TAUBMAN CENTERS INC
Form S-3DPOS
November 29, 2001

As filed with the Securities and Exchange Commission on November 29, 2001

Registr

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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

POST-EFFECTIVE AMENDMENT NO. 1
TO
FORM S-3
REGISTRATION STATEMENT
under
THE SECURITIES ACT OF 1933

TAUBMAN CENTERS, INC.
(Exact name of registrant as specified in its Article)

Michigan
(State or Other Jurisdiction of Incorporation or Organization)

38
(I.R.S. Employe

200 East Long Lake Road
Bloomfield Hills, Michigan 48303
(248) 258-6800
(Address, including zip code, and telephone number, including area code, of registrant's princ offices)

Lisa A. Payne
Taubman Centers, Inc.
200 East Long Lake Road
Suite 300, P.O. Box 200
Bloomfield Hills, Michigan 48303-0200
(248) 258-6800
(Address, including zip code, and telephone number, including area code, of agent for service)

C
Marjorie H
Miro We
38500 Woodwar
Bloomfield Hill
(248

Approximate date of commencement of proposed sale to the public: From time to registration statement becomes effective.

If the only securities being registered on this form are being offered pursuant to di reinvestment plans, please check the following box. [_]

If any of the securities being registered on this form are to be offered on a delay basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered with dividend or interest reinvestment plans, check the following box. [X]

If this form is filed to register additional securities for an offering pursuant to the Securities Act, please check the following box and list the Securities Act registration st the earlier effective registration statement for the same offering. [_]

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Sec the following box and list the Securities Act registration statement number of the earlier effec statement for the same offering. [X] Registration No. 33-73038

If delivery of the prospectus is expected to be made pursuant to Rule 434, please ch box. [_]

Registration Stat

10,000,000 Shares
Taubman Centers, Inc.
Common Stock

This prospectus relates to the sale by certain of the Company's Shareholders, the Sell of up to 10,000,000 shares of the Company's common stock from time to time. The Company wi proceeds from the sale of these shares. Our shares of common stock are traded on the New Yor under the symbol "TCO." On November 28, 2001 the closing price of the common stock on t Exchange was $14.70 per share.

The Company is the managing general partner of The Taubman Realty Group Limited referred to in this prospectus as TRG. The Company has made a continuous, irrevocable offer t of partnership units in TRG, to exchange their partnership units in TRG for shares of the stock. Although as of this date none of the holders of partnership units in TRG has indic exchange their partnership units in TRG for shares of the Company's common stock, the Comp register the shares that would be received as a result of any exchange for resale under the 1933. TRG will bear all costs of registering the shares.

The Selling Shareholders may offer and sell the common stock at prevailing market pric negotiated transactions. The Selling Shareholders will be responsible for any commissions o brokers or dealers. The amount of those commissions or discounts will be negotiated before t or dealers participating in any sale of common stock offered by the Selling Shareholders principals or agents, may use block trades to position and resell the shares and may be deem under the Securities Act of 1933.

INVESTING IN OUR COMMON STOCK INVOLVES CERTAIN RISKS. SEE "GENERAL RISKS OF "ENVIRONMENTAL MATTERS" IN OUR ANNUAL REPORT ON FORM 10-K FOR THE FISCAL YEAR ENDED DECEM INCORPORATED BY REFERENCE INTO THIS PROSPECTUS.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSIO DISAPPROVED OF THESE SECURITIES OR DETERMINED WHETHER THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. TELL YOU OTHERWISE.

THE ATTORNEY GENERAL OF THE STATE OF NEW YORK HAS NOT PASSED ON OR ENDORSED TH OFFERING. IT IS ILLEGAL TO TELL YOU OTHERWISE.

The date of this prospectus is November 29, 2001

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WHERE YOU CAN FIND MORE INFORMATION

The Company files annual, quarterly and special reports, proxy statements and other in SEC. You may read and copy any material that the Company has filed with the SEC at the SEC's Room at 450 Fifth Street, N.W., Washington, D.C. 20549. You may obtain information on the opera Reference Room by calling the SEC at 1-800-SEC-0330. The Company files information electronica The SEC maintains an Internet site that contains reports, proxy and information statements and regarding issuers that file electronically with the SEC. The address of the SEC's http://www.sec.gov. You also may inspect copies of these materials and other information about Stock Exchange, Inc., 20 Broad Street, New York, New York 10005.

This prospectus is part of a registration statement filed with the SEC. The prospectu all of the information included in the registration statement. The Company has omitted parts o statement as permitted under the rules and regulations of the SEC. For further information, you to the registration statement, including its exhibits and schedules. Statements contained about the provisions or contents of any contract, agreement or any other document referred to a complete. For each of these contracts, agreements or documents filed as an exhibit to the regist we refer you to the actual exhibit for a more complete description of the matters involved.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The SEC allows us to "incorporate by reference" the information the Company files with that the Company can disclose important information to you by referring you to those documents incorporated by reference is considered to be part of this prospectus, and information that

later with the SEC will automatically update and supersede this information. The Company reference the documents listed below (file number 1-11530) and any future filings we will make Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 (the "Exchange termination of the offering of the shares made under this prospectus:

1 the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 200

2. the Company's Quarterly Reports on Form 10-Q, for the quarters ended March 31, 2 and September 30, 2001.

3. all other reports filed pursuant to Section 13(a) and 15(d) of the Exchange Ac the Company's fiscal year ended December 31, 2000; and

4. the description of our Common Stock, contained in our registration statement filed Act and any amendments or reports filed for the purpose of updating such descriptio

Upon request, we will provide to you without charge a copy of any of the documents reference in this prospectus, except the exhibits to those documents (unless the exhibits incorporated by reference in the documents). You may ask for these copies in writing or ora Taubman Centers, Inc., 200 East Long Lake Road, Suite 300, Bloomfield Hills, Michigan 48303 Investor Relations, telephone: (248-258-6800). In addition, copies of our SEC filings are acce web site at http://www.taubman.com.

FORWARD-LOOKING STATEMENTS

Statements in this prospectus and the information incorporated by reference that a factual statements are "forward-looking statements" within the meaning of section 27A of the 1933 (the "Securities Act") and section 21E of the Exchange Act. These forward-looking stateme Company's expectations or beliefs concerning future events, including the following: statement developments and joint ventures, rents and returns, statements regarding the continuation of and any statements regarding the sufficiency of the Company's cash balances and cash generated financing activities for the Company's future liquidity and capital resource needs. The Comp although forward-looking statements reflect the Company's good faith beliefs and best judgment information, these statements are qualified by important factors that could cause actual materially from those in the forward-looking statements, including those risks, uncertaint detailed from time to time in reports filed with the SEC, and in particular those set forth "General Risks of the Company" and "Environmental Matters" in the Company's Annual Report on Form

Unless otherwise indicated or unless the context otherwise requires, all references to "we," "us," "our" or "the Company" means Taubman Centers, Inc. and its subsidiaries.

YOU SHOULD READ THIS PROSPECTUS AND THE DOCUMENTS REFERENCED IN THIS PROSPECTUS CAREFULLY BEF

THE COMPANY

We are organized to operate as an equity real estate investment trust or REIT. T managing general partner of TRG and owns a 61% partnership interest in TRG. The Company co operations through TRG. TRG is a fully integrated real estate company, which acquires and de operates, manages and leases, regional shopping centers. In addition to acquiring and devel centers, TRG acquires and redevelops and/or expands existing centers. The TRG portfolio incl December 31, 2000. Four additional centers opened in 2001. The 20 centers now comprising the TR referred to as the Taubman Shopping Centers:

- are strategically located in major metropolitan areas, many in communities that are amo affluent in the country, including New York City, Los Angeles, Denver, Detroit, Phoen Dallas, Tampa and Washington, D.C.;

- range in size between 438,000 and 1.6 million square feet of gross retail space and betw and over 600,000 square feet of gross retail space excluding that allocated to anchor s

smallest center having approximately 50 stores, and the largest having approximately 200

- lease approximately 75% of gross retail space excluding that allocated to anchor stores chains, including subsidiaries or divisions of The Limited (The Limited, Limite Victoria's Secret, and others), The Gap (The Gap, Banana Republic, and others), Group, Inc. (Foot Locker, Champ Sports, and others); and

- have historically been among the most productive in the United States(measured by ma average per square foot sales) with mall tenants having had average per square foot sa in 2000, which is substantially greater than the average for all regional shopping cen by public companies.

The most important factor affecting the revenues generated by the centers is leasi (primarily specialty retailers), which represents approximately 90% of revenues. Anchors acc 10% of revenues because many own their stores and, in general, those that lease their sto substantially lower than those in effect for mall tenants.

The Company's portfolio is concentrated in highly productive super-regional shopping of the 20 centers currently comprising the TRG portfolio are super-regional shopping c centers open at December 31, 2000, 14 had annual rent rolls at December 31, 2000 of over Company believes that this level of productivity is indicative of the centers' strong competi is, in significant part, attributable to the Company's business strategy and philosophy. The that large shopping centers (including regional and especially super-regional shopping cent susceptible to direct competition because (among other reasons) anchors and large specialty re find it economically attractive to open additional stores in the immediate vicinity of an exis fear of competing with themselves. In addition to the advantage of size, the Company believes success can be attributed in part to their other physical characteristics, such as design, layout

In addition to the Taubman Shopping Centers, TRG has a 99% beneficial interest in Th Limited Partnership which manages the Taubman Shopping Centers and provides other servi Company. TRG also owns development projects for future regional shopping centers.

The Company's executive offices are maintained by The Taubman Company Limited Partn Long Lake Road, Suite 300, P.O. Box 200, Bloomfield Hills, Michigan 48303-0200, Telephone: (248)

RECENT DEVELOPMENTS

For a summary of recent developments, please refer to the Company's Quarterly Report the quarter ended September 30, 2001, as filed with the SEC.

SELLING SHAREHOLDERS

The Company has made a continuing offer (the "Continuing Offer") to certain par "Selling Shareholders") to exchange their units of partnership interest in TRG (the "Units") Company's common stock. All of the shares of common stock being offered under this prospectus the Selling Shareholders. Although as of this date none of the holders of partnership units in an intent to exchange their Units for shares of the Company's common stock, the Company is re the shares that would be received as a result of any exchange for resale under the Securities all costs of registering the shares. The Selling Shareholders will be responsible for an discounts due to brokers or dealers. The Company will not receive any proceeds from the sale o offered under this prospectus.

This registration does not necessarily mean that the Company will issue any shares that the partners that exchange their Units for common stock subsequently will offer or sell any

The following table sets forth information regarding each Selling Shareholder's owner stock. The table assumes that each Selling Shareholder is the beneficial owner of only tho right to acquire under the Company's Continuing Offer and that each Selling Shareholder sells a him.

Name of Selling Shareholder	Beneficial Ownership of Common Stock (1)
Robert S. Taubman, President, Chief Executive Officer and Director (2)	279,898
William S. Taubman, Executive Vice President and Director (2)	279,898
Gayle T. Kalisman	5,925
Richard P. Kughn	1,686,395
The Kughn Real Properties Company	53,792
Robert C. Larson, retired Director and Vice Chairman (2)	1,360,663
Sidney R. Unobskey	462,193
Leonard Dobbs	163,724
Gloria Dobbs	163,724
The Avner & Gloria Frank Naggar Living Trust	23,663
Marvin G. Leech	222,376
Courtney Lord, Senior Vice President and Managing Director, Leasing	435,153
Margaret Putnam	20,154
Burkhardt Family Trust	43,330
Michaela Naggar Bourne	43,773
Auri Neal Naggar	43,773
Ron Naggar	43,773
David Naggar	43,773
Tamara Naggar	43,773
Max M. Fisher, Trustee of the Max M. Fisher Revocable Trust	518,890
Assignees of Partners Not Eligible to Accept the Continuing Offer(3)	3,961,360
Total	10,000,000

(1) The number of shares is based on the exchange rate under the Company's Continuing Off the Company's common stock for each tendered Unit.

(2) Excludes shares of Common Stock that may be received in exchange for Units of Partners are subject to vested incentive options granted under TRG's 1992 Incentive Option Plan.

(3) Certain partners in TRG who are affiliates of A. Alfred Taubman have been excluded fr Offer; however, their assignees may, subject to certain limitations, accept the Cont Company is not aware of any excluded partner's present intent to dispose of any Units.

Pursuant to the TRG partnership agreement the partners may transfer their Uni circumstances or TRG may issue additional Units to new investors. The Company may amend the C include those transferees and new investors with the result that such transferees and new inve Selling Shareholders. We may file one or more supplemental prospectuses pursuant to Rul Securities Act to set forth the required information regarding any additional Selling Shareholder

CERTAIN PROVISIONS OF THE ARTICLES OF INCORPORATION AND BYLAWS

General

The following description is a summary of the material provisions of the Company's S Restated Articles of Incorporation (our "Articles") and the Company's Bylaws (our "Bylaws") a date of this prospectus.

This description does not restate these agreements in their entirety. We urge agreements because they, and not this description, define your rights as holders of our securiti copies of these agreements as exhibits to or incorporated them by reference into the registrati includes this prospectus.

Our Articles currently authorize the issuance of up to 500 million shares, including of our common stock. As more fully described below, the Company also has authorized preferre stock. As of November 28, 2001, the outstanding shares of stock of the Company were as follows:

- 50,379,810 shares of Common Stock;
- 8,000,000 shares of 8.30% Series A Cumulative Redeemable Preferred Stock;
- 31,835,066 shares of Series B Non-Participating Convertible Preferred Stock;
- no shares of 9% Series C Cumulative Redeemable Preferred Stock;
- no shares of 9% Series D Cumulative Redeemable Preferred Stock; and
- no shares of Excess Stock.

All of the authorized shares of the 9% Series C Cumulative Redeemable Preferred S Series D Cumulative Redeemable Preferred Stock, 2,000,000 and 250,000, respectively, have issuance to certain holders of preferred equity in TRG upon exercise of their conversion rights. of that date, approximately 6,571,314 shares of our common stock have been reserved for issuanc Company's Continuing Offer.

The authorized shares of our common stock and preferred stock in excess of those pres or specifically reserved are available for issuance at such times and for such purposes as our may deem advisable without further action by our shareholders, except as may be required by a regulations, including stock exchange rules. These purposes may include stock dividend retirement of indebtedness, employee benefit programs, corporate business combinations, acquis or other corporate purposes. The authorized shares of our excess stock are available for iss our Articles and as may be necessary to preserve our qualification as a REIT under applicable the holders of our common stock do not have preemptive rights, the issuance of common stock, o rata basis to all current shareholders, would reduce the current shareholders' proportionate such event, however, shareholders wishing to maintain their interests may be able to do so thr purchases. Any future issuance of the Company common stock will be subject to the righ outstanding shares of its existing series of preferred stock and of any shares of preferred sto the future. See also "Certain Provisions of the Articles of Incorporation and Bylaws--Preferred

Description Of Common Stock

Subject to any preferential rights granted to any existing or future series of pref shares of common stock have equal right to dividends payable to common shareholders as declar directors and in net assets available for distribution to common shareholders on liquidation, winding up of the Company. Each outstanding share of common stock entitles the holder matters submitted to a vote of the shareholders. Holders of common stock do not have cumulativ the election of directors. All issued and outstanding shares of common stock are, and the com under this prospectus will be upon issuance, validly issued, fully paid and nonassessable. common stock you do not have preference, conversion, exchange or preemptive rights.

In addition to the holders of the common stock, the holders of the Company's Series B Convertible Preferred Stock (the "Series B Stock") are entitled to one vote per share on all mat a vote of the shareholders. The holders of Series B Stock (voting as a separate class) are en up to four individuals for election as directors of the Company. The number of individuals the B Preferred Stock may nominate in any given year is reduced by the number of directors nominat in prior years whose terms are not expiring.

Currently, a majority of the outstanding shares of common stock and Series B Stock (common stock, the "Voting Stock") is required for a quorum. Any action regarding shareholder than the election of directors) will be approved, upon the affirmative vote of holders of outstanding shares of Voting Stock. Directors are elected by a plurality of the votes cast.

The Company's 8.30% Series A Cumulative Redeemable Preferred Stock does not enti vote. Although the Company has authorized the issuance of shares of additional series of prefer Series C Cumulative Redeemable Preferred Stock and the 9% Series D Cumulative Redeemable pursuant to the exercise of conversion rights granted to certain holders of preferred equity in no such shares of preferred stock are outstanding. When issued, such shares of Series C and Stock will not entitle their respective holders to vote.

The common stock is listed on the New York Stock Exchange under the ticker symbol "T
to the New York Stock Exchange (NYSE) to list additional shares to be sold pursuant to any pros
and we anticipate that any such additional shares will be listed.

Staggered Board Of Directors

Under the Bylaws, the Company's board of directors is divided into three classes of dir
class constituting approximately one-third of the total number of directors and with the
staggered three-year terms. Our Articles provide that a majority of the Company's d
"Independent," as defined in the Articles. Generally, a director is Independent if he is neit
employee of the Company or its subsidiaries. The classification of the board of directo
difficult for shareholders to change the composition of the board of directors because only
directors are elected at any one time. We believe however, that the longer terms associated w
board of directors help to ensure continuity and stability of the Company's management and polici

The classification provisions could also have the effect of discouraging a third party
a large block of the Company's stock or attempting to obtain control of the Company, even thou
might be beneficial to the Company and some, or a majority, of its shareholders.

Number of Directors; Removal

Our Articles provide that the number of directors will be fixed by our Bylaws. Our
provide for the Board of Directors to establish from time to time the size of the Board, however
be reduced except upon the expiration of the term of one or more directors or the death, resi
of a director. Currently the Board is comprised of 9 directors serving three-year staggered term

Directors may be removed only upon the affirmative vote of two-thirds of the outs
capital stock entitled to vote.

Preferred Stock

Our Articles authorize the board of directors to establish one or more series of prefe
determine, with respect to any series of preferred stock, the preferences, rights (incl
conversion rights), and other terms of such series. We believe that the ability of the board
issue one or more series of preferred stock provides the Company with increased flexibility in
needs. The authorized shares of preferred stock, as well as unissued shares of common stock,
issuance without further action by the Company's shareholders, except as may be required by a
regulations including stock exchange rules. Although our board of directors has no present i
they could issue a series of preferred stock that (because of its terms) could impede a merger,
other transaction that some of the Company's shareholders might believe to be in their best int
shareholders might receive a premium over the then-prevailing market prices for their shar
preferred stock could be issued in order to dilute the percentage voting stock of a significant
issued to a holder expected to vote in accordance with the recommendations of the Company's
respect to any shareholder proposal.

Amendment of Articles of Incorporation and Bylaws

We may amend our Articles with the affirmative vote of two-thirds of the outstanding
stock entitled to vote. A majority of the board of directors may amend our Bylaws at any time,
by statute and except for a bylaw that is adopted by the shareholders and that, by its terms,
can be amended only by the shareholders. The shareholders can amend our Bylaws only upon the a
two-thirds of the outstanding shares of capital stock entitled to vote.

Ownership Limit

The ownership limits included in our Articles may discourage offers to acquire the Co
the difficulty of consummating any such acquisition. See "Transfer Restrictions, Restrictions on

TRANSFER AGENT

The transfer agent and registrar for our common stock is Mellon Investor Services, L.L.C

TRANSFER RESTRICTIONS, RESTRICTIONS ON OWNERSHIP

Because the Company's board of directors believes it is essential for the Company to c as a REIT, our Articles and Bylaws contain restrictions on the ownership and transfer of our cap are intended to assist the Company in complying with these requirements.

For the Company to qualify as a REIT under the Internal Revenue Code of 1986, as amen not more than 50% in value of its outstanding stock may be owned, actually or constructively, individuals (as defined in the Code to include certain entities) during the last half of a tax stock must be beneficially owned by 100 or more persons during at least 335 days of a taxable or during a proportionate part of a shorter taxable year. In addition, rent from Related defined below) is not qualifying income for purposes of the income tests under the Code.

Under the Company's Articles, in general, no shareholder may own more than 8.2 Company's capital stock (the "General Ownership Limit"). Certain pension trusts of General M and its affiliates (the " GM Trusts") may collectively own the greater of 8,731,426 shares o Stock (which term refers to shares of common stock and preferred stock that are not Excess S value of the outstanding capital stock; the AT&T Master Pension Trust (the "AT&T Trust and, to Trusts, the "Trusts") may own the greater of 6,059,080 shares of Regular Capital Stock and 13.7 outstanding capital stock; and the Trusts may own, in the aggregate, the greater of 14,790,506 Capital Stock and 33.54% in value of the outstanding Capital Stock (each such variation Ownership Limit is referred to as an "Existing Holder Limit"). In addition, the board of authority to allow a "Look Through Entity" to own up to 9.9% in value of the capital stock (Entity Limit"). A "Look Through Entity," in general, is an entity (other than a qualified t 401(a) of the Code, an entity that owns 10% or more of the equity of any tenant from which t receives or accrues rent from real property, or certain tax exempt entities described in our beneficial owners, rather than the entity, would be treated as owning the Capital Stock owned by

Our Articles provide that if the transfer of any shares of Regular Capital Stock Company's capital structure would cause any person (the "Purported Transferee") to own Regula excess of the General Ownership Limit (which refers to 8.23% in value of the outstanding Capi Look Through Limit (which refers to 9.9% in value of the outstanding capital stock) or applicable Existing Holder Limit (which is the greater of the fixed number of shares of Regular percentage in value of the outstanding capital stock applicable to the relevant Trust, as descri the transfer is void ab initio (the General Ownership Limit, the Look Through Limit, and th Limit are referred to collectively as the "Ownership Limits"). It is possible, however, Regular Capital Stock in violation of one of the Ownership Limits could occur without the Com Accordingly, our Articles provide that if notwithstanding the Ownership Limits, a transfer n which causes a person to own in excess of any of the Ownership Limits, the shares in excess Limit automatically acquire the status of "Excess Stock." Shares that have become Excess Sto issued and outstanding shares of common stock or preferred stock, as the case may be.

A Purported Transferee of Excess Stock acquires no rights to those shares. Ra associated with the ownership of those shares (with the exception of the right to be reimbursed the original purchase price of those shares or the amount received by the Designated Agen shares as described below) immediately vest in one or more charitable organizations designated by the Company's board of directors (each, a "Designated Charity"). An agent designated from t board of directors (each, a "Designated Agent") will act as attorney-in-fact for the Designate the shares of Excess Stock, to take delivery of the certificates evidencing the shares that Stock and to receive distributions paid to the Purported Transferee with respect to t Designated Agent will sell the Excess Stock, and any increase in value of the Excess Stock b became Excess Stock and the date of sale will inure to the benefit of the Designated Charity.

A Purported Transferee must notify the Company of any transfer resulting in shares Excess Stock, and provide other information regarding such person's ownership of our ca request. In addition, any person holding 5% or more of the Company's capital stock must information regarding their ownership.

Under our Articles, only the Designated Agent has the right to vote shares of Excess our Articles also provide that votes cast with respect to certain irreversible corporate actio or sale of the Company) will not be invalidated if erroneously voted by the Purported Transfe also provide that a director is deemed to be a director for all purposes, notwithstan

Transferee's unauthorized exercise of voting rights with respect to shares of Excess Stock in
such director's election.

The General Ownership Limit will not be automatically removed even if the REIT provisi
as to no longer contain any ownership concentration limitation or if the concentration limita
In addition to preserving the Company's status as a REIT, the effect of the General Ownership L
any person from acquiring unilateral control of the Company. Any change in the General Owne
require an amendment to the Articles. Currently, amendments to the Articles require the af
holders owning not less than two-thirds of the outstanding capital stock entitled to vote.

All certificates evidencing shares of capital stock bear or will bear a legend
restrictions described above.

FEDERAL INCOME TAX CONSIDERATIONS

*The following is a summary of certain Federal income tax considerations that may
prospective purchaser of common stock, is based on current law, and is not tax advice. This d
address all aspects of taxation that may be relevant to particular shareholders in light
investment or tax circumstances or to certain types of shareholders (including insurance com
institutions or broker-dealers) subject to special treatment under the Federal income tax laws.*

*This discussion was prepared by Miro Weiner & Kramer, counsel to the Company, and i
provisions of the Code, existing, temporary and currently proposed Treasury Regulations un
legislative history of the Code, existing administrative rulings and practices of the
decisions. Legislative, judicial or administrative changes may affect the accuracy of any s
Prospectus with respect to transactions entered into or contemplated prior to the effective date*

EACH PROSPECTIVE PURCHASER IS ADVISED TO CONSULT HIS OWN TAX ADVISOR REGARDING
CONSEQUENCES TO HIM OF THE PURCHASE, OWNERSHIP AND SALE OF THE COMMON STOCK AND OF THE COMPANY
TAXED AS A REAL ESTATE INVESTMENT TRUST, INCLUDING THE FEDERAL, STATE, LOCAL, FOREIGN AND OTHE
OF SUCH PURCHASE, OWNERSHIP, SALE AND ELECTION AND OF POTENTIAL CHANGES IN APPLICABLE TAX LAWS.

Taxation of Taubman Centers, Inc.

General.

We elected to be taxed as a REIT under Sections 856 through 860 of the Code. We be
organized and have operated in a manner that allows us to qualify for taxation as a REIT u
intend to continue to operate in this manner. Nonetheless, our qualification and taxation as a
our ability to meet (through actual annual operating results, asset diversification, distri
diversity of stock ownership) the various qualification tests imposed under the Code. Accordi
assurance that we have operated or will continue to operate in a manner so as to qualify or rema
REIT. See "Failure to Qualify."

*The sections of the Code that relate to the qualification and operation as a REIT are
and complex. The following sets forth the material aspects of the sections of the Code that
income tax treatment of a REIT and its shareholders. This summary is qualified in its entirety
Code provisions, relevant rules and regulations promulgated under the Code, and administra
interpretations of the Code.*

If we qualify for taxation as a REIT, we generally will not be subject to Federal corpo
on our net income that is currently distributed to our shareholders. This treatment substantial
"double taxation" (once at the corporate level when earned and once again at the shareh
distributed) that generally results from investment in a corporation. We will, however, be
income tax as follows:

- First, we will be taxed at regular corporate rates on any undistributed RE
including undistributed net capital gains.
- Second, we may be subject to the "alternative minimum tax" on our items of tax pr
circumstances.

- Third, if we have (a) net income from the sale or other disposition of "fore (defined generally as property we acquired through foreclosure or after a secured by the property or a lease of the property) that is held primarily for in the ordinary course of business or (b) other nonqualifying income from fore we will be subject to tax at the highest corporate rate on this income.

- Fourth, we will be subject to a 100% tax on any net income from prohibited transa in general, certain sales or other dispositions of property held primarily for sa the ordinary course of business other than foreclosure property).

- Fifth, we will be subject to a 100% tax on an amount equal to (a) the gross inco the greater of the amount by which we fail the 75% or 95% test multiplied intended to reflect our profitability, if we fail to satisfy the 75% gross incom gross income test (as discussed below), but have maintained our qualification as satisfied certain other requirements.

- Sixth, we would be subject to a 4% excise tax on the excess of the required dist amounts actually distributed if we fail to distribute during each calendar yea of (a) 85% of our REIT ordinary income for the year, (b) 95% of our REIT capit for the year, and (c) any undistributed taxable income from prior periods.

- Seventh, if we acquire any asset (a "Built-In Gain Asset") from a corporation tha C corporation (i.e., generally a corporation subject to full corporate-level tax in which the basis of the Built-In Gain Asset in our hands is determined by basis of the asset in the hands of the C corporation, and we subsequently rec disposition of the asset during the ten-year period (the "Recognition Period") date on which we acquired the asset, then we will be subject to tax, pursua issued by the IRS, at the highest regular corporate tax rate on this gain to Built-In Gain (i.e., the excess of (a) the fair market value of the asset over basis in the asset, determined as of the beginning of the Recognition Peri described in this paragraph assume that we will make an election pursuant to Tre Section 1.337(d)-5T(b)(3).

Requirements for Qualification as a REIT.

The Code defines a REIT as a corporation, trust or association:

(1) that is managed by one or more trustees or directors;

(2) that issues transferable shares or transferable certificates beneficial ownership;

(3) that would be taxable as a domestic corporation, but for Sections the Code;

(4) that is not a financial institution or an insurance company with certain provisions of the Code;

(5) that is beneficially owned by 100 or more persons;

(6) of which during the last half of each taxable year not more than 5 outstanding stock is owned, actually or constructively, by five or as defined in the Code to include the entities set forth in Code secti

(7) that meets certain other tests, described below, regarding the na and assets and the amount of its distributions.

The Code provides that conditions (1) to (4), inclusive, must be met during the entir that condition (5) must be met during at least 335 days of a taxable year of twelve mon proportionate part of a taxable year of less than twelve months. Conditions (5) and (6) do not the first taxable year for which an election is made to be taxed as a REIT. For purposes o pension funds and some other tax-exempt entities are treated as individuals, subject to

exception in the case of pension funds.

We believe that we have satisfied each of these conditions. In addition, our Art restrictions regarding transfer of our shares of capital stock and our Continuing Offer to ce TRG to exchange their Units for shares of our common stock includes certain restrictions on exercise rights under the Continuing Offer. These restrictions are intended to assist us satisfy the share ownership requirements described in (5) and (6) above. These owners restrictions are described above under the heading "Transfer Restrictions, Restrictions on restrictions, however, may not ensure that we will, in all cases, be able to satisfy the requirements described in (5) and (6) above. If we fail to satisfy these share ownership status as a REIT will terminate. If, however, we comply with the rules contained in ap Regulations that require us to ascertain the actual ownership of our shares and we do not know, known through the exercise of reasonable diligence, that we failed to meet the requirement desc (6) above, we will be treated as having met this requirement. See "Failure to Qualify" below.

In addition, a corporation may not elect to become a REIT unless its taxable year is t We have and intend to continue to have a calendar taxable year.

In the case of a REIT that is a partner in a partnership or member of a limited liabi is taxable as a partnership for Federal income tax purposes, IRS regulations provide that the R to own its proportionate share of the assets of the partnership or limited liability compan be), and the REIT will be deemed to be entitled to the income of the partnership or limited liab the case may be) attributable to such share. The character of the assets and gross income of t limited liability company (as the case may be) retains the same character in the hands of the of Section 856 of the Code, including satisfying the gross income tests and the asset tests. proportionate share of the assets, liabilities and items of income of TRG, including TRG's prop the assets, liabilities, and items of income of The Taubman Company Limited Partnership (the shopping center joint ventures (provided that none of the joint ventures or the variou beneficially owned by TRG (the "TRG Trusts") which serve as TRG's partners, in those wholly-owned by TRG are taxable as corporations for Federal income tax purposes) is treat liabilities and items of income for purposes of applying the requirements described in this pros the income and asset tests described below).

We must satisfy two gross income requirements annually to maintain our qualification each taxable year we must derive directly or indirectly at least 75% of our gross income (exclu from prohibited transactions) from investments relating to real property or mortgages on real p "rents from real property" and, in certain circumstances, interest) or from certain ty investments. Second, each taxable year we must derive at least 95% of our gross income (exclu from prohibited transactions) from these real property investments, dividends, interest and gai disposition of stock or securities (or from any combination of the foregoing). The term "in does not include any amount received or accrued (directly or indirectly) if the determinat depends in whole or in part on the income or profits of any person. Nevertheless, an amount r generally will not be excluded from the term "interest" solely by reason of being based on a fi percentages of receipts or sales.

Rents we receive will qualify as "rents from real property" in satisfying the gross in for a REIT described above only if the following conditions are met:

- First, the amount of rent must not be based in whole or in part on the income or person. However, an amount received or accrued generally will not be excluded fr from real property" solely by reason of being based on a fixed percentage receipts or sales;

- Second, except for rents received from a taxable REIT subsidiary, as disc received from a tenant will not qualify as "rents from real property" in sa income tests if the REIT, or an actual or constructive owner of 10% or m actually or constructively owns 10% or more of the interests in such tenant Tenant");

- Third, if rent attributable to personal property, leased in connection with property, is greater than 15% of the total rent received under the lease, then th attributable to personal property will not qualify as "rents from real property;"

- o Fourth, if rent is received from a taxable REIT subsidiary with respect to any than 10% of the leased pace at the property may be leased to taxable REIT subsid Party Tenants, and rents received from such property (except from Related Part substantially comparable to rents paid by other tenants of the REIT's propert space; and

- o Fifth, for rents to qualify as "rents from real property," the REIT generally m manage the property or furnish or render services to the tenants of the property de minimis exception), other than through an independent contractor from whom t revenue. The REIT may, however, directly perform certain services that customarily rendered" in connection with the rental of space for occupancy otherwise considered "rendered to the occupant" of the property.

Substantially all of our income is derived from our partnership interest in TRG. Curr estate investments give rise to income that enables us to satisfy all of the income tests descri income is largely derived from its interests in the Taubman Shopping Centers. This income gener "rents from real property" for purposes of the 75% and the 95% gross income tests. TRG also de its partnership interest in the Manager and, to the extent dividends are paid by the Manager's ("Taub-Co"), from TRG's interest in Taub-Co.

We believe that neither TRG nor any of the shopping center owners in which TRG has "Center Owners") charges rent from any property that is based in whole or in part on the income person (except by reason of being based on a fixed percentage of receipts or sales, as desc believe that neither TRG nor any of the Center Owners derives rent attributable to personal p connection with real property that exceeds 15% of the total rents. In addition, although Owners may advance money from time to time to tenants for the purpose of financing tenant imp not intend to charge interest that will depend in whole or in part on the income or profits of an

We do not believe that we derive rent from property rented to a Related Party Tena determination of whether we own 10% or more of any tenant is made after the application of co rules under which we will be treated as owning interests in tenants that are owned by Shareholders." In identifying our Ten Percent Shareholders, each individual or entity will be common stock and preferred stock held by related individuals and entities. Accordingly, we ca certain whether all Related Party Tenants have been or will be identified. Although rent deri Party Tenant will not qualify as rents from real property and, therefore, will not be qualifyin 75% or 95% gross income tests, we believe that the aggregate amount of such rental inco nonqualifying income) in any taxable year will not exceed the limits on nonqualifying income income tests. See "Failure to Qualify."

We believe that neither TRG nor any of the Center Owners will lease any property subsidiary unless they determine that not more than 10% of the leased space at such property is Party Tenants and our taxable REIT subsidiaries and the rents received from such leases comparable to those received from other tenants (except rent from Related Party Tenants) of Owners for comparable space.

TRG has entered into an agreement with the Manager, pursuant to which the Manager pro that TRG requires in connection with the operation of the Taubman Shopping Centers. As ownership interests in the Manager and Taub-Co, the Manager does not qualify as an independent whom the Company derives no income. We believe, however, that no amounts of rent should be definition of rents from real property solely by reason of the failure to use an independent con will hire an independent contractor to the extent necessary to qualify rental income as rents under Section 856(d)(1) of the Code.

The Manager receives fees in exchange for the performance of certain management a services, including fees to be received pursuant to agreements with the Company and TRG. A por will accrue to us because TRG owns a limited partnership interest in the Manager. Our indirec management fees generated by the Manager generally may not be qualified income under the 75% o tests (at least to the extent attributable to properties in which TRG has no interest or t partner's interest in a property). In any event, we believe that the aggregate amount of other nonqualifying income) in any taxable year has not exceeded and will not exceed the limits income under the 75% and 95% gross income tests.

If we fail to satisfy one or both of the 75% or 95% gross income tests for any taxa
nevertheless qualify as a REIT for the year if we are entitled to relief under specific provis
Generally, we may avail ourselves of the relief provisions if:

- our failure to meet these tests was due to reasonable cause and not due to willf
- we attach a schedule of the sources of our income to our Federal income tax retu
- any incorrect information on the schedule was not due to fraud with intent to ev

It is not possible, however, to state whether in all circumstances we would be entitled to th
relief provisions. For example, if we fail to satisfy the gross income tests because nonquali
we intentionally incur exceeds the limits on nonqualifying income, the IRS could conclude t
satisfy the tests was not due to reasonable cause. If these relief provisions do not apply to
of circumstances, we will not qualify as a REIT. As discussed above in "Taxation of Taubman
General," even if these relief provisions apply, and we retain our status as a REIT, a tax wou
respect to our excess net income. We may not always be able to maintain compliance with the gr
for REIT qualification despite our periodic monitoring of our income.

Prohibited Transaction Income.

Any gain realized by us on the sale of any property held as inventory or other propert
for sale to customers in the ordinary course of business (including our share of any such gai
will be treated as income from a prohibited transaction that is subject to a 100% penalty tax.
transaction income may also adversely affect our ability to satisfy the income tests for q
REIT. Under existing law, whether property is held as inventory or primarily for sale to
ordinary course of a trade or business is a question of fact that depends on all the facts
surrounding the particular transaction. TRG owns interests in real property that is situated o
certain of the Taubman Shopping Centers. Sales of peripheral property will generally be made
REIT subsidiary, and gain from such sales will be subject to the corporate income tax, as disc
"The Taxable REIT Subsidiary." TRG intends to hold its properties for investment with a
appreciation, and to engage in the business of acquiring, developing and owning properties.
intend to make occasional sales of its properties as are consistent with its investment object
may contend that one or more of these sales is subject to the 100% penalty tax.

Asset Tests.

At the close of each quarter of our taxable year, we also must satisfy three test
nature and diversification of our assets.

- First, at least 75% of the value of our total assets (including our allocable s
held by TRG) must be represented by real estate assets, cash, cash items held fo
and government securities. For purposes of this test, real estate assets incl
instruments that are purchased with the proceeds of a stock offering or a lo
five years) public debt offering.
- Second, not more than 25% of the value of our total assets may be represented by
than those securities includable in the 75% asset test.
- Third, not more than 20% of the value of our total assets may be represented by s
or more taxable REIT subsidiaries.
- Fourth, except with respect to a taxable REIT subsidiary or securities includabl
test, the value of any one issuer's securities may not exceed 5% of the value of
and we may not own more than 10% of any one issuer's outstanding voting securiti
10% of the total value of any one issuer's outstanding securities.

We are deemed to own a proportionate share of all of the assets owned by TRG and the
which TRG is a partner. We believe that more than 75% of the value of TRG's assets qualify
assets." An election has been made to treat Taub-Co and each of its subsidiaries as a taxable

Likewise, a taxable REIT subsidiary election has been made or will be made for each corporation
or indirectly, by TRG. Further, we believe that the value of our proportionate share of T
taxable REIT subsidiary securities does not exceed 20% of the value of our assets, and we do
will exceed 20% in the future.

After initially meeting the asset tests at the close of any quarter, we will not lo
REIT for failure to satisfy the asset tests at the end of a later quarter solely by reason o
values. If we fail to satisfy the asset tests because we acquire securities or other property
(including as a result of our increasing our interest in TRG or if TRG owns non-qualifying ass
this failure by disposing of sufficient nonqualifying assets within 30 days after the close of
believe we have maintained and intend to continue to maintain adequate records of the valu
ensure compliance with the asset tests and to take such other actions within the 30 days afte
quarter as may be required to cure any noncompliance. If we fail to cure noncompliance wit
within this time period, we would cease to qualify as a REIT.

The Taxable REIT Subsidiary.

The Internal Revenue Code provides that for taxable years beginning after December 31
own more than 10% of the voting power and value of securities in a taxable REIT subsidiary
subsidiary is a corporation that is not a REIT (a) in which the REIT directly or indirectly ow
as to which an election has been jointly made to treat the corporation as a taxable REI
addition, any corporation (other than a REIT or a qualified REIT subsidiary) is a taxable REI
taxable REIT subsidiary of a REIT owns directly or indirectly (i) securities having more tha
voting power of the outstanding securities of the corporation, or (ii) securities with a valu
of the total value of the outstanding securities of the corporation calculated without rega
harbor debt. As discussed under "Requirements for REIT Qualification," above, not more th
market value of a REIT's assets can be composed of securities of taxable REIT subsidiarie
taxable REIT subsidiary is not a qualified asset for purposes of the 75% asset test.

Although the activities and income of a taxable REIT subsidiary are subject to the corp
a taxable REIT subsidiary is permitted to engage in activities and render services the inco
earned directly by the REIT, would disqualify the REIT. Additionally, under certain limited c
may receive income from a taxable REIT subsidiary that will be treated as rent.

The amount of interest on related party debt a taxable REIT subsidiary may deduct is
a 100% excise tax applies to any interest payments by a taxable REIT subsidiary to its affil
extent the interest rate is set above a commercially reasonable level. A taxable REIT subsidia
deduct interest payments to unrelated parties without restriction.

The Internal Revenue Code allows the Internal Revenue Service to reallocate costs betw
taxable REIT subsidiary. Any deductible expenses allocated away from a taxable REIT subsidia
its tax liability, and the amount of such increase would be subject to interest charges. Furth
which a REIT understates its deductions and overstates those of its taxable REIT subsidiary
certain exceptions, be subject to a 100% excise tax.

Annual Distribution Requirements.

To maintain our qualification as a REIT, we are required to distribute dividends (
gain dividends) to our shareholders in an amount at least equal to the sum of 90% of our "REIT
(computed without regard to the dividends paid deduction and our net capital gain) and 90%
(after tax), if any, from foreclosure property, minus the excess of the sum of particular it
income (i.e., income attributable to leveled stepped rents, original issue discount on purchas
like-kind exchange that is later determined to be taxable) over 5% of our "REIT taxable in
above. In addition, if we dispose of any Built-In Gain Asset during its Recognition Pe
required, pursuant to Treasury Regulations which have not yet been promulgated, to distribute a
Built-In Gain (after tax), if any, recognized on the disposition of such asset.

These distributions must be paid in the taxable year to which they relate, or in the
year if they are declared before we timely file our tax return for such year and if paid on o
regular dividend payment after such declaration. These distributions are taxable to holders of
(other than tax-exempt entities, as discussed below) in the year in which paid. This is so
distributions relate to the prior year for purposes of our 90% distribution requirement. The a

must not be preferential; i.e., every shareholder of the class of stock to which a distributi treated the same as every other shareholder of that class, and no class of stock may be treated accordance with its dividend rights as a class. To the extent that we do not distribute all gain or distribute at least 90%, but less than 100%, of our "REIT taxable income," as adj subject to tax on such income at corporate tax rates.

Our REIT taxable income consists substantially of our distributive share of the Currently, our REIT taxable income is less than the cash flow we receive from TRG, due to depreciation and other non-cash charges in computing REIT taxable income. Accordingly, we a will generally have sufficient cash or liquid assets to enable us to satisfy the 90% distribution

It is possible that from time to time we may not have sufficient cash or other liqu these distribution requirements due to timing differences between the actual receipt of income of deductible expenses, and the inclusion of income and deduction of expenses in arriving at ou If these timing differences occur, to meet the distribution requirements we may need to arran or possibly long-term, borrowings or need to pay dividends in the form of taxable stock dividends

We may be able to rectify a failure to meet the distribution requirement for "deficiency dividends" to shareholders in a later year, which may be included in our deduction for the earlier year. Thus, we may be able to avoid being taxed on amounts distributed as defi Nonetheless, we will be required to pay interest based upon the amount of any deduction tak dividends.

Furthermore, we would be subject to a 4% excise tax on the excess of the required dist amounts actually distributed if we should fail to distribute during each calendar year distributions with declaration and record dates falling in the last three months of the calenda of January immediately following such year) at least the sum of 85% of our REIT ordinary inc 95% of our REIT capital gain income for the year and any undistributed taxable income from pr REIT taxable income and net capital gain on which this excise tax is imposed for any year is tr distributed during that year for purposes of calculating such tax.

Failure to Qualify

If we fail to qualify for taxation as a REIT in any taxable year, and the relief apply, we will be subject to tax (including any applicable alternative minimum tax) on our regular corporate rates. Distributions to shareholders in any year in which we fail to qu deductible by us and we will not be required to distribute any amounts to our shareholders. failure to qualify as a REIT would reduce the cash available for distribution by us to our addition, if we fail to qualify as a REIT, all distributions to shareholders will be taxable to the extent of our current and accumulated earnings and profits, and subject to limitat corporate distributees may be eligible for the dividends received deduction. Unless entitl specific statutory provisions, we will also be disqualified from taxation as a REIT for the following the year during which we lost our qualification. It is not possible to stat circumstances we would be entitled to this statutory relief.

Taxation of Taxable U.S. Shareholders

As used below, the term "U.S. Shareholder" means a holder of shares of common stoc States Federal income tax purposes):

- is a citizen or resident of the United States;
- is a corporation, partnership, or other entity created or organized in or under United States or of any state thereof or in the District of Columbia, unless, i entity taxed as a partnership, Treasury Regulations provide otherwise;
- is an estate the income of which is subject to United States Federal income taxa its source; or
- is a trust whose administration is subject to the primary supervision of a Unite which has one or more United States persons who have the authority to control decisions of the trust.

Notwithstanding the preceding sentence, to the extent provided in Treasury Regulations, existence on August 20, 1996, and treated as United States persons prior to this date that el be treated as United States persons, shall also be considered U.S. Shareholders.

Distributions Generally.

As long as we qualify as a REIT, distributions out of our current or accumulated ear other than capital gain dividends discussed below, will constitute dividends taxable to Shareholders as ordinary income. These distributions will not be eligible for the dividends-r in the case of U.S. Shareholders that are corporations.

For purposes of determining whether distributions to holders of common stock are accumulated earnings and profits, our earnings and profits will be allocated first to the outs stock and then to the common stock. To the extent that we make distributions, other than capit discussed below, in excess of our current and accumulated earnings and profits, these dist treated first as a tax-free return of capital to each U.S. Shareholder. This treatment will r basis which each U.S. Shareholder has in his shares of stock for tax purposes by the amount of (but not below zero). Distributions in excess of a U.S. Shareholder's adjusted basis in hi taxable as capital gains (provided that the shares have been held as a capital asset) and long-term capital gain if the shares have been held for more than one year. Dividends we de November, or December of any year and payable to a Shareholder of record on a specified da months shall be treated as both paid by us and received by the shareholder on December 31 of th we actually pay the dividend on or before January 31 of the following calendar year.

Shareholders may not include in their own income tax returns any of our net operating losses.

Capital Gain Distributions.

Distributions that we properly designate as capital gain dividends will be taxabl Shareholders as gains (to the extent that they do not exceed our actual net capital gain for t from the sale or disposition of a capital asset. Depending on the character of the assets whi gains, and on designations, if any, which we may make, these gains may be taxable to n Shareholders at a 20% or 25% rate. U.S. Shareholders that are corporations may, however, be re to 20% of some capital gain dividends as ordinary income.

Retention of Net Long-Term Capital Gains.

We may elect to retain, rather than distribute as a capital gain dividend, our net gains. If we make this election, we would pay tax on our retained net long-term capital gains. the extent we designate, a U.S. Shareholder generally would:

- include its proportionate share of our undistributed long-term capital gains long-term capital gains in its return for its taxable year in which the last da year falls (subject to certain limitations as to the amount that is includable);

- be deemed to have paid the capital gains tax imposed on us on the designated am the U.S. Shareholder's long-term capital gains;

- receive a credit or refund for the amount of tax deemed paid by it;

- increase the adjusted basis of its common stock by the difference between the am gains and the tax deemed to have been paid by it; and

- in the case of a U.S. Shareholder that is a corporation, appropriately adjust profits for the retained capital gains in accordance with Treasury Regulations by the IRS.

Passive Activity Losses and Investment Interest Limitations.

Distributions we make and gain arising from the sale or exchange by a U.S. Sharehol

will not be treated as passive activity income. As a result, U.S. Shareholders generally w
apply any "passive losses" against this income or gain. Distributions we make (to the e
constitute a return of capital) generally will be treated as investment income for purposes
investment interest limitation. Gain arising from the sale or other disposition of our shares,
be treated as investment income in some circumstances.

Dispositions of Common Stock

If you are a U.S. Shareholder and you sell or dispose of your shares of common stock,
gain or loss for Federal income tax purposes in an amount equal to the difference between the
the fair market value of any property you receive on the sale or other disposition and your adj
shares for tax purposes. This gain or loss will be capital if you have held the common stock a
and will be long-term capital gain or loss if you have held the common stock for more than one
if you are a U.S. Shareholder and you recognize loss upon the sale or other disposition of com
have held for six months or less (after applying holding period rules set forth in the Co
recognize will be treated as a long-term capital loss, to the extent you received distributi
were required to be treated as long-term capital gains.

Backup Withholding

We report to our U.S. Shareholders and the IRS the amount of dividends paid during ea
and the amount of any tax withheld. Under the backup withholding rules, a shareholder may be
withholding with respect to dividends paid unless the holder is a corporation or comes with
exempt categories and, when required, demonstrates this fact, or provides a taxpayer ident
certifies as to no loss of exemption from backup withholding, and otherwise complies with applic
of the backup withholding rules. The back-up withholding rate is equal to the fourth lowest t
to unmarried individuals. For amounts paid after August 6, 2001, the rate is 30.5%. For am
2002 and 2003, the rate is scheduled to drop to 30%. After December 31, 2010, the rates are s
to the pre-August 6, 2001 rate of 31%. A U.S. Shareholder that does not provide us with his
identification number may also be subject to penalties imposed by the IRS. Backup with
additional tax. Any amount paid as backup withholding will be creditable against the shareho
liability. In addition, we may be required to withhold a portion of capital gain dis
shareholders who fail to certify their non-foreign status. See "Taxation of Non-U.S. Shareholder

Taxation of Tax-Exempt Shareholders

The IRS has ruled that amounts distributed as dividends by a qualified REIT do not con
business taxable income ("UBTI") when received by a tax-exempt entity. Based on that ruling
tax-exempt shareholder (except tax-exempt shareholders described below) has not held its shares
property" within the meaning of the Code (generally, shares of common stock, the acquisi
financed through a borrowing by the tax exempt shareholder) and the shares are not otherwise
business, dividend income from us will not be UBTI to a tax-exempt shareholder. Similarly, in
of shares will not constitute UBTI unless a tax-exempt shareholder has held its shares
property" within the meaning of the Code or has used the shares in its trade or business.

For tax-exempt shareholders which are social clubs, voluntary employee benef
supplemental unemployment benefit trusts, and qualified group legal services plans exempt f
taxation under Code Section 501(c)(7), (c)(9), (c)(17) and (c)(20), respectively, income fro
our shares will constitute UBTI unless the organization is able to properly deduct amounts set
reserve for certain purposes so as to offset the income generated by its investment in o
prospective investors should consult their own tax advisors concerning these "set aside" and rese

Notwithstanding the above, however, a portion of the dividends paid by a "pension h
treated as UBTI as to any trust which:

- is described in Section 401(a) of the Code;
- is tax-exempt under Section 501(a) of the Code; and
- holds more than 10% (by value) of the interests in the REIT.

Tax-exempt pension funds that are described in Section 401(a) of the Code are referred to be

trusts."

A REIT is a "pension held REIT" if:

- it would not have qualified as a REIT but for the fact that Section 856(h)(3) of that stock owned by qualified trusts shall be treated, for purposes of the "n requirement, as owned by the beneficiaries of the trust (rather than by the trust

- either at least one such qualified trust holds more than 25% (by value) of the REIT, or one or more such qualified trusts, each of which owns more than 10% interests in the REIT, holds in the aggregate more than 50% (by value) of the REIT.

The percentage of any REIT dividend treated as UBTI is equal to the ratio of:

- the UBTI earned by the REIT (treating the REIT as if it were a qualified tru subject to tax on UBTI) to

- the total gross income of the REIT.

A de minimis exception applies where the percentage is less than 5% for any year requiring qualified trusts to treat a portion of REIT distributions as UBTI will not apply if t satisfy the "not closely held" requirement without relying upon the "look-through" exceptio qualified trusts.

Taxation of Non-U.S. Shareholders

When we use the term "Non-U.S. Shareholder," we mean a holder of shares of common sto States Federal income tax purposes):

- is a nonresident alien individual; or

- is a foreign corporation, foreign partnership or trust.

The rules governing United States Federal income taxation of Non-U.S. Shareholders ar are providing only a brief summary of these rules. This summary does not address all aspects Federal income tax and does not address state, local or foreign tax consequences that may Non-U.S. Shareholder in light of its particular circumstances. In addition, this discussion i law, which is subject to change, and assumes that we qualify for taxation as a REIT. If you Non-U.S. Shareholder, you should consult with your own tax advisers to determine the impact o local and foreign income tax laws on an investment in our common stock, including any reporting r

Distributions.

A distribution to a Non-U.S. Shareholder will be treated as a dividend of ordinary in the distribution is made out of our current or accumulated earnings and profits as long as the fo

- the distribution is not attributable to gain from the sale or exchange of property interests; and

- we have not designated the distribution as a capital gains dividend.

Distributions treated as a dividend of ordinary income will generally be subject t United States Federal income tax on a gross income basis (that is, without allowance of deducti unless an applicable tax treaty reduces that rate. However, distributions treated as a div income will be subject to a Federal income tax on a net basis (that is, after allowance of ded dividend is treated as effectively connected with the Non-U.S. Shareholder's conduct of a Unit business and the Non-U.S. Shareholder has filed an IRS Form 4224 with us or, if an income tax tr attributable to a United States permanent establishment of the Non-U.S. Shareholder. In this certain certification and disclosure requirements are met, the dividend will be taxed at gradu same manner as U.S. Shareholders are taxed with respect to such dividends and will generally withholding. Any such dividends received by a Non-U.S. Shareholder that is a corporation may

an additional branch profits tax at a 30% rate or such lower rate as may be specified by an appl treaty (the "Branch Profits Tax").

Under current Treasury regulations, dividends paid to an address in a country outside are generally presumed to be paid to a resident of the country for purposes of determining the withholding discussed above and the applicability of a tax treaty rate. A Non-U.S. Sharehol claim the benefit of an applicable treaty rate will be required to satisfy certain certif requirements. Under certain treaties, lower withholding rates generally applicable to dividen dividends from a REIT.

If we make a distribution in excess of our current or accumulated earnings and profits, will not be taxable to a Non-U.S. Shareholder to the extent it does not exceed the adju shareholder's stock. Instead, the distribution will reduce the adjusted basis of the shareh the distribution does exceed the adjusted basis of a Non-U.S. Shareholder's stock, the distrib in gain from the sale or exchange of the Non-U.S Shareholder's stock. We discuss the tax trea in further detail below. For withholding purposes, we are required to treat all distributions our current or accumulated earnings and profits. However, the IRS will generally refund withheld if it is determined that the distribution was, in fact, in excess of our current or acc and profits.

A distribution to a Non-U.S. Shareholder that we properly designate as a capital ga time of distribution that does not arise from our disposition of a United States real property i will not be subject to United States Federal income taxation unless any of the following are true

- investment in the stock is effectively connected with the Non-U.S. Shareholders U or business, in which case the Non-U.S. Shareholder will be taxed on the gain at U.S. Shareholders (except that a shareholder that is a foreign corporation may the 30% Branch Profits Tax, as discussed above); or

- the Non-U.S. Shareholder is a nonresident alien individual who is present in the 183 days or more during the taxable year and has a "tax home" in the United Stat the non-resident alien individual will be taxed at a rate equal to 30% of the ind gains.

Pursuant to the Foreign Investment in Real Property Tax Act of 1980 ("FIRPTA"), d Non-U.S. Shareholder that are attributable to gain from our sale or exchange of United Stat interests will cause the Non-U.S. Shareholder to be treated as recognizing this gain as i connected with a United States trade or business. Non-U.S. Shareholders would generally be rates as U.S. Shareholders (subject to a special alternative minimum tax in the case of individuals) on these distributions. Also, a Non-U.S. Shareholder that is a corporation may b Branch Profits Tax on this distribution as discussed above. We are required to withhold distribution. This amount is creditable against the Non-U.S. Shareholder's United States F liability.

Treasury Regulations require a corporation that is a REIT to treat as a dividend distribution that is not designated as a capital gain dividend or return of basis and apply th tax (subject to any applicable deduction or exemption) to such portion, and to apply the FIRPTA (discussed above) with respect to the portion of the distribution designated by the REIT as capit

We or any nominee (e.g., a broker holding shares in street name) may rely on non-foreign status on Form W-8 or Form W-9 to determine whether withholding is required on ga the disposition of United States real property interests. A domestic person who holds shares behalf of a Non-U.S. Shareholder will bear the burden of withholding, provided that we have pr the appropriate portion of a distribution as a capital gain dividend.

Sale of Stock.

Unless our common stock constitutes a "United States real property interest" wit FIRPTA, a sale or exchange of common stock by a Non-U.S. Shareholder generally will not be States Federal income taxation. Our stock will not constitute a "United States real property i a "domestically controlled REIT." A "domestically controlled REIT" is a REIT in which at al specified testing period Non-U.S. Shareholders held, directly or indirectly, less than 50% in v

shares.

If we are not or cease to be a "domestically-controlled REIT," a Non-U.S. Shareholder' of shares of common stock would be subject to United States taxation under FIRPTA as a sale of real property interest," assuming our common stock is regularly traded (as defined by ap Regulations) on an established securities market (e.g., the New York Stock Exchange), only i (actually or constructively) more than 5% of our common stock during the applicable testing p the sale or exchange of shares of stock were subject to taxation under FIRPTA, the Non-U.S. Sha subject to the same United States Federal income tax treatment with respect to the gain as a (subject to any applicable alternative minimum tax, a special alternate minimum tax, in the c alien individuals and the possible application of the 30% Branch Profits Tax in the corporations), and the purchaser of the stock would be required to withhold and remit to purchase price.

Notwithstanding the foregoing, if you are a Non-U.S. Shareholder and you recognize gai exchange of shares of our common stock and the gain is not subject to FIRPTA, the gain will be States taxation if:

- your investment in the stock is effectively connected with a United States trade if an income treaty applies, is attributable to a United States permanent establi
- you are a nonresident alien individual who is present in the United States for 1 during the taxable year and you have a "tax home" in the United States. In this subject to a 30% United States withholding tax on the amount of your gain.

Backup Withholding Tax and Information Reporting.

Backup withholding tax generally is a withholding tax imposed on certain payments to to furnish certain information under the United States information reporting requirements, under "Backup Withholding." Non-U.S. Shareholders will not be subject to backup withholding t reporting for distributions they receive that are treated as:

- dividends subject to the 30% (or lower treaty rate) withholding tax discussed abo
- capital gains dividends; or distributions attributable to gain from our sale or e States real property interests.

As a general matter, backup withholding and information reporting will not apply t proceeds of a sale of stock by or through a foreign office of a foreign broker. Information r backup withholding) will apply, however, to a payment of the proceeds of a sale of stock by a f broker that:

- is a United States person;
- derives 50% or more of its gross income for certain periods from the conduct of a in the United States; or
- is a "controlled foreign corporation" (generally, a foreign corporation controlle shareholders) for United States tax purposes.

Information reporting will not apply if the broker has documentary evidence in its holder is a Non-U.S. Shareholder and certain other conditions are met, or the shareholder othe an exemption. Payment to or through a United States office of a broker of the proceeds of subject to both backup withholding and information reporting unless the shareholder certifies perjury that the shareholder is a Non-U.S. Shareholder, or otherwise establishes an exem Shareholder may obtain a refund of any amounts withheld under the backup withholding rul appropriate claim for refund with the IRS.

Tax Aspects of TRG

The following discussion summarizes certain Federal income tax considerations applic

investment in TRG. The discussion does not cover state or local tax laws or any Federal ta
income tax laws.

Classification.

The Company is entitled to include in its income its distributive share of TRG's in
its distributive share of TRG's losses only if TRG and each Center Owner is classified for F
purposes as a partnership rather than as an association taxable as a corporation, and none of
classified for Federal income tax purposes as associations taxable as corporations.

An entity will be classified as a partnership rather than as a corporation or an assoc
a corporation for Federal income tax purposes if the entity is treated as a partnershi
Regulations, effective January 1, 1997, relating to entity classification (the "Check-the-Box Reg

In general, under the Check-the-Box Regulations, an unincorporated entity with at lea
elect to be classified either as an association taxable as a corporation or as a partnership.
fails to make an election, it generally will be treated as a partnership for Federal income t
Federal income tax classification of an entity that was in existence prior to January 1, 1997
the Center Owners, will be respected for all periods prior to January 1, 1997 if:

- the entity had a reasonable basis for its claimed classification
- the entity and all members of the entity recognized the Federal income tax co
  changes in the entity's classification within the 60 months prior to January 1, 1
- neither the entity nor any member of the entity was notified in writing by a taxi
  before May 8, 1996 that the classification of the entity was under examination.

TRG and each Center Owner reasonably claimed partnership classification under the Treasury Reg
to entity classification in effect prior to January 1, 1997, and such classification should
Federal income tax purposes. TRG and the Center Owners intend to continue to be classified as
Federal income tax purposes, and none of them will elect to be treated as an association taxabl
under the Check-the-Box Regulations.

We also believe that none of the TRG Trusts are taxable as a corporation for Fe
purposes. No assurance can be given, however, that the IRS will not challenge the non-corpor
TRG Trusts for Federal income tax purposes. If such challenge were sustained by a court, the T
treated as a corporation for Federal income tax purposes, as described below. In addition, o
on existing law, which is to a great extent the result of administrative and judicial interpret
be certain that administrative or judicial changes would not modify these conclusions.

If for any reason, any TRG Trust were taxable as a corporation rather than as a trust
tax purposes, we would be unable to satisfy the income and asset requirements for REIT stat
Income Tax Considerations -- Requirements for Qualification -- Income Tests" and "Fe
Considerations -- Requirements for Qualification -- Asset Tests." In addition, any change in t
Trust for tax purposes might be treated as a taxable event, in which case we might incur a tax
any related cash distribution. If a TRG Trust were taxable as a corporation, items of income a
not pass through to its beneficiary, which would be treated as a shareholder for tax purpose
would be required to pay income tax at corporate tax rates on its net income, and distributions
dividends that would not be deductible in computing such TRG Trust's taxable income.

Income Taxation of TRG and Its Partners

Partners, Not TRG, Subject to Tax.

A partnership is not a taxable entity for Federal income tax purposes. Rather, we ar
into account our allocable share of TRG's income, gains, losses, deductions, and credits for a
TRG ending within or with our taxable year regardless of whether we have received or
distribution from TRG.

Tax Allocations with Respect to Contributed Properties.

Pursuant to Section 704(c) of the Code, income, gain, loss, and deduction, includ attributable to appreciated or depreciated property that is contributed to a partnership interest in the partnership must be allocated for Federal income tax purposes in a mann contributor is charged with, or benefits from, the unrealized gain or unrealized loss as property at the time of the contribution. The amount of such unrealized gain or unrealized equal to the difference between the fair market value of the contributed property at the time o the adjusted tax basis of such property at the time of contribution. TRG's partnership a allocations of income, gain, loss, and deduction attributable to such contributed property to b that is consistent with Section 704(c) of the Code. Any income, gain, loss, or deduction specially allocated to the contributing partners pursuant to Section 704(c) of the Code is partners in accordance with their percentage interests.

Accordingly, depreciation on any property contributed to TRG is allocated to each con in a manner designed to reduce the difference between such property's fair market value and its methods that are intended to be consistent with statutory intent and Treasury Regulations under the Code. On the other hand, depreciation with respect to any property purchased by TRG admission of the Company in late 1992 will be allocated among the partners in accordance with percentage interests in TRG.

Sale of TRG's Property

Generally, any gain realized by TRG on the sale of property held by TRG or a Center O one year will be long-term capital gain, except for any portion of such gain that is treated as cost recovery recapture. Under Section 704(c) of the Code and the Treasury Regulations governi of TRG assets and the restatement of its capital accounts to fair market value, any built-in gai appreciation in the regional shopping center interests prior to the admission of the Company t must, when recognized, be allocated to the contributing partners. Thus, we will not i Built-in-Gains because (except as noted in the following sentence) they must be allocated other than us. In addition, any Built-in-Gain with respect to properties contributed to TRG our admission to TRG must be allocated to the contributing partners. As a consequence of our 1% interests in two of the Taubman Shopping Centers, we will be allocated an equivalent portion of gain in the event of a disposition of either property. Further, depreciation will be alloc disparity between fair market value and tax basis with respect to appreciated property cont otherwise held by TRG prior to our admission to TRG. Such allocations will permit us depreciation deductions because we have, except as noted above, contributed solely unappreciated

Our share of any gain realized by TRG on the sale of any property held by TRG or inventory or other property held primarily for sale to customers in the ordinary course of Owner's trade or business will, however, be treated as income form a prohibited transaction th 100% penalty tax. See "Federal Income Tax Considerations -- Taxation of the Company -- Inc prohibited transaction income will also adversely affect our ability to satisfy the inco status. See "Federal Income Tax Considerations -- Requirements For Qualification -- Income Te existing law, whether property is held as inventory or primarily for sale to customers in the o TRG's or a Center Owner's trade or business is a question of fact that depends on all the facts with respect to the particular transaction. TRG and the Center Owners intend to hold the Centers for investment with a view to long-term appreciation, and to engage in the busine developing, owning, and operating the Taubman Shopping Centers, including peripheral land, con and the Center Owners' investment objectives. Sales of peripheral property generally will taxable REIT subsidiary. See "The Taxable REIT Subsidiary," above.

Other Tax Consequences

We may be subject to state or local taxation in various state or local jurisdictions, which we transact business and our shareholders may be subject to state or location taxation i local jurisdictions, including those in which they reside. Our state and local tax treatment the Federal income tax consequences discussed above. In addition, your state and local tax conform to the Federal income tax consequences discussed above. Consequently, you should advisors regarding the effect of state and local tax laws on a disposition of limited partne investment in our shares.

ERISA CONSIDERATIONS

The following is a summary of material considerations arising under the Employee Security Act of 1974, as amended ("ERISA"), and the prohibited transaction provisions of Sectio that may be relevant to prospective investors. This discussion does not purport to deal w ERISA or the Code that may be relevant to particular investors in light of their particular circu

A PROSPECTIVE INVESTOR THAT IS AN EMPLOYEE BENEFIT PLAN SUBJECT TO ERISA, A TAX QUA PLAN, AN IRA OR A GOVERNMENTAL, CHURCH OR OTHER PLAN THAT IS EXEMPT FROM ERISA IS ADVISED T LEGAL ADVISOR REGARDING THE SPECIFIC CONSIDERATIONS ARISING UNDER APPLICABLE PROVISIONS OF E STATE LAW WITH RESPECT TO THE PURCHASE, OWNERSHIP, OR SALE OF THE COMMON STOCK BY SUCH PLAN OR IR

Fiduciary Duties and Prohibited Transactions

A fiduciary of a pension, profit-sharing, retirement, or other employee benefit pla (an "ERISA Plan") should consider the fiduciary standards under ERISA in the context of particular circumstances before authorizing an investment of any portion of the ERISA Pla Company's common stock. In particular, such fiduciary should consider whether:

- the investment satisfies the diversification requirements of Section 404(a)(1)(C) o
- the investment is in accordance with the documents and instruments governing required by Section 404(a)(1)(D) of ERISA;
- the investment is prudent under Section 404(a)(1)(B) of ERISA; and
- the investment is solely in the interests of the ERISA Plan participants and bene the exclusive purpose of providing benefits to the ERISA Plan participants and b defraying reasonable administrative expenses of the ERISA Plan as required by Se of ERISA.

In addition to the imposition of fiduciary standards, ERISA and Section 4975 of the Co range of transactions between an ERISA Plan, an IRA or certain other plans (collectively, a " who have certain specified relationships to the Plan ("parties in interest" within the me "disqualified persons" within the meaning of the Code). Thus, a Plan fiduciary or person mak decision for a Plan also should consider whether the acquisition or the continued holding of th stock might constitute or give rise to a direct or indirect prohibited transaction.

Plan Assets

The prohibited transaction rules of ERISA and the Code apply to transactions with transactions with the "plan assets" of a Plan. The "plan assets" of a Plan include the Plan entity in which the Plan invests and, in certain circumstances, the assets of the entity in wh such interest. The term "plan assets" is not specifically defined in ERISA or the Code interpreted definitively by the courts in litigation. On November 13, 1986, the United Stat Labor, the governmental agency primarily responsible for administering ERISA, adopted a fin "DOL Regulation") establishing the standards it will apply in determining whether an equity entity will cause the assets of such entity to constitute "plan assets." The DOL Regulation ap of both ERISA and Section 4975 of the Code.

Under the DOL Regulation, if a Plan acquires an equity interest in an entity, which not a "publicly-offered security," the Plan's assets generally would include both the equit undivided interest in each of the entity's underlying assets unless certain specified excepti Regulation defines a publicly-offered security as a security that is "widely held," "freely t either part of a class of securities registered under Section 12(b) or 12(g) of the Exchange Ac to an effective registration statement under the Securities Act (provided the securities are re Exchange Act within 120 days after the end of the fiscal year of the issuer during which the of The shares of the Company's common stock offered by this Prospectus are being sold in an of under the Securities Act and are registered under Section 12(b) of the Exchange Act.

The DOL Regulation provides that a security is "widely held" only if it is part of a c that is owned by 100 or more investors independent of the issuer and of one another. A class o not fail to be "widely held," however, solely because the number of independent investors subsequent to the initial public offering as a result of events beyond the issuer's control. W

Company's common stock is "widely held" for purposes of the DOL Regulation.

The DOL Regulation provides that whether a security is "freely transferable" is a fact determined on the basis of all the relevant facts and circumstances. The DOL Regulation furt when a security is part of an offering in which the minimum investment is $10,000 or less, a this offering, certain restrictions ordinarily will not affect, alone or in combination, the securities are freely transferable. We believe that the restrictions imposed under the Articl of the Company's common stock (see "Transfer Restrictions, Restrictions on Ownership) are limit on transfer generally permitted under the DOL Regulation and are not likely to result in t common stock to be "freely transferable." The DOL Regulation only establishes a presumpt finding of free transferability; therefore, we can not be certain that the Department of Labo Department would not reach a contrary conclusion with respect to the Common Stock. If any ad restrictions are imposed on the transfer of the Company's shares of common stock being so Shareholders, such restrictions will be discussed in the applicable Prospectus Supplement.

We believe that the Company's common stock is considered "widely held" and "freely t based on such beliefs, that the common stock will be publicly-offered securities for pu Regulation and that the Company's assets will not be deemed to be "plan assets" of any Plan t common stock.

PLAN OF DISTRIBUTION

The Selling Shareholders may offer and sell the common stock at prevailing market pric negotiated transactions. The Selling Shareholders will be responsible for any commissions o brokers or dealers. The amount of those commissions or discounts will be negotiated before t or dealers participating in any sale of common stock offered by the Selling Shareholders principals or agents, may use block trades to position and resell the shares and may be deem under the Securities Act.

LEGAL MATTERS

The legality of the issuance of the shares of our common stock, as well as certain t been passed upon for Taubman Centers, Inc. by Miro Weiner & Kramer (f/k/a Miro Miro & Weiner) Avenue, Suite 100, P.O. Box 908, Bloomfield Hills, Michigan 48304-0908. Jeffrey H. Miro, a sen Weiner & Kramer, is Secretary of the Company.

10,000,000 Shares
Taubman Centers, Inc.
Common Stock

You should rely only on the information contained in this prospectus and in the docu referred you to. We have not authorized anyone to provide you with information different from this prospectus. You should not assume that the information contained in this prospectus is c after the date on the prospectus, even though this prospectus is delivered or shares are sold prospectus on a later date.

This prospectus is not an offer to sell or a solicitation of an offer to buy any secur shares of common stock offered. This prospectus is not an offer to sell or a solicitation to any person in any jurisdiction in which it is unlawful to make such an offer or solicitation.

November 29, 2001

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 14.

Other Expenses of Issuance and Distribution.1

Registration Fee	$ 40,517.2
Legal Fees and Expenses	100,000.0
Accounting Fees and Expenses	100,000.0
Miscellaneous	25,000.0
Total	$ 265,517.2

1 TRG has borne all costs of registering the securities registered under this Registration Statement, other than any underwriting discounts or commissions paid the Selling Shareholders.

2 Estimated.

Item 15. Indemnification of Directors and Officers.

The Registrant's Articles of Incorporation provide that no director of the Registrant the Registrant or the shareholders for monetary damages for breach of the director's fidu provision does not limit a director's liability to the Registrant or its shareholders resulting f

(i) a breath of the director's duty of loyalty to the Registrant or its shareholder

(ii) acts or omissions of the director not in good faith or that involve intention knowing violation of the law;

(iii) a violation of Section 551(1) of the Michigan Business Corporation Act (re payments of dividends);

(iv) a transaction from which the director derived an improper personal benefit; or

(v) any act or omission occurring prior to November 20, 1992.

The Registrant's Articles of Incorporation provide for mandatory indemnification by the directors (including directors of subsidiaries) to the fullest extent permitted or not proh law or to such greater extent as may be permitted or not prohibited under succeeding provi Registrant's Articles of Incorporation provide that the Registrant shall pay the expenses incu of the Registrant (including a director of a subsidiary) in defending a civil or criminal proceeding involving such person's acts or omissions as a director of the Registrant (or of a sub

The Registrant's Articles of Incorporation authorize the Registrant to indemnify Registrant (or of a subsidiary), if such person acted in good faith and in a manner he or she re to be in or not opposed to the best interests of the Registrant or its shareholders and, criminal action or proceeding, if the person had no reasonable cause to believe his or her con Unless ordered by a court, indemnification of an officer shall be made by the Registrant only specific case upon the determination that indemnification of the officer is proper in the circ he or she has met the applicable standard of conduct. Such determination shall be made (i) b the directors of the Registrant who are not parties to the action, suit or proceeding, (ii) by counsel in a written opinion, or (iii) by the shareholders of the Registrant. The Registra Incorporation authorize the Registrant to pay the expenses incurred by an officer in def criminal action, suit, or proceeding in advance of the final disposition thereof, upon receipt by or on behalf of such officer to repay the expenses if it is ultimately determined that entitled to be indemnified by the Registrant. Such undertaking shall be by unlimited general person on whose behalf advances are made but need not be secured.

The Registrant has the power to purchase and maintain insurance on behalf of any pers director, officer, employee, or agent of the Registrant or is liable as a director of the Reg was serving, at the request of the Registrant, as a director, officer, employee, or agent of an partnership, joint venture, trust, or other enterprise, against any liability asserted agains by him in any such capacity or arising out of his status as such, regardless of whether the Regi power to indemnify him against such liability.

The Registrant has purchased a policy of directors' and officers' insurance that Registrant and its officers and directors against expenses and liabilities of the type normall under such policies, including the expenses of the indemnification described above.

Item 16. Exhibits

Exhibit Number

4(a)	-	Amended and Restated Articles of Incorporation (incorporated by reference Registrant's Quarterly Report on Form 10-Q for the fiscal year ended June
4(b)	-	Amended and Restated Bylaws (incorporated by reference to Exhibit 3 Quarterly Report on Form 10-Q for the quarter ended September 30, 1998.)
5	-	Opinion of Miro Weiner & Kramer (f/k/a Miro Miro & Weiner), counsel to R the validity of the shares and certain tax matters.
23(a)	-	Consent of Deloitte & Touche.
23(b)	-	Consent of Miro Weiner & Kramer (f/k/a Miro Miro & Weiner) (included in Ex
24	-	Powers of Attorney

Item 17. Undertakings.

(a) The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, amendment to this registration statement:

(A) To include any prospectus required by Section 10(a)(3) of of 1933 (the "Securities Act"):

(B) To reflect in the prospectus any facts or events arising a date of the registration statement (or the most recent post-effective amendment individually or in the aggregate, represent a fundamental change in the in registration statement. Notwithstanding the foregoing, any increase or decrea securities offered (if the total dollar value of securities offered would not exc registered) and any deviation from the low or high end of the estimated maximum off reflected in the form of prospectus filed with the Securities and Exchange Commi pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price repres 20 percent change in the maximum aggregate offering price set forth in the Registration Fee" table in the effective registration statement.

(C) To include any material information with respect to the pla not previously disclosed in the registration statement or any material change to su the registration statement; provided, however, that the information required to post-effective amendment by paragraphs (a)(1)(A) and (a)(1)(B) above may be con reports filed by the registrant pursuant to Section 13 or 15(d) of the Securities Exc as amended (the "Exchange Act"), that are incorporated by reference in the registration

(2) that, for the purpose of determining any liability under the Secur each such post-effective amendment shall be deemed to be a new registration stateme securities offered herein, and the offering of such securities at that time shall b initial bona fide offering thereof; and

(3) to remove from registration by means of a post-effective amend securities being registered that remain unsold at the termination of the offering.

(b) The undersigned registrant hereby undertakes, that, for purposes of determi

under the Securities Act, each filing of the registrant's annual report pursuant to Section 13(Exchange Act (and, where applicable, each filing of an employee benefit plan's annual report p 15(d) of the Exchange Act) that is incorporated by reference in the registration statement sha a new registration statement relating to the securities offered therein, and the offering of that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act m directors, officers and controlling persons of the registrant pursuant to the foregoing provisio the registrant has been advised that in the opinion of the Commission such indemnification policy as expressed in the Securities Act and is, therefore, unenforceable. In the event indemnification against such liabilities (other than the payment by the registrant of expenses by a director, officer or controlling person of the registrant in the successful defense of an proceeding) is asserted by such director, officer or controlling person in connection with the registered, the registrant will, unless in the opinion of its counsel the matter has been sett precedent, submit to a court of appropriate jurisdiction the question whether such indemni against public policy as expressed in the Securities Act and will be governed by the final adj issue.