have a duty to give due consideration in good faith to a proposal of a material transaction and to act in the best interests of the stockholders.

79. Pursuant to Michigan Business Corporation Act Section 450.1541a, directors are required to discharge their duties in good faith, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner they reasonably believe to be in the best interests of the corporation.

80. The conduct set forth above constitutes a continuing breach of the board of directors' fiduciary duties to the Company's non-Taubman family stockholders.

81. Plaintiffs have been damaged, and continue to be damaged, as a direct result of defendants' conduct.

82. Accordingly, plaintiffs seek injunctive relief prohibiting the Taubman family from voting the shares of Series B Preferred Stock and the New 3% Shares.

83. Plaintiffs have no adequate remedy at law.

**FIFTH CLAIM FOR RELIEF**

**BREACH OF FIDUCIARY DUTY**
(AGAINST ALFRED TAUBMAN, ROBERT TAUBMAN AND WILLIAM TAUBMAN)

84. Plaintiffs repeat and reallege Paragraphs 1 through 83 as if fully set forth herein.

85. If the Taubman family's Series B Preferred Stock and the new 3% Shares are entitled to be voted, then the Taubman family, including Alfred, Robert and William Taubman, owns or controls more than a third of the voting power of the Company and has an effective veto over

the SPG Tender Offer. However, it owns only 1% of the economic interests in the Company.

86. The Taubman family, including defendants Alfred, Robert and William Taubman, exercises control over the business affairs of the Company and owes fiduciary duties to the Company's non-family shareholders.

87. The Taubman family is exercising actual domination and control over the passive board. Rather than considering the benefits that the SPG offer presents to the public stockholders, and taking affirmative steps to allow the shareholders to reap the benefits of the SPG offer, the board is acting at the direction and behest of the Taubman family.

88. If the Taubman family's Series B Preferred Stock and the New 3% Shares are entitled to vote, then the Taubman family -- through its stock ownership and the other conduct described herein -- is a "controlling" shareholder.

89. As a controlling shareholder, the Taubman family owes fiduciary duties to the Company's other shareholders. The Taubman family owns only 1% of the economic interests in the Company, but purports to wield over 33% of the Company's voting power. A proper discharge of the Taubmans' fiduciary duties requires that the Taubman family refrain from voting its Series B Preferred Stock and the New 3% Shares because persons with a 1% economic stake in the Company should not be able to use their voting power to deny the overwhelming shareholder body a right to consider freely and fairly an all-cash offer in their economic interests. This disparity threatens to inflict serious harm and injury to the Company's public shareholders, who stand to gain enormous financial benefits if the Taubman family does not vote its Series B Preferred Stock and the New 3% Shares.

90. Plaintiffs have been damaged, and continue to be damaged, as a result of the Taubman family's conduct.

91. Accordingly, plaintiffs seek (i) a declaration that the Taubman family's voting of its Series B Preferred Stock and the New 3% Shares constitutes a breach of the fiduciary duties owed by the Taubman family to the Company's shareholders, and (ii) injunctive relief prohibiting the Taubman family from voting its shares of Series B Preferred Stock and the New 3% Shares.

92. Plaintiffs have no adequate remedy at law.

**IRREPARABLE INJURY**

93. Plaintiffs repeat and reallege Paragraphs 1 through 92 as if fully set forth herein.

94. Plaintiffs and the holders of the Company's common stock face the prospect of immediate, severe and irreparable injury should the Taubman family be permitted to vote the Series B Preferred Stock and the New 3% Shares. If the requested relief is not granted, the conditions to the extremely valuable and compelling SPG Tender Offer, including those relating to the Control Share Special Meeting and to the Excess Share Provision, will not be satisfied, and SPA will lose the unique opportunity to make its tender offer. Furthermore, the public stockholders will lose this unique opportunity to participate in the SPG Tender Offer and receive a premium for their shares. In addition, if the requested relief is not granted, defendants will successfully impede and frustrate the public stockholders' right to vote and interfere with the shareholder franchise.

95. Voting of the Series B Preferred Stock and the New 3% Shares will, unless enjoined, impede the SPG Tender Offer, interfere with the voting rights of the non-Taubman family stockholders, disenfranchise the holders of the Company's common stock, and deprive

those stockholders of a premium bid for their shares that they would otherwise be able to consider.

WHEREFORE, plaintiffs respectfully demand that the Court enter judgment against defendants and in favor of plaintiffs, and that the Court issue an Order:

(a) Declaring that pursuant to the Michigan Control Share Act, the Series B Preferred Stock and the New 3% Shares do not have any voting rights;

(b) Preliminarily and permanently enjoining the board of directors from allowing the Taubman family to vote its Series B Preferred Stock and the New 3% Shares;

(c) Preliminarily and permanently enjoining the Taubman family from voting its Series B Preferred Stock and the New 3% Shares;

(d) Declaring that the board of directors has breached -- and is breaching -- its fiduciary duties owed to the Company's shareholders;

(e) Declaring that the Taubman family has breached -- and is breaching -- its fiduciary duties owed to the Company's shareholders; and

(f) Granting to plaintiffs such other and further relief as the Court deems fair and equitable.

Dated: December 5, 2002

Respectfully submitted,

**MILLER, CANFIELD, PADDOCK & STONE, P.L.C.**

*By: /s/ CARL H. VON ENDE*
*---*
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**EXHIBIT 99(a)10**

**Important Message to all Associates:**

As the attached press release makes clear, the Company's Board of Directors, after careful consideration and with the counsel of its legal and financial advisors, has once again rejected Simon Property Group's proposal to acquire control of Taubman Centers. The Board has unanimously recommended that all Taubman Centers shareholders reject Simon's offer and not tender their shares. Today's press release makes clear the Board's numerous reasons for once again rejecting Simon's offer.

As you've heard me say before, we all need to stay focused on running the business. We deeply appreciate your continued support and efforts. We will keep you updated as events progress.

Sincerely,

**Robert Taubman**

**EXHIBIT 99(a)11**

**[TAUBMAN LOGO]**
**TAUBMAN**
Board Rejection of Simon Offer
December 11, 2002

**TAUBMAN REJECTS SIMON'S UNSOLICITED OFFER**

**[TAUBMAN LOGO]**

- Board unanimously rejects Simon's unsolicited offer as inadequate, opportunistic and clearly not in the best interests of Taubman Centers' shareholders
- Hostile offer is not a logical catalyst for sale
- Now is not the time to sell
- Taubman has a strong track record of performance
- Simon offer has no roadmap to completion
- Highly conditional offer
- Significant waste of corporate assets

**[TAUBMAN LOGO]**

## THE TAUBMAN BOARD, WITH THE ADVICE OF FINANCIAL AND LEGAL ADVISORS, THOROUGHLY CONSIDERED AND REJECTED SIMON TWO TIMES

o OCTOBER 16: LETTER David Simon sent unsolicited letter to Robert Taubman; no details, including no price.

o OCTOBER 21: TELEPHONE CALL Mr. Taubman spoke with Mr. Simon by telephone. Mr. Simon indicated his interest in acquiring the Company, including the possibility for Simon to enter into a joint venture with the Taubman family pursuant to which Simon Property Group would gain effective control of Taubman Centers. Mr. Taubman told Mr. Simon that while he did not believe there was any interest in pursuing a transaction, he would discuss the matter with the Taubman Board. After this conversation, Mr. Taubman contacted each of the Taubman directors individually to inform them of the letter and the conversation.

o OCTOBER 22: PROPOSAL Letter from Mr. Simon to Mr. Taubman detailed $17.50 per share cash acquisition; Mr. Taubman forwarded letter to Taubman Board.

o OCTOBER 28: REJECTION OF PROPOSAL Taubman Board met with financial and legal advisors to consider Simon's unsolicited $17.50 per share proposal; Board unanimously decided that Taubman Centers had no interest in pursuing sale transaction and that discussions would not be productive; Board authorized press release in the event of Simon disclosure; Mr. Taubman called Mr. Simon to inform him of the Board's unanimous conclusion and that discussions as to any such transaction would not be productive.

**TIMELINE OF EVENTS**

**Continued**

**[TAUBMAN LOGO]**

o NOVEMBER 6: MEETING At the NAREIT national conference, Mr. Simon reiterated his interest in acquiring Taubman Centers, and Mr. Taubman again informed Mr. Simon that the Taubman Board had met and the Company had no interest in pursuing a sale transaction.

o NOVEMBER 13: PROPOSAL MADE PUBLIC David Simon sent public "bear hug" letter to Taubman Board regarding identical $17.50 per share cash acquisition proposal.

o NOVEMBER 13: ANNOUNCEMENT OF REJECTION OF PROPOSAL Taubman Centers publicly announced Taubman Board's rejection of Simon's unsolicited proposal, based on the Board's extensive October 28 consideration of that proposal

o DECEMBER 5: TENDER OFFER LAUNCHED Simon commenced $18 per share cash tender offer and filed lawsuit in Michigan.

o DECEMBER 11: REJECTION OF OFFER Taubman Centers announced Taubman Board met to consider Simon's $18 per share offer and, after extensive consultation with financial and legal advisors, unanimously rejected Simon's offer and recommended that Taubman Centers shareholders not tender their shares.

**WRONG TIME TO SELL**

**[TAUBMAN LOGO]**

o Recent development projects have yet to stabilize
- NOI growth (2002 - 2003) expected to be more than 30% at Dolphin Mall and Wellington Green, and nearly 20% at International Plaza
- Stony Point Fashion Park (Richmond, Va., opening Sept. 2003) over 80% committed
- Mall at Millennia (Orlando) stabilizes in 2003
- Willow Bend - Saks opening 2005

o New initiatives to reduce frictional vacancy beginning to show results
o Highly coveted portfolio with significant scarcity value that will only increase over time
o No reason to sacrifice upside

**UNIQUE PORTFOLIO OF IRREPLACEABLE ASSETS**

**[TAUBMAN LOGO]**

o Most productive portfolio of regional malls
- Sales per square foot for mall shops of $456 versus $378 for Simon and an average of $356 for other public mall companies (CBL, MAC, GGP, RSE as of YE2001)
- Highest average rents among competitors (36% higher than next highest reporting company)
o Portfolio of consistently high-quality assets
o Limited number of upscale mall portfolios due to consolidation trend in sector
- Consistent buyer demand
- Always command premium cap rates

**PERFORMANCE FACTS**

**[TAUBMAN LOGO]**

o 16% FFO per share growth in 2002
- Highest in the sector and one of the highest expected among all REITs
o 81% total return over the past five years
- Outperformed Morgan Stanley REIT Total Return Index (22%)
- Outperformed S&P 500 Total Return Index (4%)
- Outperformed Simon Property Group (63%)

**PROVEN TRACK RECORD OF OUTPERFORMANCE**

**[TAUBMAN LOGO]**

**Trailing Five-Year Performance (a)**

**81% TOTAL RETURN OVER PAST 5 YEARS**

| | Taubman | Simon | Wilshire REIT | RMS | S&P 500 |
|---|---|---|---|---|---|
| Price Appreciation | 24.0% | 15.5% | (10.9)% | N/A | N/A |
| Dividend Return | 41.0% | 32.8% | N/A | N/A | N/A |
| Total Return (with dividends Reinvested) | 81.6% | 63.3% | N/A | 21.6% | 4.3% |
| CAGR | 12.3% | 9.3% | (2.3)% | 4.0% | 0.9% |

**12-Nov-1997 to 12-Nov-2002**

o Source: FactSet

**PROVEN TRACK RECORD OF OUTPERFORMANCE**
**Historical Total Returns(a)**

**[TAUBMAN LOGO]**

Taubman has consistently outperformed Simon and relevant indices

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| | 1-YEAR (2001) | 2-YEAR (2000-2001) | 3-YEAR (1999-2001) | 4-YEAR (1998-2001) | 5-YEAR (1997-2001) |
|---|---|---|---|---|---|
| TCO | 46.6% | 27.5% | 11.3% | 11.8% | 11.1% |
| SPG | 31.8% | 22.3% | 10.9% | 5.7% | 10.7% |
| RMS Total Return Index | 12.9% | 19.6% | 9.2% | 3.2% | 6.1% |
| S&P 500 total Return Index | (11.9%) | (10.5%) | (1.0%) | 4.8% | 6.3% |

(a) Source: FactSet, Calendar Year basis

**PROVEN TRACK RECORD OF OUTPERFORMANCE**
**5-Year stock Price Comparison - Taubman vs. Simon**

**[TAUBMAN LOGO]**

**[LINE GRAPH]**

**Daily from 12-Nov-1997 to 12-Nov-2002 (Day Before Simon's Proposal Made Public)**

**NO ROADMAP TO COMPLETION**

**[TAUBMAN LOGO]**

- Taubman family and other shareholders, with over 1/3rd total voting power of Company's capital stock, opposed to sale

- Sale or other extraordinary transaction requires 2/3rds affirmative vote

- Offer contingent on questionable litigation

- Highly conditional offer; significant risk that offer would not be consummated

- Simon attempting to increase control over key markets where it already dominates; potentially raises serious anti-trust concerns

**SIMON WILLING TO MISREPRESENT TO SERVE OWN END**

**[TAUBMAN LOGO]**

- Misleads about Taubman's 1998 restructuring and resulting corporate governance

- One share, one unit, one vote - completely democratic

- Misrepresents Simon's corporate governance structure

- Simon family has extraordinary, undemocratic powers - hardwired Board seats, absolute veto right over major transactions (including sale)

- Simon publicly denied that these powers exist, then acknowledged it made "a mistake" (New York Times, 12/1/02)

- To date, Simon has not issued a correction and maintains incorrect press release on website

- Mischaracterizes Taubman Centers financial performance

- Misrepresents David Simon's communication with Robert Taubman

**1998 RESTRUCTURING PROCESS**

**[TAUBMAN LOGO]**

**GOAL: ESTABLISH GOVERNANCE PACKAGE CONSISTENT WITH PUBLICLY-TRADED PEERS**

- Unanimous approval by independent directors

- Extensive process

- Retained independent legal and financial advisors

- Independent directors represented interests of public REIT shareholders

- Acknowledgement by NYSE that issuance of Series B shares did not require shareholder approval

**OWNERSHIP AND VOTING COMPARISON**

**[TAUBMAN LOGO]**

| | Pre-1998 Restructuring | | | Post-1998 Restructuring | |
|---|---|---|---|---|---|
| (a) | Ownership | Voting | | Ownership | Voting |
| Taubman Family | 18.8% | | Taubman Family | 29.8% | 29.8% |
| Other Unitholders | 4.6% | | Other Unitholders | 7.5% | 7.5% |
| Taubman Family and Other Unitholders | 23.4% | 30.8% | Taubman Family and Other Unitholders | 37.3% | 37.3% |
| GM Pension Trusts Unitholders | 37.2% | 30.8% | GM Pension Trusts Unitholders | - | - |
| REIT Shareholders | 39.4%(b) | 38.4% | REIT Shareholders | 62.7%(c) | 62.7%(c) |
| | 100.0% | 100.0% | | 100.0% | 100.0% |

Indicates voting rights via member seats on the Partnership Committee; Taubman family and other unitholders represented 4 members out of 13, GM Pension Trusts represented 4, and REIT Shareholders represented 5.

Includes approximately 6.3% ownership held by GM Pension Trusts in REIT shares.

Includes approximately 9.9% ownership held by GM Pension Trusts in REIT shares.

**OWNERSHIP AND VOTING STRUCTURE TODAY**

**[TAUBMAN LOGO]**

**Current Ownership Structure (15-Nov-2002) (a)**

**[PIE CHART]**

| | |
|---|---|
| Common Shares | |
| Taubman Family | 0.6% |
| Non-Family Directors and Officers | 0.3% |
| Other-REIT Shareholders | 61.3% |
| Common Units | |
| Taubman Family | 30.1% |
| Non-Family Unitholders | 7.6% |
| Non-Family Directors and Officers | 0.2% |

**Current Voting Structure (15-Nov-2002) (a)**

**[PIE CHART]**

| | |
|---|---|
| Common Shares | |
| Non-Family Directors and Officers | 0.2% |
| Other REIT Shareholders | 60.3% |
| Series B Preferred | |
| Taubman Family | 1.7% |
| Proxies | 31.9% |
| Total(b) | 33.6% |
| Non-Family Unitholders | 5.7% |
| Non-Family Directors and officers | 0.2% |

Some percentages may not appear to sum correctly due to rounding.

Includes durable proxies providing Taubman Family with the sole and absolute right to vote, per Schedule 13D filed on November 15th 2002.

**GOVERNANCE COMPARISON TODAY (A)**

**[TAUBMAN LOGO]**

| | Taubman | Simon |
|---|---|---|
| Family Equity Ownership | >30% | approx. 15% |
| Board of Directors | Taubman family can nominate, but not appoint, four of nine directors | Simon family can appoint four of thirteen directors. DeBartolo family can appoint two directors |
| Sale or Merger of REIT (and other extraordinary transactions) | Taubman family votes pro rata with economic ownership | Simon family has absolute veto power |
| Vote as a Separate Class | No | Yes |

Based on current ownership levels.

**BACK TO BUSINESS**

**[TAUBMAN LOGO]**

- No roadmap to completion

- Simon's unsolicited offer is a distraction and a waste of both companies' time and resources

- Board unanimously rejected Simon's offer as inadequate, opportunistic and not in the best interests of shareholders

- It's time to get back to business