

Alfred Baker Fonds

Writings

A letter To Chemists.

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A Letter To Chemists

Many of my chemist friends around the world have contacted me to inquire why I am no longer with Sigma-Aldrich. It is difficult to respond to each of you individually and so I have chosen this means of replying.

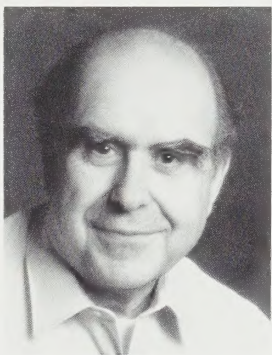
Some of you know me as the man who founded Aldrich over 40 years ago and built it into your favorite supplier of research chemicals. Many of you know me as the chemist collector who finds paintings for Aldrich's catalog and *Aldrichimica Acta* covers. Some of you know of the ABC's of my life—art, Bible and chemistry and the Alfred Bader Chemical Collection of research samples from some of the world's greatest chemists. Many of you know me as the chemist who has visited your laboratory with Isabel, his wife, and asked: "What can we do better?"—and surely you know that we meant it. For years we have been an important link between research and Sigma-Aldrich, and many of your suggestions have led to new products for Aldrich and Sigma.

On November 20 of last year, my successor at Sigma-Aldrich as CEO, Dr. Tom Cori, and Dr. David Harvey, the Chief Operating Officer, flew to London specially, to demand that I resign as a director of the Company because, in their words, I had 'bet against the Company.' That 'bet' consisted of a sale of an option on 10,000 shares of Sigma-Aldrich stock. Dr. Cori said that all the directors, except myself and Marvin Klitsner, who was undergoing heart bypass surgery at the time, had held a long telephone discussion about that sale, and had decided that I was no longer fit to work for the Company. I was flabbergasted, refused to resign and attempted to point out how erroneous that interpretation was.

The events leading to this November 20th meeting are simple. In the summer of 1991, I heard about option sales as a conservative way of marketing a limited number of shares at a price somewhat above the current market. I have never personally sold any stock in Sigma-Aldrich but have given a great deal of it away to universities around the world, to the ACS, and to many other institutions.

For some months I had intended to make a gift to my alma mater, Queen's University. With the intention of maximizing the gift, I sold a call option covered by 10,000 shares of my Sigma-Aldrich stock. This option, which sold on August 15 for \$25 per share, gave the buyer the right until mid-January to purchase these shares for \$45 per share. The University's practice—like almost every institution's—was to sell stock immediately on receipt, and the market was then about \$41 per share. So instead, I turned over to Queen's the optioned shares and the option proceeds.

Interestingly, Dr. Cori sold 10,000 shares in August, Dr. Harvey, 7000, and Mr. Gleich, the Company's secretary and treasurer, 5000 shares, all at \$41. The option which I sold was taken up in January at \$45, making the total proceeds \$47 per share, so that Queen's University received some \$60,000 more than Dr. Cori for the same number of shares. My gift represented less than one third of 1% of my 3,600,000 shares. Dr. Cori's sale of about 10% of his stock was a personal sale. As the only major individual stockholder who has never sold any of his stock, I have been 'betting with the Company'



Alfred Bader

with the biggest part of my assets. To accuse me of 'betting against the Company' is rubbish.

After the November board meeting in St. Louis just eight days before Dr. Cori's meeting with me in London, Dr. Cori and I had agreed that I should continue to work as chairman emeritus, without compensation, doing what I love doing—helping chemists and helping Sigma-Aldrich grow as a world leader in providing research chemicals. At that time, Dr. Cori said forcefully, "Keep working, Alfred; I have known many people who have retired

and were dead six months later." Then in the November 20th meeting in London, he said that a man who had 'bet against the Company' could not continue in any capacity.

Between then and the next board meeting in St. Louis in February, when the new slate of directors was approved for the annual meeting of stockholders in May, I tried to explain to Dr. Cori and the directors that I had not 'bet against the Company.' I gave a short presentation to the nominating committee stating that I would love nothing more than to continue working for the Company, not primarily for my sake but in the best interests of chemists and Sigma-Aldrich. Minutes later, the committee presented to the board a previously prepared resolution in which Marvin Klitsner and I were excluded from the slate of directors. Marvin and I cast the only dissenting votes.

Ever since November 20th, I have wondered why Dr. Cori decided that I must stop working for the Company, even though I had agreed to work without compensation. This is at his discretion. Many of you have heard my lecture "The Challenges at Sigma-Aldrich," which outlines the history and aims of the Company, and know how supportive I have been of our management; so Dr. Cori's decision seems absurd, and I believe we will all be the losers. For many decisions there are *stated* reasons and *real* reasons. The stated reason is that I had 'bet against the Company.' Did he have other reasons? Only he knows and he has not told me.

I will miss my visits with many of you and the excitement in your work which you have shared with me. I would be happy to continue to respond on a personal basis to any calls for help and advice you may care to make; my fax number at home is 414 962 8322.

Above all, Isabel and I want to thank you for the many wonderful experiences we have had with so many of you. Our lives have been so much richer because of you, and we hope that chemistry world wide has been better because of our work.

Sincerely yours,

A handwritten signature in dark ink that reads "Alfred Bader". The signature is fluid and cursive.

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