

AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON OCTOBER 26, 1995.

REGISTRATION NO. 33-

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM S-3

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

WOLVERINE WORLD WIDE, INC.
(Exact Name of Registrant as Specified in Its Charter)

DELAWARE
(State or Other Jurisdiction of
Incorporation or Organization)

38-1185150
(I.R.S. Employer
Identification Number)

9341 COURTLAND DRIVE, N.E., ROCKFORD, MICHIGAN 49351
(616) 866-5500
(Address, Including Zip Code, and Telephone Number, Including Area Code, of
Registrant's Principal Executive Offices)

BLAKE W. KRUEGER
General Counsel and Secretary
Wolverine World Wide, Inc.
900 Old Kent Building
111 Lyon Street, N.W.
Grand Rapids, Michigan 49503
(616) 752-2133
(Name, Address, Including Zip Code, and Telephone Number,
Including Area Code, of Agent for Service)
With Copies of Communications to:

DAN BUSBEE
Locke Purnell Rain Harrell
(A Professional Corporation)
2200 Ross Avenue, Suite 2200
Dallas, Texas 75201-6776
(214) 740-8000

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: As soon as practicable after the effective date of this Registration Statement.

If the only securities being registered on this form are being offered pursuant to dividend or interest reinvestment plans, please check the following box: / /

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box: / /

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, please check the following box and list the Securities Act registration statement number of 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 Securities Act of 1933, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering: / /

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box: / /

 CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED(1)	PROPOSED MAXIMUM OFFERING PRICE PER SHARE(2)	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE(2)	AMOUNT OF REGISTRATION FEE
Common Stock, \$1 par value.....	1,610,000	\$29.50	\$47,495,000	\$16,378

- (1) Includes up to 210,000 shares which the Underwriters have the option to purchase to cover over-allotments, if any.
- (2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(c) under the Securities Act of 1933, as amended, based upon the average of the high and low prices per share of Common Stock as reported on the New York Stock Exchange on October 25, 1995.

 THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

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INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THESE SECURITIES MAY NOT BE SOLD NOR MAY OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT BECOMES EFFECTIVE. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THESE SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF ANY SUCH STATE.

SUBJECT TO COMPLETION, DATED OCTOBER 26, 1995

1,400,000 SHARES

[WOLVERINE LOGO]

COMMON STOCK

All of the 1,400,000 shares of Common Stock offered hereby are being sold by Wolverine World Wide, Inc. (the "Company").

Caterpillar(R), CAT Design(R) and Walking Machines(R) are registered trademarks of Caterpillar Inc. Coleman(R) and Coleman and Lantern Design(R) are registered trademarks of The Coleman Company, Inc. Gortex(R) is a registered trademark of W.L. Gore & Associates, Inc. Thinsulate(R) is a registered trademark of 3M Company.

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WOLVERINE FOOTWEAR GROUP

[PHOTOGRAPHS OF PRODUCT ADVERTISEMENTS]

[LOGO - CAT]

[LOGO - CATERPILLAR]

[LOGO - WOLVERINE BOOTS AND SHOES]

[LOGO - COLEMAN]

[LOGO - WOLVERINE WILDERNESS]

[LOGO - BATES]

TRU-STITCH FOOTWEAR DIVISION

[PHOTOGRAPHS OF PRODUCT ADVERTISEMENTS]

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AVAILABLE INFORMATION

The Company is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports, proxy statements and other information with the Securities and Exchange Commission (the "Commission"). Such reports, proxy statements and other information can be inspected and copied at prescribed rates at the public reference facilities maintained by the Commission at Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549, and at the Commission's regional offices in New York (7 World Trade Center, Suite 1300, New York, New York 10048) and Chicago (Citicorp Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661). Copies of such material can also be obtained at prescribed rates by writing to the Securities and Exchange Commission, Public Reference Section, 450 Fifth Street, N.W., Washington, D.C. 20549. The Company's Common Stock is listed for trading on the New York Stock Exchange and the Pacific Stock Exchange. Such reports, proxy statements and other information can also be inspected at the offices of the New York Stock Exchange (20 Broad Street, New York, New York 10005) and the Pacific Stock Exchange (115 Sansome Street, 2nd Floor, San Francisco, California 94104).

The Company has filed with the Commission a Registration Statement on Form S-3 (together with all amendments and exhibits filed or to be filed in connection therewith, the "Registration Statement") under the Securities Act of 1933, as amended, with respect to the Common Stock offered hereby. This Prospectus, which is a part of the Registration Statement, does not contain all of the information in the Registration Statement, certain portions of which have been omitted as permitted by the rules and regulations of the Commission. Statements contained herein as to the contents of any document are necessarily summaries of such document and, in each instance, reference is made to the copy of such document filed as an exhibit to the Registration Statement, and each such statement is qualified in all respects by such reference. The Registration Statement may be inspected and copied at the places set forth above.

INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

The following reports, which were filed by the Company with the Commission under the Exchange Act, are incorporated in this Prospectus by reference: (1) the Company's Annual Report on Form 10-K for the fiscal year ended December 31,

1994; (2) the Company's Quarterly Report on Form 10-Q for the twelve-week accounting period ended March 25, 1995; (3) the Company's Quarterly Report on Form 10-Q for the twelve-week accounting period ended June 17, 1995; (4) the Company's Quarterly Report on Form 10-Q for the twelve-week accounting period ended September 9, 1995; and (5) the description of the Company's Common Stock contained in the Company's Registration Statement on Form 8-A, dated April 25, 1986, and the description of the Preferred Stock Purchase Rights associated with each share of Common Stock contained in the Company's Registration Statement on Form 8-A, dated May 8, 1987, including any amendments filed for the purpose of updating such descriptions.

Each document filed by the Company pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this Prospectus and before the termination of the offering made hereby shall be deemed to be incorporated by reference in this Prospectus and to be a part of this Prospectus from the date of filing of the document. See "Available Information." Any statement contained in this Prospectus or in a document incorporated or deemed to be incorporated by reference in this Prospectus shall be deemed modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any other subsequently filed document that also is or is deemed to be incorporated by reference in this Prospectus modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

The Company will provide without charge to each person, including any beneficial owner, to whom this Prospectus is delivered, upon written or oral request, a copy of any and all of the information incorporated in this Prospectus by reference (other than exhibits to such information which are not specifically incorporated by reference in such information). Requests for such information should be directed to Blake W. Krueger, General Counsel and Secretary, Wolverine World Wide, Inc., 900 Old Kent Building, 111 Lyon Street, N.W., Grand Rapids, Michigan 49503-2489; telephone: (616) 752-2133.

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PROSPECTUS SUMMARY

The following summary is qualified in its entirety by the more detailed information, financial statements and notes thereto, and financial data appearing elsewhere or incorporated by reference in this Prospectus. Unless otherwise noted, all information in this Prospectus (i) assumes no exercise of the Underwriters' over-allotment option and (ii) gives retroactive effect to three-for-two stock splits of the Common Stock effected as stock dividends on each of March 21, 1994 and May 1, 1995. The Company's fiscal year ends on the Saturday closest to December 31.

THE COMPANY

The Company is a leading designer, manufacturer and marketer of a broad line of quality comfortable casual shoes, rugged outdoor and work footwear, and constructed slippers and moccasins. Consumers on six continents purchased more than 26 million pairs of Company branded footwear during fiscal 1994, making the Company a global leader among U.S. shoe companies in the marketing of branded non-athletic footwear. The Company's products generally feature contemporary styling with patented technologies designed to provide maximum comfort. The products are marketed throughout the world under widely recognized brand names, including Hush Puppies(R), Wolverine(R), Bates(R), Caterpillar(R) and Coleman(R). The Company believes that its primary competitive strengths are its well recognized brand names, broad range of comfortable footwear, patented comfort technologies, distribution through numerous channels and diversified manufacturing base.

The Company's footwear is sold under a variety of brand names designed to appeal to most consumers of non-athletic footwear at numerous price points. The Company's footwear products are organized under three operating divisions: (i) The Hush Puppies Company, focusing on comfortable casual shoes, (ii) the

Wolverine Footwear Group, focusing on work, outdoor and lifestyle boots and shoes and (iii) the Tru-Stitch Footwear Division, focusing on slippers and moccasins under private labels for third party retailers. The Company's footwear is distributed domestically to approximately 30,000 department store, footwear chain, catalog, specialty retailer and mass merchant accounts, as well as 63 Company-owned retail stores. The Company's products are distributed worldwide through 152 licensees and distributors in over 90 countries. Approximately one half of the Company's earnings from continuing operations before income taxes is derived from foreign licensing and distribution arrangements.

The Company, which was organized in 1906 as the successor to a footwear business established in 1883, began to refocus its marketing, footwear design and manufacturing strategy in 1992. As a result, global sales of the Company's brands of footwear increased from approximately 18 million pairs in fiscal 1992 to approximately 26 million pairs in fiscal 1994. In addition, in fiscal 1994, net sales and other operating income increased by 17.1% to \$378.5 million and net income increased by 44.4% to \$16.6 million, compared to fiscal 1993.

Over the past three years, the Company has repositioned its manufacturing capabilities to add the flexibility necessary to respond to product demand on a timely and cost effective basis. The Company minimizes capital expenditures and maximizes quality and manufacturing flexibility by using a combination of its own facilities and third party foreign manufacturing. The Company also owns and operates a pigskin tannery, which it believes provides a strategic advantage for the Company by providing leather using proprietary technology at prices below those available from other sources.

The Company is a Delaware corporation. The Company's principal executive offices are located at 9341 Courtland Drive, N.E., Rockford, Michigan 49351. Its telephone number is (616) 866-5500.

THE OFFERING

Common Stock offered by the Company.....	1,400,000 shares
Common Stock to be outstanding after completion of this offering.....	17,844,179 shares(1)
Use of Proceeds.....	To repay outstanding indebtedness and for general corporate purposes, including possible future acquisitions.
New York Stock Exchange and Pacific Stock Exchange Trading Symbol.....	WWW

(1) Excludes (a) 1,028,542 shares of Common Stock issuable upon the exercise of outstanding stock options and (b) 180,499 shares reserved for future issuance under the Company's equity-based compensation plans as of September 9, 1995. Also excludes 750,000 shares available for future issuance under the Company's 1995 Stock Incentive Plan.

SUMMARY CONSOLIDATED FINANCIAL DATA(1)
(In thousands, except per share data)

	FISCAL YEAR					THIRTY-SIX WEEKS ENDED	
	1990	1991	1992	1993	1994	SEPT. 10, 1994	SEPT. 9, 1995
STATEMENT OF OPERATIONS DATA							
Net sales and other operating income.....	\$284,274	\$271,622	\$282,863	\$323,315	\$378,473	\$237,995	\$ 263,080
Cost of products sold.....	199,392	186,309	198,129	227,026	258,818	165,562	184,049

(UNAUDITED)

Selling and administrative expenses.....	72,397	70,614	72,447	76,543	90,297	57,874	60,138
Operating income.....	12,485	14,699	12,287	19,746	29,358	14,559	18,893
Restructuring and litigation costs...	16,200	7,500	2,700	--	--	--	--
Earnings (loss) from continuing operations(2).....	(4,644)	4,563	4,699	11,754	18,050	7,611	11,601
Net earnings (loss).....	\$ (5,721)	\$ 3,250	\$ (10,941)	\$ 11,492	\$ 16,598	\$ 7,362	\$ 11,601
Primary earnings (loss) per share from continuing operations(2).....	\$ (.31)	\$.31	\$.32	\$.75	\$ 1.10	\$.47	\$.69
Weighted average number of shares used for computing earnings (loss) per share.....	15,001	14,735	14,912	15,717	16,358	16,323	16,819

AT SEPT. 9, 1995

	AS
ACTUAL	ADJUSTED (3)
(UNAUDITED)	

BALANCE SHEET DATA

Working capital.....	\$173,483	\$ 173,483
Total assets.....	276,433	276,433
Short-term borrowings, including current maturities.....	3,056	3,056
Long-term borrowings, less current maturities.....	80,700	41,981
Stockholders' equity.....	144,958	183,677

- (1) The Company's fiscal year ends on the Saturday closest to December 31, resulting in some fiscal years including operating results for 53 weeks instead of the 52 weeks included for most fiscal years. References to fiscal years by date refer to the fiscal year that includes a majority of the days of that calendar year; for example, "fiscal 1993" began on January 3, 1993 and ended on January 1, 1994. Financial data for fiscal 1992 reflects results for 53 weeks of operations. The Company's fiscal year is divided into four accounting periods. The first three accounting periods of each year contain 12 weeks. The final accounting period of each year contains 16 or 17 weeks. Although there is a difference in the number of weeks in each accounting period, the Company generally refers to each accounting period as a "quarter."
- (2) The results from continuing operations exclude discontinued operations and are before the cumulative effect of accounting changes.
- (3) As adjusted to reflect the sale of the 1,400,000 shares of Common Stock offered hereby and the application of the net proceeds therefrom. See "Use of Proceeds."

RISK FACTORS

In addition to the other information contained or incorporated by reference in this Prospectus, the following factors should be considered carefully in evaluating the Company and its business before purchasing any of the shares of Common Stock offered hereby.

Impact of Consumer Spending. The success of the Company's operations depends to a significant extent upon a number of factors affecting disposable consumer income, both domestic and foreign, including economic conditions and factors such as employment, business conditions, interest rates and taxation. There can be no assurance that the Company's business, results of operations and financial condition will not be adversely affected by changes in consumer spending or economic conditions.

Competition; Changes in Consumer Preferences. The Company competes with numerous other manufacturers and importers of footwear, some of which are larger and have greater resources than the Company. Product performance and quality, including technological improvements, product identity, competitive pricing and

the ability to adapt to style changes are all important elements of competition in the footwear industry. The footwear industry in general is subject to changes in consumer preferences. The Company strives to maintain and improve its competitive position through promotion of brand awareness, manufacturing efficiencies, its tannery operations, and the style, comfort and value of its products. Future sales by the Company will be affected by its continued ability to sell its products at competitive prices and to meet shifts in consumer preferences.

Inventory Management. The Company's ability to manage its inventories properly is an important factor in its operations. Inventory shortages can adversely affect the timing of shipments to customers and diminish brand loyalty. Conversely, excess inventories can result in increased interest costs as well as lower gross margins due to the necessity of providing discounts to retailers.

Dependence on Foreign Manufacturers. The Company currently sources approximately one half of its footwear from third party manufacturers in foreign countries. As is common in the industry, the Company does not have any long-term contracts with its foreign footwear manufacturers. There can be no assurance that the Company will not experience difficulties with such manufacturers, including reduction in the availability of production capacity, failure to meet production deadlines or increases in manufacturing costs. Foreign manufacturing is subject to a number of risks, including work stoppages, transportation delays and interruptions, political instability, foreign currency fluctuations, changing economic conditions, expropriation, nationalization, the imposition of tariffs, import and export controls and other non-tariff barriers and changes in governmental policies. Any of these events could have an adverse affect on the Company's business. While the Company has not experienced material losses as a result of fluctuations in the value of foreign currencies and does not engage in currency hedging, currency fluctuations could adversely effect the Company in the future. The Company seeks to diversify its risks by sourcing its products from a variety of manufacturers in many countries.

Seasonality and Quarterly Fluctuations. The Company's business has been and is expected to be seasonal, due to consumer spending patterns and higher Easter, back-to-school and Christmas sales. In 1994, the third and fourth fiscal quarters together accounted for 61% and 78% of the Company's net sales and other operating income and net income, respectively. In addition, the Company's fourth fiscal quarter contains 16 or 17 weeks, compared to 12 weeks for each of the first three fiscal quarters. Due to the combination of these factors, the Company's results for interim periods are not necessarily indicative of its results for the year. In addition to seasonal fluctuations, the Company's operating results fluctuate quarter to quarter as a result of the timing of holidays, weather, and timing of large shipments of footwear. The Company's operating margins also fluctuate according to product mix, cost of materials and the mix between wholesale and licensing businesses. The Company's quarterly net sales and other operating income, earnings from continuing operations and net earnings have increased on a comparative year-to-year basis since the fourth quarter of 1992. However, there can be no assurance that such increases will continue or that results of operations will not decrease in any quarterly period in the future.

Dependence Upon Key Personnel. The Company is dependent on the efforts and abilities of its senior executive officers, including its President and Chief Executive Officer, Geoffrey B. Bloom. While the Company believes that its senior management team has significant depth, the loss of one or more members of senior executive management could have a material adverse effect on the Company, its results of operations and financial condition.

USE OF PROCEEDS

The net proceeds to the Company from the sale of the 1,400,000 shares of Common Stock offered hereby (assuming an offering price of \$29.375 per share and

after deducting underwriting discounts and commissions and estimated offering expenses) are estimated to be approximately \$38.7 million (\$44.6 million if the Underwriters' over-allotment option is exercised in full). The Company intends to use the net proceeds from this offering to repay outstanding balances under its revolving credit facility. The outstanding balance under the revolving credit facility was \$50.0 million as of September 9, 1995, the maximum balance allowed under the facility. However, based upon the historic seasonal patterns of the Company's working capital needs, the Company expects that the balance under the revolving credit facility will be lower immediately prior to the close of this offering. See "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Liquidity and Capital Resources." Interest under the revolving credit facility is payable at variable rates based on both LIBOR and the prime rate (weighted average rate of 6.6% at September 9, 1995). The revolving credit facility expires on October 13, 1998.

The Company expects to use the remaining proceeds, if any, for general corporate purposes, including previously approved capital expenditures and possible acquisitions. Such capital expenditures include approximately \$11.0 million to purchase and equip a warehouse in Cedar Springs, Michigan that is currently under construction and approximately \$13.0 million to expand the Company's corporate headquarters complex. See "Business -- Properties."

The initial reduction of balances under the revolving credit facility will provide the Company additional capacity to fund its capital expenditures, meet its working capital obligations and provide financing availability for general corporate purposes, including possible future acquisitions. It is the Company's intent to pursue acquisitions that would enhance its current product offerings. As of the date of this Prospectus, the Company has no agreements, arrangements or understandings to acquire any other significant businesses. The Company anticipates drawing down its revolving credit facility after this offering to meet these capital needs.

Pending such uses, the remaining net proceeds, if any, after repayment of the outstanding balance under the revolving credit facility will be invested in short-term, interest-bearing investment grade securities.

PRICE RANGE OF COMMON STOCK AND DIVIDENDS

The Common Stock is listed on the New York Stock Exchange and the Pacific Stock Exchange under the symbol "WWW." The following table sets forth, for the Company's fiscal quarters indicated, the high and low sales prices of the Common Stock as reported on the New York Stock Exchange and the cash dividends paid per share during the periods indicated. In addition to cash dividends, the Company effected three-for-two stock splits on each of March 21, 1994 and May 1, 1995. The information in the following table is retroactively adjusted to reflect those stock splits.

	HIGH	LOW	DIVIDENDS PAID
	-----	-----	-----
FISCAL 1993			
First Quarter.....	\$ 8.779	\$ 6.112	\$.0178
Second Quarter.....	9.279	7.445	.0178
Third Quarter.....	11.668	7.390	.0178
Fourth Quarter.....	14.890	10.612	.0178
FISCAL 1994			
First Quarter.....	\$16.446	\$12.890	\$.0178
Second Quarter.....	16.251	12.417	.0267
Third Quarter.....	18.084	13.334	.0267
Fourth Quarter.....	18.084	13.501	.0267
FISCAL 1995			
First Quarter.....	\$19.168	\$15.417	\$.0267
Second Quarter.....	24.250	18.918	.0330
Third Quarter.....	28.125	19.625	.0350
Fourth Quarter (price range through October 25, 1995).....	31.000	25.500	(1)

(1) The Company declared a dividend of \$.035 per share on July 12, 1995 payable November 1, 1995 to stockholders of record on October 2, 1995. In addition, on October 5, 1995, the Company declared a dividend of \$.035 per share payable February 1, 1996 to stockholders of record on January 2, 1996.

The closing sales price as reported on the New York Stock Exchange on October 25, 1995, was \$29.375. As of October 24, 1995, there were approximately 1,989 record holders of Common Stock.

Payment of future cash dividends by the Company, if any, will be at the discretion of the Company's Board of Directors and will depend upon the consolidated earnings and financial condition of the Company and on such other factors as the Board of Directors may consider relevant at the time. The Company has paid cash dividends to its stockholders in each quarter since the beginning of fiscal 1988.

CAPITALIZATION

The following table sets forth the consolidated capitalization of the Company as of September 9, 1995, and as adjusted to give effect to the sale of the Common Stock offered hereby and application of the net proceeds thereof.

	SEPTEMBER 9, 1995	
	ACTUAL	AS ADJUSTED
	(DOLLARS IN THOUSANDS)	
Short-term borrowings, including current maturities of long-term borrowings.....	\$ 3,056	\$ 3,056
Long-term borrowings, excluding current maturities.....	\$ 80,700	\$ 41,981
Stockholders' equity:		
Common stock, \$1 par value: 25,000,000 shares authorized; 17,007,082 shares issued (including treasury shares) (18,407,082 shares, as adjusted) (1).....	17,007	18,407
Preferred stock, \$1 par value: 2,000,000 shares authorized; none issued(2).....	--	--
Additional paid-in capital.....	21,833	59,152
Retained earnings.....	112,343	112,343
Accumulated translation adjustments.....	298	298
Cost of 562,903 shares in treasury (deduct).....	(6,523)	(6,523)
Total stockholders' equity.....	\$144,958	\$ 183,677
Total capitalization.....	\$225,658	\$ 225,658

(1) Shares issued and shares as adjusted exclude (a) 1,028,542 shares of Common Stock issuable upon the exercise of outstanding stock options, and (b) 180,499 shares reserved for future issuance under the Company's equity-based incentive plans as of September 9, 1995. Amounts also exclude 750,000 shares reserved for future issuance under the Company's 1995 Stock Incentive Plan. For a description of shares of Common Stock reserved for issuance pursuant to options granted under the Company's stock option plans, see Note G of the Notes to the Consolidated Financial Statements incorporated herein by reference from the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1994.

(2) A total of 880,000 shares of Series A Junior Participating Preferred Stock is reserved for issuance under the Company's Preferred Stock Purchase Rights Plan. For a description of the Company's Preferred Stock Purchase Rights

Plan and the Company's Series A Junior Participating Preferred Stock, see Note G of the Notes to the Consolidated Financial Statements incorporated herein by reference from the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1994.

SELECTED CONSOLIDATED FINANCIAL DATA(1)

The following selected consolidated financial data for the five fiscal years ended December 31, 1994, January 1, 1994, January 2, 1993, December 29, 1991, and December 30, 1990, are derived from the Consolidated Financial Statements of the Company, which have been audited by Ernst & Young LLP. The consolidated financial data for the thirty-six weeks ended September 9, 1995, and September 10, 1994, are derived from unaudited consolidated financial statements. The unaudited consolidated financial statements include all adjustments, consisting of normal recurring accruals, which the Company considers necessary for a fair presentation of the financial position and the results of operations for these periods. Operating results for the thirty-six weeks ended September 9, 1995, are not necessarily indicative of the results that may be expected for the entire fiscal year ending December 30, 1995. The data should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and with the Consolidated Financial Statements, related notes and other financial information incorporated by reference herein.

	FISCAL YEAR					THIRTY-SIX WEEKS ENDED	
	1990	1991	1992	1993	1994	SEPT. 10, 1994	SEPT. 9, 1995
	(UNAUDITED)						
	(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)						
STATEMENT OF OPERATIONS DATA							
Net sales and other operating income.....	\$284,274	\$271,622	\$282,863	\$323,315	\$378,473	\$ 237,995	\$263,080
Cost of products sold.....	199,392	186,309	198,129	227,026	258,818	165,562	184,049
Gross margin.....	84,882	85,313	84,734	96,289	119,655	72,433	79,031
Selling and administrative expenses.....	72,397	70,614	72,447	76,543	90,297	57,874	60,138
Operating income.....	12,485	14,699	12,287	19,746	29,358	14,559	18,893
Other expenses (income):							
Interest expense.....	3,726	3,464	3,305	4,745	3,981	2,888	3,142
Restructuring and litigation costs.....	16,200	7,500	2,700	--	--	--	--
Other-net.....	(2,828)	(2,143)	(316)	(1,328)	(46)	468	(964)
Earnings (loss) from continuing operations before income taxes.....	(4,613)	5,878	6,598	16,329	25,423	11,203	16,715
Income taxes.....	31	1,315	1,899	4,575	7,373	3,592	5,114
Earnings (loss) from continuing operations.....	\$ (4,644)	\$ 4,563	\$ 4,699	\$ 11,754	\$ 18,050	\$ 7,611	\$ 11,601
Net earnings (loss) (2).....	\$ (5,721)	\$ 3,250	\$ (10,941)	\$ 11,492	\$ 16,598	\$ 7,362	\$ 11,601
Primary earnings (loss) per share from continuing operations(3).....	\$ (.31)	\$.31	\$.32	\$.75	\$ 1.10	\$.47	\$.69
Net earnings (loss) per share(3).....	\$ (.38)	\$.22	\$ (.73)	\$.73	\$ 1.01	\$.45	\$.69
Fully diluted earnings (loss) per share(3).....	\$ (.38)	\$.22	\$ (.73)	\$.71	\$ 1.00	\$.45	\$.69
Weighted average number of shares used for computing earnings (loss) per share(3).....	15,001	14,735	14,912	15,717	16,358	16,323	16,819
BALANCE SHEET DATA (AT PERIOD END)							
Working capital.....	\$ 94,862	\$ 90,239	\$ 92,617	\$111,206	\$125,516	\$ 134,868	\$173,483
Total assets.....	185,366	201,488	201,232	205,633	230,151	234,355	276,433
Short-term borrowings, including current maturities.....	1,996	18,438	22,143	6,680	1,736	3,255	3,056
Long-term borrowings, less current maturities.....	34,267	31,596	42,656	44,913	43,482	64,520	80,700
Stockholders' equity.....	107,608	110,385	100,128	112,750	132,524	121,652	144,958

(1) The Company's fiscal year ends on the Saturday closest to December 31, resulting in some fiscal years including operating results for 53 weeks instead of the 52 weeks included for most fiscal years. References to fiscal

years by date refer to the fiscal year that includes a majority of the days of that calendar year; for example, "fiscal 1993" began on January 3, 1993, and ended on January 1, 1994. Financial data for 1992 reflects results for 53 weeks of operations. The Company's fiscal year is divided into four accounting periods. The first three accounting periods of each year contain 12 weeks. The final accounting period of each year contains 16 or 17 weeks. Although there is a difference in the number of weeks in each accounting period, the Company generally refers to each accounting period as a "quarter."

- (2) Net earnings (loss) includes losses from discontinued operations, net of income taxes, related to the disposition of the Company's Brooks athletic footwear business and its Lamonts Apparel leased shoe department business.
- (3) On March 10, 1994, the Company announced a three-for-two stock split on shares of Common Stock outstanding as of March 21, 1994. On April 19, 1995, the Company announced a three-for-two stock split on shares of Common Stock outstanding as of May 1, 1995. All share and per share data have been retroactively adjusted to reflect these stock splits.

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

INTRODUCTION

The Company is a leading global designer, manufacturer, distributor and marketer of branded, comfort footwear for the entire family. The Company derives its revenues in the United States primarily from the sale of its footwear through department stores, footwear chains, catalogs, specialty retailers, mass merchants and Company-owned outlet stores. The Company derives net sales and other operating income and net earnings from overseas through a network of foreign licensees and distributors in approximately 90 countries that license or distribute the Company's brands. These licensees and distributors are responsible for sales, marketing and positioning of the Company's brands in their respective markets. Royalties and license fees are included in the Company's net sales and other operating income. In addition, the Company is a licensee of other brands. As a licensee, the Company has been granted the worldwide rights to manufacture and market certain footwear under the Caterpillar(R) and CAT Design(R) trademarks, and is also licensed to market certain footwear throughout the United States, Canada and Japan under the Coleman(R) trademark. In fiscal 1994, the Company derived from foreign sources approximately one half of its earnings from continuing operations before income taxes.

The Company has traditionally sold its products through both wholesale and retail channels. In fiscal 1990, the Company implemented a strategic plan to focus the majority of its resources on its wholesale businesses and reduce its reliance on controlled distribution in its retail business. As a result, the Company has reduced its retail business from approximately 176 stores operating under seven different formats in 1990 to 63 stores operating under two formats at September 9, 1995. These two formats include 51 factory outlet stores and 12 mall-based speciality stores. The Company also adopted a plan in 1994 to discontinue its operation of leased shoe departments in the Lamonts Apparel chain and completed the plan in July 1995.

The Company's footwear products are manufactured by the Company and other entities globally. The Company's manufacturing facilities are located in several states domestically and in the Dominican Republic, Puerto Rico and Mexico (collectively, the "Caribbean Basin") and Canada. Two domestic manufacturing strategies have contributed to the Company's recent record performance. First, the Company has implemented a "twin plant" concept whereby the labor intensive cutting and fitting construction of the "upper" is performed at the Company's facilities in the Caribbean Basin and the technology intensive construction, or "bottoming," is performed at the Company's domestic facilities. Second, the

Company has also retooled most of its factories since the beginning of fiscal 1993, giving each facility the flexibility to produce a variety of footwear, and has departed from the industry's historic practice of dedicating a given facility for production of specific footwear products.

A significant portion of the Company's products are also purchased or sourced from third parties overseas. The Company has developed a strong internal sourcing organization and has significant relationships with a variety of established international manufacturers. As part of its Global Operations Group, the Company operates a pigskin tannery which manufactures quality leathers for use in the Company's products and for sale to third parties.

RESULTS OF OPERATIONS

The following table sets forth, for the periods indicated, certain selected statement of operations data expressed as a percentage of net sales.

	FISCAL YEAR			THIRTY-SIX WEEKS ENDED	
	1992	1993	1994	SEPT. 10, 1994	SEPT. 9, 1995
	-----	-----	-----	-----	-----
	(UNAUDITED)				
Net sales and other operating income.....	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of products sold.....	70.0	70.2	68.4	69.6	70.0
	-----	-----	-----	-----	-----
Gross margin.....	30.0	29.8	31.6	30.4	30.0
Selling and administrative expenses.....	25.6	23.7	23.9	24.3	22.9
	-----	-----	-----	-----	-----
Operating income.....	4.4	6.1	7.7	6.1	7.1
Other expenses (income):					
Interest expense.....	1.2	1.5	1.0	1.2	1.2
Restructuring and litigation costs.....	1.0	--	--	--	--
Other-net.....	(0.1)	(0.4)	--	0.2	(0.4)
	-----	-----	-----	-----	-----
Earnings from continuing operations before income taxes.....	2.3	5.0	6.7	4.7	6.3
Income taxes.....	0.7	1.4	1.9	1.5	1.9
	-----	-----	-----	-----	-----
Earnings from continuing operations.....	1.6	3.6	4.8	3.2	4.4
Loss from discontinued operations, net of income taxes.....	(5.5)	(0.1)	(0.4)	(0.1)	--
	-----	-----	-----	-----	-----
Net earnings (loss).....	(3.9)%	3.5%	4.4%	3.1%	4.4%
	=====	=====	=====	=====	=====

Thirty-Six Weeks Ended September 9, 1995 Compared to Thirty-Six Weeks Ended September 10, 1994

Year-to-date net sales and other operating income for 1995 of \$263.1 million compared to \$238.0 million recorded for the comparable period of 1994 (a 10.5% increase). The strong performance of the Wolverine Footwear Group continued, accounting for \$21.5 million of the year-to-date increase. Increases of \$4.6 million generated by United States Department of Defense contracts helped offset a \$3.1 million decrease in the Hush Puppies Retail Division, a result of a 1994 decision to downsize the retail operations. Sales in the Hush Puppies Wholesale Division remained flat due to the generally difficult retail environment for apparel and footwear in the United States. The Wolverine Leathers and Tru-Stitch Footwear Divisions recognized slight sales increases which are in line with the Company's plan.

Gross margin as a percentage of net sales and other operating income was 30.0% for 1995 compared to 30.4% for 1994. Improved margins were recorded in the Wolverine Footwear Group through increased licensing revenues and manufacturing and sourcing efficiencies. The Wolverine Leathers Division continued its strong performance reporting a year-to-date \$1.8 million gross margin increase. The increase in gross margin was achieved by significant reductions in fixed costs, a shift in product mix to higher value added products and price adjustments. These improvements were offset by decreases in the Hush Puppies Wholesale and Retail Divisions, resulting from the continued soft retail climate which impacts

both initial wholesale margins and retail promotional pricing requirements.

Selling and administrative costs of \$60.1 million (22.9% of net sales and other operating income) in 1995 compared to \$57.9 million (24.3% of net sales and other operating income) in 1994. Year-to-date selling, advertising and distribution costs associated with the increased sales volume combined with advertising and promotional investments for the Wolverine(R) brand accounted for \$4.3 million of the increase. Offsetting decreases in direct selling costs were reported in the Hush Puppies Retail Division totaling \$0.9 million, which were due to the strategic repositioning and downsizing of the Hush Puppies Retail Division. Hush Puppies Wholesale Division distribution costs have decreased 13% from \$3.1 million to \$2.7 million, reflecting the implementation of a new incentive wage program designed to reduce costs through increased productivity.

Year-to-date interest expense for 1995 and 1994 was \$3.1 million and \$2.9 million, respectively. The 1995 interest expense totals reflect an increase in borrowings outstanding partially offset by reduced senior debt

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interest rates and average borrowing costs. Increased borrowings were needed to fund working capital requirements associated with sales growth.

The effective income tax rate on net earnings from continuing operations decreased on a year-to-date basis in 1995 from 1994 levels (30.6% compared to 32.1%). The effective tax rate reflects the anticipated annualized rate for the Company giving consideration to the non-taxable net earnings of the Company's Caribbean operations.

Net earnings from continuing operations of \$11.6 million (\$0.69 per share) in 1995 compared with earnings of \$7.6 million (\$.47 per share) for the same period of 1994. Increased earnings from continuing operations are primarily a result of the items noted above.

Fiscal 1994 Compared to Fiscal 1993

Net sales and other operating income from continuing operations for fiscal 1994 of \$378.5 million compare with \$323.3 million for fiscal 1993, a 17.1% increase. This increase was primarily the result of record sales in the Wolverine Footwear Group and the Tru-Stitch Footwear Division. Additionally, strong sales increases occurred in The Hush Puppies Company and the Wolverine Leathers Division.

The Wolverine Footwear Group's record sales were fueled by a 31.9% increase in the domestic and international work and sport boot divisions. This increase was offset by a 6.1% decrease in the Bates Division. The work and sport boot gains continue to reflect superior product characteristics and the continued trend toward utilizing these products for everyday use. The reduced shipments in the Bates Division reflect the continued downsizing of the United States military and reduced demand in export markets.

The Tru-Stitch Footwear Division reached record net sales by recording a 23.9% increase over record fiscal 1993 levels. The increase resulted from further increases in catalog accounts and a full year of operations of the B & B Shoe Company, which was acquired in fiscal 1993.

The Hush Puppies Company recorded an 11.1% increase in volume for the year with all operating groups reporting an increase. The brand repositioning which began in fiscal 1992 continued to have a positive impact on the domestic wholesale business and contributed to gains in the international and retail operations. Despite the closing of thirty stores during the year, the retail operations reported a 4.6% sales increase.

The Global Operations Group recorded increased net sales in the Wolverine Leathers Division while its contract sales remained flat. The Wolverine Leathers Division recorded a revenue increase of 23.2% which reflects the opportunities

created from increased pricing pressure on cowhide prices. This increase was obtained despite the actions taken to reduce its product offerings and to focus on high margin products.

Gross margins increased to 31.6% in fiscal 1994 compared to 29.8% in fiscal 1993. Pricing pressures continue on both the wholesale and retail level and cost increases on raw materials occurred throughout the Company during the year. Despite these pressures, the Company was able to improve its margins by increasing manufacturing efficiencies, providing improved sourcing to the wholesale groups and capitalizing on increased production levels which provides incremental absorption of overhead costs. These benefits are expected to continue and should provide the Company with the ability to maintain its value pricing position.

Selling and administrative expenses increased \$13.8 million in fiscal 1994 and, as a percentage of net sales, rose to 23.9% in fiscal 1994. This increase was a result of increased investment spending in the Company's core brands as advertising and marketing expenses of The Hush Puppies Company and the Wolverine Footwear Group increased 40.3% on a combined basis. Additionally, normal cost increases occurred in conjunction with the growth of the Company and employee profit-sharing costs increased as the overall profitability of the Company improved.

Interest expense of \$4.0 million was down in fiscal 1994 from the \$4.7 million reported in fiscal 1993. The reduction resulted from reduced average borrowings during the year and a more favorable interest rate on the Company's long-term borrowings which resulted from the issuance of replacement senior debt.

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The fiscal 1994 effective income tax rate on continuing operations of 29.0% increased from 28.0% in fiscal 1993. The reduction from the federal statutory rates of 35% was principally a result of non-taxable earnings of the Company's Caribbean operations.

Earnings from continuing operations of \$18.1 million (\$1.10 per share) for fiscal 1994 reflect a 53.6% increase over earnings of \$11.8 million (\$.75 per share) reported for fiscal 1993. In fiscal 1994, the Company recorded a loss from discontinued operations of \$1.5 million (\$.09 per share), net of income taxes, to reflect the costs associated with the exiting of its Lamonts Apparel leased shoe department business.

Primary earnings per share of \$1.01 for fiscal 1994 compare to \$.73 per share for fiscal 1993. Fully diluted earnings per share of \$1.00 and \$.71 were reported for fiscal 1994 and fiscal 1993, respectively.

Fiscal 1993 Compared to Fiscal 1992

Net sales and other operating income from continuing operations for fiscal 1993 were \$323.3 million compared to \$282.9 million for fiscal 1992. This 14.3% increase was driven by record sales in the Wolverine Footwear Group and the Tru-Stitch Footwear Division. The Hush Puppies Company also recorded a healthy sales increase during the year. These increases were partially offset by a decrease in the Wolverine Leathers Division sales.

Domestically, the Wolverine Footwear Group posted a sales increase of 31.5% which was the second year in which the sales gain exceeded 30%. The continued success of Wolverine(R) DuraShocks(R) boots and the introduction of Wolverine Wilderness(R) products to the market place were the primary factors contributing to the sales gain. Increased marketing efforts to promote the Wolverine(R) Work Boot products also contributed to the sales gains.

A 16.2% increase in net sales was realized by the Bates Division of the Wolverine Footwear Group. While the United States military continued to downsize, the comfort characteristics of Bates(R) brand footwear continues to

gain acceptance and the durability of the product made Bates(R) products number one in this category.

The Tru-Stitch Footwear Division reached record sales with a 20.7% increase for the year. The prominent position of its products in the market through all distribution channels and the addition of B & B Shoe Company, which produces generally lower priced products, continued to allow the Tru-Stitch Footwear Division to grow its business.

While The Hush Puppies Company did not reach record sales volumes, it did post an increase of 5.3%. The repositioning and revitalization of the brand which began in fiscal 1992 had a positive impact. Retail and consumer acceptance for the product was apparent as the division's reorder business for the year was strong.

The Wolverine Leathers Division began resizing during the third quarter of 1993. The primary focus was to retract the business into high margin areas where the business can perform profitably. The volume was reduced and this combined with other actions is expected to allow the division to regain its profitability as it focuses on the higher value added product in its offerings.

Gross margins as a percentage of net sales decreased to 29.8% in fiscal 1993 from 30.0% in fiscal 1992. The emphasis of value priced product in the market place continues to place pressures on wholesale and retail price points. The Company maximized its pricing positions when superior products were available, such as Wolverine(R) DuraShocks(R) and Tru-Stitch(R) brand slippers, but was very cautious in raising prices in a competitive market in order to increase gross margin levels. A significant benefit, which improved the Company's gross margin levels, was the manufacturing efficiencies realized in the domestic facilities. This, combined with the Company's low cost import operations, provided the Company with product which was priced attractively.

Selling and administrative expenses for fiscal 1993 were 23.7% of net sales compared to 25.6% of net sales in fiscal 1992. While the expenses were reduced as a percentage of net sales, the expenses increased \$4.1 million. The increase was primarily a result of increased commissions due to higher volume, the impact of intensified marketing and promotional campaigns, and employee profit-sharing programs. The overhead

reduction plan which was announced in the fourth quarter of fiscal 1992 was successful and the initial target of \$3.0 million of savings was exceeded by over \$1.0 million.

Interest expense of \$4.7 million for fiscal 1993 reflects a \$1.4 million increase over fiscal 1992. However, fiscal 1992 interest expense did not include interest expense of \$2.6 million associated with discontinued operations. Overall, interest expense was reduced by \$1.1 million as a result of the reduction in debt levels.

Other expenses in fiscal 1992 included a charge of \$2.7 million associated with the reduction in corporate staff and the write-down of certain intangible assets.

The fiscal 1993 effective income tax rate on continuing operations of 28.0% compared to 28.8% in fiscal 1992. The reduction from the statutory federal rate of 35% was principally a result of non-taxable earnings of the Company's Caribbean operations.

Earnings from continuing operations of \$11.8 million for fiscal 1993 reflect a 151% increase over fiscal 1992 earnings of \$4.7 million.

The Company incurred costs associated with the operating losses of the Brooks athletic footwear business and Lamonts Apparel leased shoe department business in fiscal 1993 and fiscal 1992. The losses associated with the disposal

of these operations totaled \$0.3 million in 1993 and \$14.9 million in 1992. Additionally, the Company elected to adopt SFAS No. 109 ("Accounting for Income Taxes") and SFAS No. 106 ("Employers Accounting for Post-retirement Benefits Other Than Pensions") which resulted in a net charge to earnings of \$0.8 million in fiscal 1992.

Net earnings of \$11.5 million (\$.73 per share) for fiscal 1993 compared to a net loss of \$10.9 million (\$.73 per share) for fiscal 1992. The change reflected the significant progress made in the core business units of the Company and the improvements resulting from the divestiture of the Brooks athletic footwear business.

SEASONALITY AND QUARTERLY COMPARISONS

Retail sales in the footwear and apparel industries are seasonal. The Company's peak selling seasons are during the Easter, back-to-school and Christmas periods. The Company's sales and profits have traditionally been higher in the second half of the year. Due to the seasonal nature of its sales, the Company experiences fluctuation in levels of working capital. The Company finances its working capital needs through internal financing and through a revolving credit facility with independent lenders. The Company expects the seasonal sales and earnings pattern to continue in future years.

The Company's fiscal year is divided into four accounting periods. The first three accounting periods of each year contain 12 weeks. The final accounting period of each year contains 16 or 17 weeks. Although there is a difference in the number of weeks in each accounting period, the Company generally refers to each accounting period as a "quarter." In addition, the Company's fiscal year ends on the Saturday closest to December 31, resulting in some fiscal years including operating results for 53 weeks instead of the 52 weeks included for most fiscal years. This difference in the number of weeks contained in each quarter combined with the seasonal nature of the Company's sales cause significant differences in sales and earnings data from quarter to quarter. These differences, however, follow a similar pattern from year to year. The following table sets forth certain quarterly consolidated statement of operations data for the periods presented. This quarterly information is unaudited and has been prepared on the same basis as the annual consolidated financial statements and, in management's opinion, reflects all adjustments (consisting only of normal recurring

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accruals) necessary to present fairly the information set forth therein. The operating results for any quarter are not necessarily indicative of results for any future period.

	FISCAL 1993				FISCAL 1994				FISCAL 1995		
	QUARTER ENDED				QUARTER ENDED				QUARTER ENDED		
	MAR. 27, 1993	JUNE 19, 1993	SEPT. 11, 1993	JAN. 1, 1994	MAR. 26, 1994	JUNE 18, 1994	SEPT. 10, 1994	DEC. 31, 1994	MAR. 25, 1995	JUNE 17, 1995	SEPT. 9, 1995
	(IN THOUSANDS, EXCEPT PER SHARE DATA)										
Net sales and other operating income.....	\$64,099	\$ 63,585	\$78,820	\$116,811	\$66,766	\$79,319	\$91,910	\$140,478	\$76,331	\$ 86,289	\$100,460
Operating income.....	2,057	2,818	4,083	10,788	2,878	4,998	6,683	14,799	3,875	6,318	8,700
Earnings from continuing operations.....	825	1,119	2,092	7,718	1,391	2,463	3,757	10,439	2,497	3,897	5,207
Net earnings.....	700	1,084	2,048	7,660	1,291	2,384	3,687	9,236	2,497	3,897	5,207
Primary earnings per share from continuing operations.....	.05	.07	.14	.49	.09	.15	.23	.63	.15	.23	.31

LIQUIDITY AND CAPITAL RESOURCES

Accounts receivable of \$85.6 million at September 9, 1995 reflect an increase of \$14.0 million and \$14.9 million over the balances at September 10,

1994 and December 31, 1994, respectively. Inventories of \$110.4 million at September 9, 1995 reflect an increase of \$26.0 million and \$31.4 million over the balances at September 10, 1994 and December 31, 1994, respectively. The increases in accounts receivable were directly related to increased net sales and other operating income. Inventories were increased to meet anticipated future demand in both wholesaling and manufacturing. At September 9, 1995, order backlog was approximately 23% higher than order backlog at September 10, 1994, supporting the need for increased inventories. Fourth quarter shipments are expected to reduce inventories to levels which will be commensurate with the growth of the Company's wholesale businesses.

Other current assets totaling \$14.9 million at September 9, 1995 were unchanged from December 31, 1994 levels and were \$4.0 million higher than the September 10, 1994 balance. The increases were primarily a result of the current portion of notes receivable from the 1992 disposition of the Brooks athletic footwear business becoming classified as a current asset.

Total interest bearing debt of \$83.8 million at September 9, 1995 compared to \$67.8 million and \$45.2 million at September 10, 1994 and December 31, 1994, respectively. The increase in debt since December 31, 1994 was a result of the seasonal working capital requirements of the Company. The increase over September 10, 1994 was primarily attributable to additional investment in inventories to meet anticipated sales demand in the last quarter of 1995. The Company typically experiences its peak borrowing levels in September or October. The Company is currently examining its long term capital requirements and anticipates that the proceeds of this offering along with the Company's existing revolving credit facility will be sufficient to fund the Company's capital expenditures and working capital needs through 1996.

The Company's increased investments in capital improvements have resulted in a \$1.3 million increase in depreciation expense for year-to-date 1995 over the same period of 1994. These capital investments reflect the ongoing integration of manufacturing facilities and refurbishment of a corporate office building.

The Company issued \$30.0 million of senior debt during the third quarter of 1994 with an interest rate of 7.81%. Proceeds were used to pay \$21.4 million of existing 10.40% senior debt and to reduce balances outstanding under the revolving credit facility.

INFLATION

The Company does not believe that inflation has materially affected earnings during the past three years.

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BUSINESS

GENERAL

The Company is a leading designer, manufacturer and marketer of a broad line of quality comfortable casual shoes, rugged outdoor and work footwear, and constructed slippers and moccasins. Consumers on six continents purchased more than 26 million pairs of Company branded footwear during fiscal 1994, making the Company a global leader among U.S. shoe companies in the marketing of branded non-athletic footwear. The Company's products generally feature contemporary styling with patented technologies designed to provide maximum comfort. The products are marketed throughout the world under widely recognized brand names, including Hush Puppies(R), Wolverine(R), Bates(R), Caterpillar(R) and Coleman(R). The Company believes that its primary competitive strengths are its well recognized brand names, broad range of comfortable footwear, patented comfort technologies, distribution through numerous channels and diversified manufacturing base.

The Company's footwear is sold under a variety of brand names designed to

appeal to most consumers of non-athletic footwear at numerous price points. The Company's footwear products are organized under three operating divisions: (i) The Hush Puppies Company, focusing on comfortable casual shoes, (ii) the Wolverine Footwear Group, focusing on work, outdoor and lifestyle boots and shoes and (iii) the Tru-Stitch Footwear Division, focusing on slippers and moccasins under private labels for third party retailers. The Company's footwear is distributed domestically to approximately 30,000 department store, footwear chain, catalog specialty retailer and mass merchant accounts, as well as 63 Company-owned retail stores. The Company's products are distributed worldwide through 152 licensees and distributors in over 90 countries. Approximately one half of the Company's earnings from continuing operations before income taxes is derived from foreign licensing and distribution arrangements.

The Company, which was organized in 1906 as the successor to a footwear business established in 1883, began to refocus its marketing, footwear design and manufacturing strategy in 1992. As a result, global sales of the Company's brands of footwear increased from approximately 18 million pairs in fiscal 1992 to approximately 26 million pairs in fiscal 1994. In addition, in fiscal 1994, net sales and other operating income increased by 17.1% to \$378.5 million and net income increased by 44.4% to \$16.6 million, compared to fiscal 1993.

Over the past three years, the Company has repositioned its manufacturing capabilities to add the flexibility necessary to respond to product demand on a timely and cost effective basis. The Company minimizes capital expenditures and maximizes quality and manufacturing flexibility by using a combination of its own facilities and third party foreign manufacturing. The Company also owns and operates a pigskin tannery, which it believes provides a strategic advantage for the Company by providing leather using proprietary technology at prices below those available from other sources.

PRODUCTS

The Company's product offerings include casual, dress, work and uniform shoes, and work, sport and uniform boots as well as constructed slippers and moccasins. Footwear is offered by the Company under many recognizable brand names including Hush Puppies(R), Wolverine(R), Bates(R), Caterpillar(R) and Coleman(R). The Company also manufactures constructed slippers and moccasins and markets them on a private label basis through its Tru-Stitch Footwear Division. Through its manufacturing facilities and third-party contractors, the Company combines quality materials and skilled workmanship from around the world to produce footwear according to its specifications.

The Company's footwear products are organized under three operating divisions: The Hush Puppies Company, the Wolverine Footwear Group, and the Tru-Stitch Footwear Division. In addition, the Company produces pigskin leathers under its Global Operations Group.

The Hush Puppies Company. The Company believes that Hush Puppies' (R) 38-year heritage as a pioneer of comfortable casual shoes positions the brand to capitalize on the global trend toward more casual workplace and leisure attire. The diverse product line includes numerous styles for both work and casual wear, utilizes comfort features, such as the Comfort Curve(R) sole and patented Bounce(R) technology, and is marketed under the advertising theme "We Invented Casual(TM)".

[LOGO]

During 1992, the Company implemented a strategy to reposition the Hush Puppies(R) brand to update its global image and appeal. The repositioning contributed to more than 15 million pairs of Hush Puppies(R) being shipped in 1994, a 17% increase in units over the prior year. Hush Puppies(R) shoes are sold to men, women and children in 71 countries and are distributed through a multi-tiered network of

department stores, specialty retailers,
catalogs and Company-owned stores.

The Wolverine Footwear Group. The Wolverine Footwear Group is one of the world's largest work and outdoor footwear companies, encompassing multiple brands designed with performance and comfort features to serve a variety of work, outdoor and lifestyle functions. The Wolverine(R) brand, which has been in existence for 112 years, is identified with performance and quality and includes products bearing the names Wolverine(R), Wolverine Wilderness(R) and Wolverine Sportsman(TM). The Wolverine Footwear Group also includes the Bates(R), Caterpillar(R) and Coleman(R) product lines. Patented technologies and designs, such as the DuraShocks(R) and Hidden Tracks(TM) systems, and the use of quality materials and components contributed to a 22% increase in net sales and other operating income for the Wolverine Footwear Group in fiscal 1994.

[LOGO] Wolverine Boots and Shoes. The Company believes the Wolverine(R) brand has built its reputation by making quality, durable and comfortable work boots and shoes. The development of DuraShocks(R) technology allowed the Wolverine(R) brand to introduce a broad line of work footwear with a focus on comfort. Wolverine(R) boots are guaranteed to be "The World's Most Comfortable Boot or Your Money Back.(C)" Wolverine(R) brand work boots and shoes, including steel toes, target male and female industrial and farm workers and are distributed through department stores and speciality and independent retailers.

[LOGO] Wolverine Wilderness. The Wolverine Wilderness(R) line introduced DuraShocks(R) technology and other comfort features to products designed for rugged outdoor use. This broad product line includes all-terrain sport boots, walking shoes, trail hikers, rugged casuals and outdoor sandals. The line targets active lifestyles and is distributed through department stores and specialty and independent retailers.

[LOGO] Wolverine Sportsman. The Company's Wolverine Sportsman(TM) boots target hunters, fishermen and other active outdoor users. Warmth, waterproofing and comfort are achieved through the use of Gortex(R), Thinsulate(R) and the Company's DuraShocks(R) brand technologies. The Wolverine Sportsman(TM) line is sold through specialty retail and catalog distribution channels that serve hunting and fishing enthusiasts.

[LOGO] Bates. The Company's Bates Division is an industry leader in supplying footwear to military and civilian uniform users. The Bates Division utilizes DuraShocks(R) and other proprietary comfort technologies in the design of its military-style boots and oxfords. Civilian uniform uses include police, postal, restaurant and other industrial occupations. Bates Division products are also distributed through specialty retailers and catalogs.

[LOGO] Caterpillar. The Company has been granted the

exclusive worldwide rights to manufacture, market and distribute certain footwear and related accessories under the Caterpillar(R), CAT Design(R) and other trademarks. The Company believes the association with Caterpillar(R) equipment enhances the reputation of its boots for quality, ruggedness and durability. In 1994, the first year of the Company's license, the Company took orders for 3 million pairs of Caterpillar(R) boots, approximately 70% for overseas markets. The diversity of the product line and strong recognition of the Caterpillar(R) brand name allow the Company to distribute products through a wide variety of channels, including mass merchants, department stores and independent retailers. These products are primarily targeted at work and industrial users.

[LOGO]

Coleman. The Company has been granted the exclusive rights to manufacture, market, distribute and sell certain outdoor footwear under the Coleman(R) brand in the United States, Japan and Canada. Coleman(R) brand footwear products include lightweight hiking boots, rubber footgear and outdoor sandals, which are sold primarily at value-oriented prices through mass merchants.

The Tru-Stitch Footwear Division. Through the Tru-Stitch Footwear Division, the Company is the leading supplier of constructed slippers in the United States.

[LOGO]

The styling of Tru-Stitch(R) footwear reflects consumer demand for the "rugged indoor" look by using natural leathers such as moosehide, shearling and suede in constructed slipper and indoor and outdoor moccasin designs. The Company designs and manufactures constructed slippers and moccasins on a private label basis according to customer specifications. Such products are manufactured for leading United States retailers and catalogs, such as Nordstrom, J.C. Penney, L.L. Bean, Eddie Bauer and Lands' End.

The Wolverine Leathers Division. The Company's Global Operations Group includes the Wolverine Leathers Division, the largest domestic tanner of pigskin, primarily for use in the footwear industry.

[LOGO]

Wolverine Leathers(R) brand products are manufactured in the Company's pigskin tannery located in Rockford, Michigan. The Company believes these leathers offer superior performance and cost advantages over cowhide leathers. The Company's waterproof, stain resistant and washable leathers are featured in all of the Company's domestic footwear lines and many products offered by the Company's international licensees.

MARKETING

The Company's overall marketing strategy is to develop brand-specific plans and related promotional materials for the United States market which foster a differentiated and globally consistent image for each of the Company's core brands. Each brand group within the Company has its own marketing personnel who develop the marketing strategy for products within that group. Domestic

marketing campaigns target both the Company's retail accounts and consumers, and strive to increase overall brand awareness for the Company's products. The Company's advertisements typically emphasize the comfort and quality of its footwear, in addition to durability, functionality and other performance aspects. Components of the brand-specific plans

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include print, radio and television advertising, in-store point of purchase displays, Shop-in-Shop design, promotional materials, and sales and technical floor assistance.

The Company's brand groups provide its international licensees and distributors with creative direction and materials to convey consistent messages and brand images. Examples of assistance provided by the Company to its licensees and distributors are (i) direction concerning the categories of footwear to be promoted, (ii) photography and layouts, (iii) broadcast advertising, including commercials and film footage, (iv) point of purchase presentation specifications and blueprints, (v) sales materials, and (vi) consulting concerning retail store layout and design.

Three global advertising campaigns are currently underway to enhance brand position and awareness.

- "We Invented Casual"(TM) positions the Hush Puppies(R) brand as a pioneer in developing comfortable casual footwear for the family.
- "Works Like Hell, Feels Like Heaven"(TM) highlights the Wolverine(R) brand's performance and comfort characteristics in the work boot and shoe category.
- "Walking Machines, The Toughest Equipment On Earth(C)" identifies Caterpillar(R) brand products with the performance and reputation of their heavy equipment namesakes.

The Company believes the strengths of its brand names provide a competitive advantage. In support of this belief, the Company has significantly increased its expenditures on marketing and promotion to support the position of its products and enhance brand awareness.

DOMESTIC SALES AND DISTRIBUTION

The Company uses a wide variety of distribution channels to distribute its products. To meet the diverse needs of its broad customer base, the Company uses three primary distribution strategies.

- Traditional wholesale distribution is used to service department stores (such as J.C. Penney, Sears and Nordstrom), large footwear chains (such as Famous Footwear and Chernin's), specialty retailers, catalogs and independent retailers. A dedicated sales force and customer service team, advertising and point of purchase support and in-stock inventories are used to service these accounts.
- Volume direct programs provide branded and private label footwear at competitive prices with limited marketing support. These programs service major retail, mail order and government customers.
- First cost agreements are primarily utilized to furnish brands licensed by the Company to mass merchants (such as Wal*Mart) on a royalty basis.

In addition to its wholesale activities, the Company operated 63 domestic retail shoe stores as of September 9, 1995, under two formats, consisting of factory outlet stores and mall-based speciality stores. In fiscal 1990, the Company implemented a strategic plan to focus the majority of its resources on its wholesale businesses. As a result, the Company's retail operations were

significantly downsized and repositioned from 176 stores operating under seven formats in 1990 to the current store base. The Company expects the scope of its retail operations to remain relatively consistent in the foreseeable future. Most of the Company's 51 factory outlet stores carry a large selection of first quality Company branded footwear at a discount to conventional retail prices. The 12 regional mall-based full service, full price Hush Puppies(R) Specialty Stores feature a broad selection of men's and women's Hush Puppies(R) brand footwear and are used by the Company to test new styles and merchandizing strategies. The Company also adopted a plan in 1994 to discontinue its operation of leased shoe departments in the Lamonts Apparel chain and completed the plan in July 1995.

A broad distribution base insulates the Company from dependence on any one customer. No customer of the Company accounted for more than 10% of the Company's net sales and other operating income in fiscal 1994.

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GLOBAL LICENSING

Approximately one half of the Company's earnings from continuing operations before income taxes is derived from foreign licensing and distribution arrangements. The Company derives royalty income from licensing the Hush Puppies(R), Wolverine(R), Wolverine Wilderness(R), and other trademarks to domestic and foreign licensees for use on footwear and related products. The Company, as a licensee, sells footwear bearing the Caterpillar(R) and Coleman(R) trademarks through foreign distributors. Licensing and distributing enables the Company to develop international markets without the capital commitment required to maintain inventories or fund localized marketing programs. In fiscal 1994, the Company's foreign licensees and distributors sold an estimated 11.5 million pairs of footwear, an increase from approximately 8.6 million pairs sold in fiscal 1993.

The Company continues to develop a global network of licensees and distributors to market its footwear brands. The Company assists in designing products that are appropriate to each foreign market but are consistent with the global brand position. The licensees and distributors then either manufacture their own product or purchase goods from either the Company or third-party manufacturers. Each licensee and distributor is responsible for the marketing and distribution of the Company's products. See "-- Marketing."

MANUFACTURING AND SOURCING

Although approximately one half of the Company's product line is purchased or sourced from third parties, the remainder is produced at Company-owned facilities. The Company's footwear is manufactured in several domestic and certain related foreign facilities located in Michigan, Arkansas, New York, the Caribbean Basin and Canada. The Company has implemented a "twin plant" concept whereby the labor intensive cutting and fitting construction of the "upper" is performed at the Company's facilities in the Caribbean Basin and the technology intensive construction, or "bottoming," is performed at the Company's domestic facilities.

The Company has retooled most of its factories since the beginning of fiscal 1993, giving each facility the flexibility to produce a variety of footwear, and has departed from the industry's historic practice of dedicating a given facility for production of specific footwear products. The traditional dedication of facilities at times caused internal conflicts in manufacturing capacity and did not permit the Company to quickly respond to changes in market preference and demand. The Company now produces various products for both men and women in most of its domestic facilities, providing greater flexibility for the Company to respond to both market and customer-specific demand.

The Company sources certain footwear from a variety of foreign manufacturing facilities in the Asia-Pacific region, Central and South America and Europe. The Company maintains technical offices in the Asia-Pacific region

to facilitate the sourcing and importation of quality footwear. The Company has established guidelines for each of its third-party manufacturers in order to monitor product quality, labor practices, and financial viability.

The Company's domestic manufacturing operations allow the Company to (i) reduce its lead time, enabling it to quickly respond to market demand and reduce inventory risk, (ii) lower freight and shipping costs and (iii) closely monitor product quality. The Company's foreign manufacturing strategy allows the Company to (i) benefit from lower labor costs, (ii) source the highest quality raw materials from around the world and (iii) avoid additional capital expenditures necessary for factories and equipment. The Company believes that its overall global manufacturing strategy gives the Company maximum flexibility to properly balance the need for timely shipments, high quality products and competitive pricing.

The Company owns and operates a pigskin tannery, which is one of the premier tanners of quality leather for the footwear industry. The Company and its licensees receive virtually all of their pigskin requirements from the tannery. The Company believes the tannery provides a strategic advantage for the Company by producing leather using proprietary technology at prices below those available from other sources.

The Company's principal required raw material is quality leather, which it purchases primarily from a select group of domestic suppliers, including the Company's tannery. The global availability of shearling and cowhide leather eliminates any reliance by the Company upon a sole supplier. However, the Company currently purchases the vast majority of the raw pigskins used in a significant portion of its pigskin footwear from a single domestic source, which has been a reliable and consistent supplier for over 30 years. The

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Company purchases all of its other raw materials and component parts from a variety of sources, none of which is believed by the Company to be a dominant supplier.

TRADEMARKS, LICENSES AND PATENTS

The Company holds a number of registered and common law trademarks that identify its products. The trademarks that are most widely used by the Company include Hush Puppies(R), Wolverine(R), Wolverine Wilderness and Sun Design(R), Bates(R), DuraShocks(R), Bounce and Design(R), Comfort Curve(R), Tru-Stitch()@, and Sioux Mox(R). The Company is licensed to market certain footwear under the Coleman(R) trademark in the United States and Canada and in Japan pursuant to agreements extending through December 31, 2000, and June 30, 1999, respectively. The Company is also licensed to market certain footwear throughout the world under the Caterpillar(R) and CAT Design(R) trademarks pursuant to an agreement that extends through December 31, 1999. Pigskin leather produced by the Company is sold under the trademarks Wolverine Leathers(R), All Weather Leathers(TM) and Satin Suede(TM).

The Company believes that its products are identified by consumers by its trademarks and that its trademarks are valuable assets. The Company is not aware of any infringing uses or any prior claims of ownership of its trademarks that could materially affect its current business. It is the policy of the Company to pursue registration of its primary marks whenever possible and to vigorously defend its trademarks against infringement or other threats to the greatest extent practicable under the laws of the United States and other countries. The Company is also the holder of several patents, copyrights and various other proprietary rights. The Company protects all of its proprietary rights to the greatest extent practicable under applicable law.

ORDER BACKLOG

At September 9, 1995, the Company had a backlog of orders of approximately \$100 million compared with a backlog of approximately \$82 million at September

10, 1994. While orders in backlog are subject to cancellation by customers, the Company has not experienced significant cancellation of orders in the past. The backlog at a particular time is affected by a number of factors, including seasonality and the scheduling of the manufacture and shipment of products. Accordingly, a comparison of backlog from period to period is not necessarily meaningful and may not be indicative of eventual actual shipments.

COMPETITION

The Company's footwear lines are manufactured and marketed in a highly competitive environment. The Company competes with numerous manufacturers (domestic and foreign) and importers of footwear, some of which are larger and have greater resources than the Company. The Company's major competitors for its brands of footwear are located in the United States. Product performance and quality, including technological improvements, product identity, competitive pricing, and the ability to adapt to style changes are all important elements of competition in the footwear markets served by the Company. The footwear industry in general is subject to changes in consumer preferences. The Company strives to meet competition and maintain its competitive position through promotion of brand awareness, manufacturing efficiencies, its tannery operations, and the style, comfort and value of its products. Future sales by the Company will be affected by its continued ability to sell its products at competitive prices and to meet shifts in customer preference.

RESEARCH AND DEVELOPMENT

In addition to normal and recurring product development, design and styling activities, the Company engages in research and development related to new and improved materials for use in its footwear and other products and in the development and adaptation of new production techniques. The Company's continuing relationship with the Biomechanics Evaluation Laboratory at Michigan State University, which is funded in part by a grant from the Company, has led to specific biomechanical design concepts, such as Bounce(R), DuraShocks(R) and Hidden Tracks(TM) comfort technologies, that have been incorporated in the Company's footwear. The Company also maintains a footwear design center in Italy to develop contemporary styling for the Company and its international licensees.

LEGAL PROCEEDINGS

The Company is involved in litigation and various legal matters arising in the normal course of business. The Company is also involved in certain environmental compliance activities. Compliance with federal, state and local regulations with respect to the environment has not had, nor is it expected to have, any material effect on the capital expenditures, earnings or competitive position of the Company. The Company uses and generates, and in the past has used and generated, certain substances and wastes that are regulated or may be deemed hazardous under certain federal, state and local regulations with respect to the environment.

The Company is one of 14 companies named as potentially responsible parties ("PRPs") by the Michigan Department of Environmental Quality ("MDEQ") at the Sunrise Landfill Site near Wayland, Michigan. The MDEQ has demanded that the PRPs pay approximately \$3.7 million as reimbursement for past costs at the site and join in financing further investigation and remedial efforts. The MDEQ estimates that cleanup and remediation of the site could cost in excess of \$15 million. The Sunrise PRPs have jointly agreed with the MDEQ to pay \$323,000 in costs incurred by the MDEQ prior to July 1991, and have agreed to investigate possible responses, implement interim measures to control current and prevent future environmental degradation, and attempt to identify other PRPs. The Company has paid \$90,000, representing its share of the estimated cost of these activities. The Company's ultimate liability at this site will depend largely upon what remedial measures prove feasible and whether additional PRPs can be identified.

The Company has considered facts that have been ascertained and opinions of counsel handling these matters and does not believe the ultimate resolution of these proceedings will have a material adverse effect on the Company's financial condition or results of operations.

EMPLOYEES

As of September 9, 1995, the Company had approximately 5,600 production, office and sales employees. Approximately 1,400 employees were covered by eight union contracts expiring at various dates through 1998. The Company has experienced no work stoppages since 1990. The Company presently considers its employee relations to be good.

PROPERTIES

The principal executive, sales and administration offices of the Company are located in Rockford, Michigan and consist of administration and office buildings of approximately 123,300 square feet. The Company also has additional administrative and sales offices in Arkansas, New York, Italy, Canada and the Asia-Pacific region totaling approximately 32,400 square feet, the majority of which is leased.

The Company's pigskin tannery, located in Rockford, Michigan, encompasses approximately 160,000 square feet and is supported by four procurement facilities in various states. The Company's footwear manufacturing operations are conducted at 20 separate facilities, totaling approximately 850,000 square feet of manufacturing space. These facilities are located in Arkansas, Michigan, New York, Mexico, Puerto Rico, the Dominican Republic and Canada. Approximately 444,000 square feet of manufacturing space is under lease at seven locations and the remaining seven facilities are Company-owned. The Company believes its footwear manufacturing facilities are generally among the most modern in the industry.

The Company maintains twelve warehouses, located in four states and Canada, containing approximately 870,000 square feet. The vast majority of these warehouses are Company-owned, with approximately 200,000 square feet at three locations under lease. In addition, the Company's retail operations are conducted throughout the United States and as of September 9, 1995, consisted of approximately 63 locations. All retail locations, except 2 factory outlet stores in Company-owned facilities, are subject to operating leases.

The Company's Board of Directors has approved \$11.0 million to purchase and equip a warehouse in Cedar Springs, Michigan which is currently under construction and \$13.0 million to expand the Company's corporate headquarters complex. The Company expects to fund such expenditures through future available balances under the revolving credit facility.

The Company believes that its current facilities, including the planned expansion and purchase of certain facilities discussed above, are suitable and adequate to meet its anticipated needs for the next twelve months.

MANAGEMENT

Biographical information concerning the executive officers of the Company and the Chairman of the Board is presented below. Except as otherwise indicated, all individuals have had the same principal employment for over five years.

NAME	AGE	POSITIONS HELD WITH THE COMPANY
Geoffrey B. Bloom.....	54	President and Chief Executive Officer
Steven M. Duffy.....	42	Vice President and President of the Global Operations Group

V. Dean Estes.....	46	Vice President and President of the Wolverine Footwear Group
Stephen L. Gulis, Jr.....	37	Vice President and Chief Financial Officer
Blake W. Krueger.....	42	General Counsel and Secretary
L. James Lovejoy.....	64	Vice President of Corporate Communications
Phillip D. Matthews.....	57	Chairman of the Board
Thomas P. Mundt.....	45	Vice President of Strategic Planning and Treasurer
Timothy J. O'Donovan.....	50	Executive Vice President and President of The Hush Puppies Company
Robert J. Sedrowski.....	45	Vice President of Human Resources

Geoffrey B. Bloom is President and Chief Executive Officer and a director of the Company. Mr. Bloom joined the Company in 1987 as its Chief Operating Officer and a director and served as Chief Operating Officer until 1993. Prior to 1987, Mr. Bloom was responsible for overall operations of Jaymar-Ruby, a fashion apparel division of HartMarx Corporation, and held several senior executive positions with The Florsheim Shoe Company.

Steven M. Duffy has served the Company as a corporate Vice President since April 1993 and is President of the Company's Global Operations Group. In this capacity, Mr. Duffy is responsible for oversight of domestic manufacturing, global sourcing, and warehousing and distribution. He is also responsible for sales, marketing and overall operations of the Wolverine Leathers Division and the Tru-Stitch Footwear Division. From 1989 to April 1993 he served the Company in various senior manufacturing positions. Before joining the Company, Mr. Duffy served in various capacities in manufacturing operations for The Florsheim Shoe Company for 14 years.

V. Dean Estes has been with the Company since 1975, and was appointed as an officer and corporate Vice President in 1995. Mr. Estes is President of the Wolverine Footwear Group. In this capacity, Mr. Estes is responsible for the domestic and international licensing operations for all work, sport and uniform brands. Since he joined the Company, Mr. Estes' primary focus has been on the sales, marketing and product development functions of the Company's work boot and shoe and related businesses.

Stephen L. Gulis, Jr., has served the Company as Vice President and Chief Financial Officer since February 1994. From April 1993 to February 1994 he served the Company as Vice President of Finance and Corporate Controller. From 1986 to 1993 he was the Vice President of Administration and Control for The Hush Puppies Company and, in that capacity, focused on the domestic wholesale, retail and international operations of the Company's Hush Puppies business. Also from 1986 to 1993, Mr. Gulis' responsibilities included the development of internal control, financial and operating systems for the Company's domestic manufacturing operations of the Global Operations Group.

Blake W. Krueger has served the Company as General Counsel and Secretary since April 1993. Mr. Krueger is a partner of the law firm of Warner Norcross & Judd LLP, and has been a partner with that firm since 1985.

L. James Lovejoy has served the Company as Vice President of Corporate Communications since 1991. In this capacity, Mr. Lovejoy is responsible for all financial and investor relations, stockholder communications and the public relations functions for all of the Company's operating divisions. From 1984 to 1991 he was the Director of Corporate Communications for Gerber Products Company, a manufacturer of baby food and consumer products.

Phillip D. Matthews has been a director since 1981. Mr. Matthews is Chairman of the Board and Chairman of the Executive Committee of the Company. In his capacity as Chairman, Mr. Matthews is an officer of the Board of Directors and is responsible for Board of Directors governance issues and provides assistance in defining strategic direction for the Company. Mr. Matthews is primarily engaged in other business activities and is not involved in the day-to-day operations of the Company. Mr. Matthews is also Chairman of Reliable Company, a coin-operated laundry equipment company servicing the multi-unit

housing industry. Mr. Matthews is also a director of H.F. Ahmanson, Panda Management Company and Bell Sports Corp. From 1981 to 1989 Mr. Matthews was Chairman, Chief Executive Officer and owner of Bell Helmets, Inc., a predecessor of Bell Sports Corp.

Thomas P. Mundt has served the Company as Vice President of Strategic Planning and Treasurer since December 1993. From 1988 to 1993 he served in various financial and planning positions at Sears Roebuck & Co., including Vice President Planning, Coldwell Banker's Real Estate Group and Director of Corporate Planning for Sears Roebuck & Co.

Timothy J. O'Donovan has been a director since 1993. Mr. O'Donovan has served the Company as Executive Vice President since 1982. In this capacity, Mr. O'Donovan is responsible for establishing the strategic direction of all of the Company's footwear brands and contributes to the overall policy-making function for the Company. In addition, Mr. O'Donovan is President of The Hush Puppies Company and is responsible for oversight of the day-to-day operations of its domestic wholesale, retail and international businesses. Mr. O'Donovan has served the Company in numerous senior management positions since he joined the Company in 1969.

Robert J. Sedrowski has served the Company as Vice President of Human Resources since October 1993. From 1990 to 1993 he served as Director of Human Resources for the Company. Before he joined the Company, Mr. Sedrowski held several senior level human resource related positions with Ameriwood Industries International, Corp. (formerly Rospatch Corporation) and other companies.

UNDERWRITING

The Underwriters named below, represented by Montgomery Securities and Gerard Klauer Mattison & Co., LLC (the "Representatives"), have severally agreed, subject to the terms and conditions contained in the underwriting agreement (the "Underwriting Agreement"), by and between the Company and the Underwriters, to purchase from the Company the number of shares of Common Stock indicated below opposite their respective names at the public offering price less the underwriting discount set forth on the cover page of this Prospectus. The Underwriting Agreement provides that the obligations of the Underwriters are subject to certain conditions precedent and that the Underwriters are committed to purchase all of the shares of Common Stock if they purchase any.

UNDERWRITER	NUMBER OF SHARES
-----	-----
Montgomery Securities.....	
Gerard Klauer Mattison & Co., LLC	

Total.....	1,400,000
	=====

The Representatives have advised the Company that the Underwriters propose initially to offer the shares of Common Stock to the public on the terms set forth on the cover page of this Prospectus. The Underwriters may allow to selected dealers a concession of not more than \$ per share; and the Underwriters may allow, and such dealers may reallow, a concession of not more than \$ per share to certain other dealers. After the offering, the public offering price and other selling terms may be changed by the Representatives. The Common Stock is offered subject to receipt and acceptance by the Underwriters, and to certain other conditions, including the right to reject orders in whole or in part.

The Company has granted an option to the Underwriters, exercisable during

the 30-day period after the date of this Prospectus, to purchase up to a maximum of 210,000 additional shares of Common Stock, respectively, to cover over-allotments, if any, at the same price per share as the initial shares to be purchased by the Underwriters. To the extent that the Underwriters exercise this option, the Underwriters will be committed, subject to certain conditions, to purchase such additional shares in approximately the same proportion as set forth in the above table. The Underwriters may purchase such shares only to cover over-allotments made in connection with this offering.

The Underwriting Agreement provides that the Company will indemnify the Underwriters against certain liabilities, including civil liabilities under the Securities Act of 1933, as amended, or will contribute to payments the Underwriter may be required to make in respect thereof.

The Company's directors and executive officers have all agreed that, for a period of 90 days from the date of this Prospectus, they will not offer, sell or otherwise dispose of any shares of their Common Stock or options to acquire shares of Common Stock, subject to certain limited exceptions, without the prior written consent of Montgomery Securities, or the Representatives acting jointly, except upon the exercise of outstanding stock options or pursuant to existing employee benefit and other equity-based plans. The Company has agreed not to sell any shares of Common Stock for a period of 90 days from the date of this Prospectus without the prior written consent of Montgomery Securities, or the Representatives acting jointly, except that the Company may, without consent, issue shares of Common Stock upon exercise of outstanding stock options or pursuant to existing employee benefit and other equity-based plans.

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LEGAL MATTERS

The validity of the shares of Common Stock offered hereby will be passed upon for the Company by Warner Norcross & Judd LLP, Grand Rapids, Michigan and for the Underwriters by Locke Purnell Rain Harrell (A Professional Corporation), Dallas, Texas.

As of _____, 1995, partners in and attorneys employed by or associated with Warner Norcross & Judd LLP and their associates were beneficial owners of a total of _____ shares of Common Stock having an aggregate market value of \$ _____ as of that date. Shares reported as beneficially owned include all shares as to which such persons have direct or indirect, sole or shared, power to direct voting or disposition, including personal shares as well as shares held in fiduciary capacities. In addition, Blake W. Krueger, a partner of Warner Norcross & Judd LLP, is an executive officer of the Company serving as General Counsel and Secretary.

EXPERTS

The Consolidated Financial Statements of Wolverine World Wide, Inc. at December 31, 1994 and January 1, 1994, and for each of the three fiscal years ended December 31, 1994, January 1, 1994, and January 2, 1993, appearing in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1994, have been audited by Ernst & Young LLP, independent auditors, as set forth in their report thereon included therein and incorporated in this Prospectus by reference. Such consolidated financial statements are incorporated in this Prospectus by reference in reliance upon such report given upon the authority of such firm as experts in accounting and auditing.

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GLOBAL OPERATIONS GROUP

[ARTWORK -- GLOBE]

No dealer, salesperson or any other person has been authorized to give any information or make any representations other than those contained in this Prospectus in connection with this offering and, if given or made, such information or representations must not be relied upon as having been authorized by the Company or any Underwriters. This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. Neither the delivery of this Prospectus nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the information set forth herein or in the affairs of the Company since the date hereof or that the information contained herein is correct as of any date after the date hereof.

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1,400,000 SHARES
[WOLVERINE LOGO]
COMMON STOCK

MONTGOMERY SECURITIES
GERARD KLAUER MATTISON & CO., LLC
November , 1995

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PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION

Securities and Exchange Commission Registration Fee.....	\$ 16,378
National Association of Securities Dealers, Inc. Filing Fee.....	5,250
New York Stock Exchange Listing Fee.....	5,635
Pacific Stock Exchange Listing Fee.....	4,025
Printing and Engraving Expenses.....	80,000
Legal Fees and Expenses.....	100,000
Accounting Fees and Expenses.....	70,000
Blue Sky Expenses.....	6,500
Transfer Agent and Registrar Fees and Expenses.....	5,000
Miscellaneous Fees and Expenses.....	57,212

TOTAL.....	\$350,000 =====

ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Company's Bylaws provide that the Company shall indemnify its directors, officers, employees, and agents to the full extent permitted under the Delaware General Corporation Law, as amended (the "DGCL"). Section 145 of the DGCL provides that a Delaware corporation may indemnify any persons, including directors and officers, who are, or are threatened to be made, parties to any threatened, pending or completed legal action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of such corporation), if, in connection with the matters in issue, they acted in good faith and in a manner they reasonably believed to be in, or not opposed to, the best interests of the corporation, and in connection with any criminal suit or proceeding, if in connection with the matters at issue, they had no reasonable cause to believe their conduct was unlawful. Section 145 also permits a Delaware corporation to indemnify its directors and officers in an action by or in the right of the corporation under the same conditions against expenses incurred by such persons in connection with the defense or settlement of such action, except that no such indemnification is permitted without judicial approval if the director or officer is adjudged to be liable to the corporation. Where a director or officer is successful on the merits or otherwise in the defense of any action referred to above, the corporation must indemnify him or her against the expenses which such director or officer actually and reasonably incurred.

The Company's Certificate of Incorporation ("Certificate") permits indemnification of the Company's directors, officers, employees and agents in connection with any actual or threatened civil, criminal, administrative or investigative action, suit or proceeding arising out of their service as directors, officers, employees or agents or in any other capacity to the Company, or to another organization at the request of the Company.

Individuals covered by the indemnification provision are indemnified by the Company against expenses, including attorneys' fees, judgments, fines, and

amounts actually and reasonably incurred in the settlement of an action. Expenses incurred in defending a civil or criminal action can be paid to an individual prior to the final resolution of the action if authorized by a majority of the Board and upon a guarantee by the individual that he or she will repay the amount paid if it is ultimately determined that he or she is not entitled to be indemnified by the Company.

With regard to suits brought by those outside the Company, a director, officer, employee, or agent of the Company will be indemnified if he or she has acted in good faith and in the best interests, or not opposed to the best interests, of the Company. If such an individual is defending a criminal action, he or she will be indemnified so long as he or she had no reasonable cause to believe his or her conduct was unlawful.

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With regard to stockholder derivative suits, a director, officer, employee, or agent of the Company will be indemnified if he or she acted in good faith and in the best interests, or not opposed to the best interests, of the Company. Individuals otherwise covered by such provisions will not be indemnified if they have been adjudged to be liable for negligence or misconduct in the performance of their duties to the Company. Indemnification of these individuals is still possible if the court determining liability determines that such persons are fairly and reasonably entitled to indemnity.

Under the Certificate and the Bylaws, a director, officer, employee, or agent shall be indemnified if (i) the Board of Directors, by a majority; (ii) independent legal counsel, by written opinion; or (iii) the stockholders determine that indemnification is proper under the circumstances because he or she has met the applicable standard of conduct discussed above.

The indemnification provided in the Certificate is not exclusive of other rights that might be afforded to a director, officer, employee, or agent under the Bylaws, an agreement, or a vote of the stockholders, as to both official and unofficial actions of such individuals. The indemnification provided by the Certificate and the Bylaws continues after the individual has left his or her position in the Company, and it inures to the benefit of the individual's heirs.

The Company's Certificate provides that directors of the Company shall not be personally liable to the Company or its stockholders for monetary damages for breaches of fiduciary duty committed as a director, except to the extent that such a limitation of liability contravenes Delaware law. These provisions do not eliminate or limit a director's liability for breaching his or her duty of loyalty, failing to act in good faith, engaging in intentional misconduct or knowingly violating a law, paying an illegal dividend, approving an unlawful stock purchase or redemption, or obtaining an improper personal benefit. Any amendment or repeal of such provisions would not apply to acts or omissions of a director occurring prior to the amendment or repeal.

The Company has entered into indemnity agreements with its directors and executive officers. The agreements provide that the Company will indemnify the director or executive officer, subject to certain limitations, for expenses and costs, including the satisfaction of a judgment, fine or penalty incurred in, or in any amount paid in settlement of, any proceeding, including a proceeding brought by or in the name of the Company (such as a stockholder derivative suit), if such expenses and costs may be indemnified under the DGCL. In accordance with the Company's Certificate and Bylaws, the agreements are designed to provide the maximum protection allowed under Delaware law. Indemnification is dependent upon the director or executive officer meeting the standards of conduct set forth in the indemnity agreements.

The Company has purchased directors' and officers' liability insurance. Subject to conditions and limitations in the policy, the insurance covers amounts required to be paid for a claim or claims made against directors and officers (excluding fines, penalties, and punitive or exemplary damages) for neglect or breach of duty by directors and officers in the discharge of their

duties solely in their capacity as directors and officers of the Company. The coverage includes all amounts as to which the Company may be required or permitted by law to indemnify the directors and officers.

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ITEM 16. EXHIBITS

- * 1(a) Form of Underwriting Agreement.
- * 1(b) Master Agreement Among Underwriters.
- * 1(c) Selected Dealer's Agreement.
- * 4(a) Specimen of Common Stock Certificate.
- 4(b) Certificate of Incorporation, as amended. Previously filed as Exhibit 4(a) to the Company's Quarterly Report on Form 10-Q for the period ended June 18, 1994. Here incorporated by reference.
- 4(c) Amended and Restated Bylaws. Previously filed as Exhibit 3(b) to the Company's Annual Report on Form 10-K for the fiscal year ended January 1, 1994. Here incorporated by reference.
- 4(d) Rights Agreement. Previously filed with Amendment No. 1 to the Company's Form 8-A filed November 13, 1990. Here incorporated by reference. This agreement has been amended by the Second Amendment to Rights Agreement included as Exhibit 4(g) below.
- 4(e) Amended and Restated Credit Agreement with NBD Bank, N.A. as Agent. Previously filed as Exhibit 4(c) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1994. Here incorporated by reference.
- 4(f) Note Agreement relating to 7.81% Senior Notes. Previously filed as Exhibit 4(d) to the Company's Quarterly Report on Form 10-Q for the period ended September 10, 1994. Here incorporated by reference.
- 4(g) The Registrant has several classes of long-term debt instruments outstanding in addition to that described in Exhibit 4(e) above. The amount of none of these classes of debt outstanding on October 25, 1995, exceeds 10% of the Registrant's total consolidated assets. The Registrant agrees to furnish copies of any agreement defining the rights of holders of any such long-term indebtedness to the Securities and Exchange Commission upon request.
- 4(h) Second Amendment to Rights Agreement. (amending the Rights Agreement included as Exhibit 4(c) above). Previously filed as Exhibit 4(f) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1994. Here incorporated by reference.
- * 5 Opinion of Warner Norcross & Judd LLP.
- *23(a) Consent of Independent Auditors.
- * (b) Consent of Warner Norcross & Judd LLP (included in Exhibit 5).
- *24 Powers of Attorney.

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* Filed herewith.

ITEM 17. UNDERTAKINGS

(a) The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the Registrant's annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the Registration Statement shall be deemed to be a new Registration Statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(b) The undersigned Registrant hereby undertakes to deliver or cause to be delivered with the Prospectus, to each person to whom the Prospectus is sent or given, the latest annual report to security holders that is incorporated by reference in the Prospectus and furnished pursuant to and meeting the requirements of Rule 14a-3 or Rule 14c-3 under the Securities Exchange Act of 1934; and, where interim financial information required to be presented by Article 3 of Regulation S-X is not set forth in the Prospectus, to

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deliver, or cause to be delivered to each person to whom the Prospectus is sent or given, the latest quarterly report that is specifically incorporated by reference in the Prospectus to provide such interim financial information.

(c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers, and controlling persons of the Registrant pursuant to the foregoing provisions or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer, or controlling person of the Registrant in the successful defense of any action, suit, or proceeding) is asserted by a director, officer, or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

(d) The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this Registration Statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Act shall be deemed to be part of this Registration Statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new Registration Statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the Village of Rockford, State of Michigan, on the 26th day of October, 1995.

WOLVERINE WORLD WIDE, INC.

By: _____
*
Geoffrey B. Bloom
President, Chief Executive Officer
and Director

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
----- * ----- Phillip D. Matthews	Chairman of the Board of Directors	, 1995

*	President, Chief Executive Officer and Director	, 1995

Geoffrey B. Bloom		
*	Vice Chairman of the Board of Directors	, 1995

Thomas D. Gleason		
*	Executive Vice President and Director	, 1995

Timothy J. O'Donovan /s/ STEPHEN L. GULIS		
-----	Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	October 26, 1995
Stephen L. Gulis, Jr.		
*	Director	, 1995

Daniel T. Carroll		
*	Director	, 1995

Alberto L. Grimoldi		
*	Director	, 1995

David T. Kollat		
*	Director	, 1995

David P. Mehney		
*	Director	, 1995

Stuart J. Northrop		
*	Director	, 1995

Joseph A. Parini		
*	Director	, 1995

Joan Parker		
*	Director	, 1995

Elizabeth A. Sanders		
*By /s/ STEPHEN L. GULIS		

Stephen L. Gulis, Jr.		
Attorney-in-Fact		

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EXHIBIT INDEX

EXHIBIT NO.	DESCRIPTION

* 1(a)	Form of Underwriting Agreement.
* 1(b)	Master Agreement Among Underwriters.
* 1(c)	Selected Dealer's Agreement.
* 4(a)	Specimen of Common Stock Certificate.
4(b)	Certificate of Incorporation, as amended. Previously filed as Exhibit 4(a) to the Company's Quarterly Report on Form 10-Q for the period ended June 18, 1994. Here incorporated by reference.
4(c)	Amended and Restated Bylaws. Previously filed as Exhibit 3(b) to the Company's Annual Report on Form 10-K for the fiscal year ended January 1, 1994. Here incorporated by reference.
4(d)	Rights Agreement. Previously filed with Amendment No. 1 to the Company's Form 8-A filed November 13, 1990. Here incorporated by reference. This agreement has been amended by the Second Amendment to Rights Agreement included as Exhibit 4(g) below.
4(e)	Amended and Restated Credit Agreement with NBD Bank, N.A. as Agent. Previously filed as Exhibit 4(c) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1994. Here incorporated by reference.
4(f)	Note Agreement relating to 7.81% Senior Notes. Previously filed as Exhibit 4(d) to the Company's Quarterly Report on Form 10-Q for the period ended September 10, 1994. Here incorporated by reference.
4(g)	The Registrant has several classes of long-term debt instruments outstanding in addition to that described in Exhibit 4(e) above. The amount of none of these classes of debt outstanding on October 25, 1995, exceeds 10% of the Registrant's total consolidated assets. The Registrant agrees to furnish copies of any agreement defining the rights of holders of any such long-term indebtedness to the Securities and Exchange Commission upon request.
4(h)	Second Amendment to Rights Agreement. (amending the Rights Agreement included as Exhibit 4(c) above). Previously filed as Exhibit 4(f) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1994. Here incorporated by reference.
* 5	Opinion of Warner Norcross & Judd LLP.

- *23(a) Consent of Independent Auditors.
- * (b) Consent of Warner Norcross & Judd LLP (included in Exhibit 5).
- *24 Powers of Attorney.

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* Filed herewith.

Draft - October 25, 1995

1,400,000 SHARES
WOLVERINE WORLD WIDE, INC.

COMMON STOCK

UNDERWRITING AGREEMENT

December ____, 1995

MONTGOMERY SECURITIES
600 Montgomery Street
San Francisco, California 94111
Gerrard Klauer and Mattison
529 Fifth Avenue
New York, New York 10017
As Representatives of the several Underwriters

Dear Sirs:

SECTION 1. Introductory. Wolverine World Wide, Inc., a Delaware corporation (the "Company"), proposes to issue and sell 1,400,000 shares of its authorized but unissued Common Stock (the "Common Stock") to the several underwriters named in Schedule A annexed hereto (the "Underwriters"), for whom you are acting as Representatives. Said aggregate of 1,400,000 shares are herein called the "Firm Common Shares." In addition, the Company proposes to grant to the Underwriters an option to purchase up to 210,000 additional shares of Common Stock (the "Optional Common Shares"), as provided in Section 4 hereof. The Firm Common Shares and, to the extent such option is exercised, the Optional Common Shares are hereinafter collectively referred to as the "Common Shares."

The Company hereby confirms its agreements with respect to the purchase of the Common Shares by the Underwriters as follows:

SECTION 2. Representations and Warranties of the Company. The Company hereby represents and warrants to the several Underwriters that:

(a) A registration statement on Form S-3 (File No. 33-_____) with respect to the Common Shares has been prepared by the Company in conformity with the requirements of the Securities

Act of 1933, as amended (the "Act"), and the rules and regulations (the "Rules and Regulations") of the Securities and Exchange Commission (the "Commission") thereunder, and has been filed with the Commission. The Company has prepared and has filed or proposes to file prior to the effective date of such

registration statement an amendment or amendments to such registration statement, which amendment or amendments have been or will be similarly prepared. There have been delivered to you two signed copies of such registration statement and amendments, together with two copies of each exhibit filed therewith. Conformed copies of such registration statement and amendments (but without exhibits) and of the related preliminary prospectus have been delivered to you in such reasonable quantities as you have requested for each of the Underwriters. The Company will next file with the Commission one of the following: (i) prior to effectiveness of such registration statement, a further amendment thereto, including the form of final prospectus, or (ii) a final prospectus in accordance with Rules 430A and 424(b) of the Rules and Regulations. As filed, such amendment and form of final prospectus, or such final prospectus, shall include all Rule 430A Information and, except to the extent that you shall agree to a modification, shall be in all substantive respects in the form furnished to you prior to the date and time that this Agreement was executed and delivered by the parties hereto, or, to the extent not completed at such date and time, shall contain only such specific additional information and other changes (beyond that contained in the latest Preliminary Prospectus) as the Company shall have previously advised you would be included or made therein.

The term "Registration Statement" as used in this Agreement shall mean such registration statement at the time such registration statement becomes effective and, in the event any post-effective amendment thereto becomes effective prior to the First Closing Date (as hereinafter defined), shall also mean such registration statement as so amended; provided, however, that such term shall also include all Rule 430A Information deemed to be included in such registration statement at the time such registration statement becomes effective as provided by Rule 430A of the Rules and Regulations. The term "Preliminary Prospectus" shall mean any preliminary prospectus referred to in the preceding paragraph and any preliminary prospectus included in the Registration Statement at the time it becomes effective that omits Rule 430A Information. The term "Prospectus" as used in this Agreement shall mean the prospectus relating to the Common Shares in the form in which it is first filed with the Commission pursuant to Rule 424(b) of the Rules and Regulations or, if no filing pursuant to Rule 424(b) of the Rules and Regulations is required, shall mean the form of final prospectus included in the Registration Statement at the time such registration statement becomes effective. The term "Rule 430A Information" means information with respect to the Common Shares and the offering thereof permitted to be omitted from the Registration Statement when it becomes effective pursuant to Rule 430A of the Rules and Regulations. Any reference herein to any Preliminary Prospectus or the Prospectus shall be deemed to refer to and include the documents incorporated by reference therein pursuant to Form S-3

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under the Act, as of the date of such Preliminary Prospectus or Prospectus, as the case may be.

(b) The Commission has not issued any order preventing or suspending the use of any Preliminary Prospectus, and each Preliminary Prospectus has conformed in all material respects to the requirements of the Act and the Rules and Regulations and, as of its date, has not included any untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and at the time the Registration Statement becomes effective, and at all times subsequent thereto up to and including each Closing Date hereinafter mentioned, the Registration Statement and the Prospectus, and any amendments or supplements thereto, will contain all material statements and information required to be included therein by the Act and the Rules and Regulations and will in all material respects conform to the requirements of

the Act and the Rules and Regulations, and neither the Registration Statement nor the Prospectus, nor any amendment or supplement thereto, will include any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; provided, however, no representation or warranty contained in this subsection 2(b) shall be applicable to information contained in or omitted from any Preliminary Prospectus, the Registration Statement, the Prospectus or any such amendment or supplement in reliance upon and in conformity with written information furnished to the Company by or on behalf of any Underwriter, directly or through the Representatives, specifically for use in the preparation thereof. The documents incorporated by reference in the Prospectus, when they were filed with the Commission, conformed in all material respects to the requirements of the Exchange Act and the rules and regulations of the Commission thereunder did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading.

(c) The Company does not own or control, directly or indirectly, any corporation, association or other entity other than the subsidiaries listed in Exhibit 21 to the Annual Report on Form 10-K for the Company's most recent fiscal year. The Company and each of its subsidiaries have been duly incorporated and are validly existing as corporations in good standing under the laws of their respective jurisdictions of incorporation, with full power and authority (corporate and other) to own and lease their properties and conduct their respective businesses as described in the Prospectus; the Company owns all of the outstanding capital stock of its subsidiaries free and clear of all claims, liens, charges and encumbrances; the Company and each of its subsidiaries are in possession of and operating in compliance with all authorizations, licenses, permits, consents, certificates and orders material to the conduct of their respective businesses, all of which are valid and in full force and effect; the Company and each of its subsidiaries are duly qualified to do business and in good standing as foreign

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corporations in each jurisdiction in which the ownership or leasing of properties or the conduct of their respective businesses requires such qualification, except for jurisdictions in which the failure to so qualify would not have a material adverse effect upon the Company or the subsidiary; and no proceeding has been instituted in any such jurisdiction, revoking, limiting or curtailing, or seeking to revoke, limit or curtail, such power and authority or qualification.

(d) The Company has an authorized and outstanding capital stock as set forth under the heading "Capitalization" in the Prospectus; the issued and outstanding shares of Common Stock have been duly authorized and validly issued, are fully paid and nonassessable, are duly listed on the New York Stock Exchange and the Pacific Stock Exchange, have been issued in compliance with all federal and state securities laws, were not issued in violation of or subject to any preemptive rights or other rights to subscribe for or purchase securities, and conform to the description thereof contained in the Prospectus. All issued and outstanding shares of capital stock of each subsidiary of the Company have been duly authorized and validly issued and are fully paid and nonassessable. Except as disclosed in or contemplated by the Prospectus and the financial statements of the Company, and the related notes thereto, included in the Prospectus, neither the Company nor any subsidiary has outstanding any options to purchase, or any preemptive rights or other rights to subscribe for or to purchase, any securities or obligations convertible into, or any contracts or commitments to issue or sell, shares of its capital stock or any such options, rights, convertible securities or obligations. The description of the Company's stock option, stock bonus and other stock plans or arrangements, and the options or other rights granted and exercised thereunder,

set forth in the Prospectus accurately and fairly presents the information required to be shown with respect to such plans, arrangements, options and rights.

(e) The Common Shares to be sold by the Company have been duly authorized and, when issued, delivered and paid for in the manner set forth in this Agreement, will be duly authorized, validly issued, fully paid and nonassessable, and will conform to the description thereof contained in the Prospectus. No preemptive rights or other rights to subscribe for or purchase exist with respect to the issuance and sale of the Common Shares by the Company pursuant to this Agreement. No stockholder of the Company has any right which has not been waived in writing to require the Company to register the sale of any shares owned by such stockholder under the Act in the public offering contemplated by this Agreement. No further approval or authority of the stockholders or the Board of Directors of the Company will be required for the issuance and sale of the Common Shares to be sold by the Company as contemplated herein.

(f) The Company has full legal right, power and authority to enter into this Agreement and perform the transactions contemplated hereby. This Agreement has been duly authorized, executed and delivered by the Company and constitutes a valid and binding

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obligation of the Company in accordance with its terms. The making and performance of this Agreement by the Company and the consummation of the transactions herein contemplated will not violate any provisions of the Certificate of Incorporation or bylaws of the Company or any of its subsidiaries, and will not conflict with, result in the breach or violation of, or constitute, either by itself or upon notice or the passage of time or both, a material default under any agreement, mortgage, deed of trust, lease, franchise, license, indenture, permit or other instrument to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries or any of its respective properties may be bound or affected, any statute or any authorization, judgment, decree, order, rule or regulation of any court or any regulatory body, administrative agency or other governmental body applicable to the Company or any of its subsidiaries or any of its respective properties. No consent, approval, authorization or other order of any court, regulatory body, administrative agency or other governmental body is required for the execution and delivery of this Agreement or the consummation of the transactions contemplated by this Agreement, except for compliance with the Act, the Blue Sky laws and Canadian securities laws applicable to the public offering of the Common Shares by the several Underwriters and the issuance of a no objection letter with respect to such offering by the National Association of Securities Dealers, Inc. (the "NASD").

(g) Ernst & Young LLP, who have expressed their opinion with respect to the financial statements (included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1994) filed with the Commission and incorporated by reference in the Prospectus and the Registration Statement, are independent accountants as required by the Act and the Rules and Regulations.

(h) The financial statements of the Company and the related notes thereto, included in or incorporated by reference the Registration Statement and the Prospectus present fairly the financial position of the Company and its subsidiaries as of the respective dates of such financial statements, and the results of operations and changes in financial position of the Company and its subsidiaries for the respective periods covered thereby. Such statements and related notes have been prepared in accordance with generally accepted accounting principles applied on a consistent basis (except as noted therein) as certified by the independent accountants named in subsection 2(g). No other

financial statements are required to be incorporated by reference or included in the Prospectus or the Registration Statement. The financial and statistical data set forth in the Prospectus under the captions "Prospectus Summary," "Use of Proceeds," "Price Range of Common Stock and Dividends," "Capitalization," "Selected Financial Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Business" and "Management" fairly present the information set forth therein on the basis stated in the Prospectus.

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(i) Except as disclosed in the Prospectus, and except as to breaches or defaults which individually or in the aggregate would have a material adverse effect on the financial condition, properties, business or results of operations of the Company and its subsidiaries taken as a whole ("material adverse effect" on the Company or "materially adverse" to the Company as used hereinafter in this Agreement means such effect on the Company and its subsidiaries taken as a whole), neither the Company nor any of its subsidiaries is in violation or default of any provision of its Certificate of Incorporation or bylaws, or is in breach of or default with respect to any provision of any agreement, judgment, decree, order, mortgage, deed of trust, lease, franchise, license, indenture, permit or other instrument to which it is a party or by which it or any of its properties are bound; and there does not exist any state of facts which constitutes an event of default on the part of the Company or any such subsidiary as defined in such documents or which, with notice or lapse of time or both, would constitute such an event of default.

(j) There are no documents required to be incorporated by reference in the Registration Statement and the Prospectus by the Act or by the Rules and Regulations or by the requirements of Form S-3, which have not been so incorporated. There are no contracts or other documents required to be described in the Registration Statement or filed as exhibits to the Registration Statement by the Act or by the Rules and Regulations which have not been described or filed as required. The description of such contracts are accurate and complete. All such contracts are in full force and effect on the date hereof.

(k) There are no legal or governmental actions, suits or proceedings pending or, to the best of the Company's knowledge, threatened to which the Company or any of its subsidiaries is a party or of which property owned or leased by the Company or any of its subsidiaries is the subject, or related to environmental or discrimination matters, as to which there is a reasonable probability that such actions, suits or proceedings would, individually or in the aggregate, prevent or adversely affect the transactions contemplated by this Agreement or would be materially adverse; and no labor disturbance by the employees of the Company or any of its subsidiaries exists or is imminent which would have a material adverse effect on the Company. Neither the Company nor any of its subsidiaries is a party or subject to the provisions of any material injunction, judgment, decree or order of any court, regulatory body, administrative agency or other governmental body which would be materially adverse to the Company.

(l) The Company or the applicable subsidiary has good and marketable title to all the properties and assets reflected as owned in the financial statements hereinabove described (or in the Prospectus), subject to no lien, mortgage, pledge, charge or encumbrance of any kind except (i) those, if any, reflected in such financial statements (or elsewhere in the Prospectus), or (ii) those

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which do not have a material adverse effect on the Company and which do not have a material adverse effect on the use made and proposed to be made of such property by the Company and its subsidiaries. The Company or the applicable subsidiary holds its leased properties under valid and binding leases, with such exceptions as are not materially significant in relation to the business of the Company. Except as disclosed in the Prospectus, the Company owns or leases all material properties which are necessary to its operations as now conducted.

(m) Since the respective dates as of which information is given in the Registration Statement and Prospectus, and except as described in or specifically contemplated by the Prospectus: (i) the Company and its subsidiaries have not incurred any material liabilities or obligations, indirect, direct or contingent, or entered into any material verbal or written agreement and other transaction which is not in the ordinary course of business or which is reasonably likely to result in a material reduction in the future earnings of the Company and its subsidiaries taken as a whole; (ii) the Company and its subsidiaries have not sustained any loss or interference with their respective businesses or properties from fire, flood, windstorm, accident or other calamity, whether or not covered by insurance; (iii) the Company has not paid or declared any dividends or other distributions with respect to its capital stock and the Company and its subsidiaries are not in material default in the payment of principal or interest on any material outstanding debt obligations; (iv) there has not been any change in the capital stock (other than upon the sale of the Common Shares hereunder and upon the exercise of or grant of options or the award of shares under compensation plans described in the documents incorporated by reference in the Prospectus, and warrants described in the Registration Statement) or indebtedness material to the Company and its subsidiaries (other than in the ordinary course of business); and (v) there has not been any material adverse change in the Company.

(n) Except as disclosed in or specifically contemplated by the Prospectus, the Company and its subsidiaries have sufficient trademarks, trade names, patent rights, mask works, copyrights, licenses, approvals and governmental authorizations to conduct their businesses substantially as now conducted; and the Company has no knowledge of any materially adverse infringement by it or its subsidiaries of trademark, trade name rights, patent rights, mask works, copyrights, licenses, trade secret or other similar rights of others which would have a materially adverse effect on the Company, and there is no claim being made against the Company or its subsidiaries regarding trademark, trade name, patent, mask work, copyright, license, trade secret or other infringement which would have a material adverse effect on the Company.

(o) The Company has not been advised, and has no reason to

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believe, that either it or any of its subsidiaries is not conducting business in substantial compliance with all applicable laws, rules and regulations of the jurisdictions in which it is conducting business, including, without limitation, all applicable local, state and federal environmental laws and regulations; except where failure to be so in compliance would not have a material adverse affect on the financial, business, results of operations or properties of the Company.

(p) The Company and its subsidiaries have filed all material federal, state and foreign income and franchise tax returns and have

substantially paid all taxes shown as due thereon; and the Company has no knowledge of any tax deficiency which has been asserted or threatened against the Company or its subsidiaries which could materially and adversely affect the business, operations or properties of the Company and its subsidiaries, except for such failures or deficiencies which would not be materially adverse to the Company.

(q) The Company is not an "investment company" within the meaning of the Investment Company Act of 1940 (the "1940 Act"), as amended, and following receipt of the proceeds from the sale of the Common Shares will not be required to make any filing or to register under the 1940 Act.

(r) The Company has not distributed and will not distribute prior to the First Closing Date any offering material in connection with the offering and sale of the Common Shares other than the Prospectus, the Registration Statement and the other materials permitted by the Act.

(s) Each of the Company and its subsidiaries maintain insurance of the types and in the amounts that they reasonably deemed adequate for its business, including, but not limited to, insurance covering real and personal property owned or leased by the Company and its subsidiaries against theft, damage, destruction, acts of vandalism and other risks customarily insured against, all of which insurance is in full force and effect.

(t) To the best of its or their knowledge, neither the Company nor any of its subsidiaries has at any time during the last five years (i) made any unlawful contribution to any candidate for elective office, or failed to disclose fully any contribution in violation of law, or (ii) made any payment to any federal or state governmental officer or official, or other person charged with similar public or quasi-public duties, other than payments required or permitted by the laws of the United States or any jurisdiction thereof, or (iii) taken any action which would constitute a violation of the Foreign Corrupt Practice Act.

(u) The Company has not taken and will not take, directly or indirectly, any action designed to or that might be reasonably expected to cause or result in stabilization or manipulation of the price of the Common Stock to facilitate the sale or resale of the

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Common Shares, pursuant to this Agreement.

(v) The Company maintains a system of internal accounting controls sufficient to provide reasonable assurances that (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain accountability for assets; and (iii) the recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

SECTION 3. Representations and Warranties of the Underwriters. The Representatives, on behalf of the several Underwriters, represents and warrants to the Company that the information set forth (i) on the cover page of the Prospectus with respect to price, underwriting discounts and commissions and terms of offering and (ii) under "Underwriting" in the Prospectus was furnished to the Company by and on behalf of the Underwriters for use in connection with the preparation of the Registration Statement and the Prospectus and is correct in all material respects. The Representatives represent and warrant that it has been authorized by each of the other Underwriters as the Representatives to enter into this Agreement on its behalf and to act for it in the manner herein

provided.

SECTION 4. Purchase, Sale and Delivery of Common Shares. On the basis of the representations, warranties and agreements herein contained, but subject to the terms and conditions herein set forth, the Company agrees to issue and sell to the Underwriters, in the respective amounts set forth in Exhibit A hereto, _____ of the Firm Common Shares. The Underwriters agree, severally and not jointly, to purchase from the Company the number of Firm Common Shares set forth opposite their respective names in Schedule A hereto. The purchase price per share to be paid by the several Underwriters to the Company shall be \$____ per share.

Delivery of certificates for the Firm Common Shares to be purchased by the Underwriters and payment therefor shall be made at the offices of Warner Norcross & Judd LLP, 900 Old Kent Bank Building, 100 Lyon NW, Grand Rapids, Michigan 49503 (or such other place as may be agreed upon by the Company and the Representatives) at such time and date, not later than the third (or, if the Firm Common Shares are priced, as contemplated by Rule 15c6-1(c) promulgated under the Securities Exchange Act of 1934, as amended, after 4:30 p.m., Washington D.C. time, the fourth) full business day following the first date that any of the Common Shares are released by the Underwriters for sale to the public, as you shall designate by at least 48 hours prior notice to the Company (the "First Closing Date"); provided, however, that if the Prospectus is at any time prior to the First Closing Date recirculated to the public, the First Closing Date shall occur upon the later of the third or fourth, as the case may be, full business day following the first date that any of the Common Shares are

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released by the Underwriters for sale to the public or the date that is 48 hours after the date that the Prospectus has been so recirculated.

Delivery of certificates for the Firm Common Shares shall be made by or on behalf of the Company to you, for the respective accounts of the Underwriters against payment by you, for the accounts of the several Underwriters, of the purchase price therefor by certified or official bank checks payable in next day funds to the order of the Company. The certificates for the Firm Common Shares shall be registered in such names and denominations as you shall have requested at least two full business days prior to the First Closing Date, and shall be made available for checking and packaging on the business day preceding the First Closing Date at a location in New York, New York, as may be designated by you. Time shall be of the essence, and delivery at the time and place specified in this Agreement is a further condition to the obligations of the Underwriters.

In addition, on the basis of the representations, warranties and agreements herein contained, but subject to the terms and conditions herein set forth, the Company hereby grants an option to the several Underwriters to purchase, severally and not jointly, up to an aggregate of 210,000 Optional Common Shares at the purchase price per share to be paid for the Firm Common Shares, for use solely in covering any over-allotments made by you for the account of the Underwriters in the sale and distribution of the Firm Common Shares. The option granted hereunder may be exercised at any time (but not more than once) within 30 days after the first date that any of the Common Shares are released by you for sale to the public, upon notice by you to the Company setting forth the aggregate number of Optional Common Shares as to which the Underwriters are exercising the option, the names and denominations in which the certificates for such shares are to be registered and the time and place at which such certificates will be delivered. Such time of delivery (which may not be earlier than the First Closing Date), being herein referred to as the "Second Closing Date," shall be determined by you, but if at any time

other than the First Closing Date shall not be earlier than three nor later than five full business days after delivery of such notice of exercise. The number of Optional Common Shares to be purchased by each Underwriter shall be determined by multiplying the number of Optional Common Shares to be sold by the Company pursuant to such notice of exercise by a fraction, the numerator of which is the number of Firm Common Shares to be purchased by such Underwriter as set forth opposite its name in Schedule A and the denominator of which is 1,400,000 (subject to such adjustments to eliminate any fractional share purchases as you in your discretion may make). Certificates for the Optional Common Shares will be made available for checking and packaging on the business day preceding the Second Closing Date at a location in New York, New York, as may be designated by you. The manner of payment for and delivery of the Optional Common Shares shall be the same as for the Firm Common Shares purchased from the Company as specified in the two preceding

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paragraphs. At any time before lapse of the option, you may cancel such option by giving written notice of such cancellation to the Company. If the option is cancelled or expires unexercised in whole or in part, the Company will deregister under the Act the number of Option Shares as to which the option has not been exercised.

You represent and warrant to the Company that each Underwriter has authorized you to accept delivery of its Common Shares, to make payment and to receipt therefor. You, individually and not as the Representative of the Underwriters, may (but shall not be obligated to) make payment for any Common Shares to be purchased by any Underwriter whose funds shall not have been received by you by the First Closing Date or the Second Closing Date, as the case may be, for the account of such Underwriter, but any such payment shall not relieve such Underwriter from any of its obligations under this Agreement.

Subject to the terms and conditions hereof, the Underwriters propose to make a public offering of their respective portions of the Common Shares as soon after the effective date of the Registration Statement as in the judgment of the Representatives is advisable and at the public offering price set forth on the cover page of and on the terms set forth in the Prospectus.

SECTION 5. Covenants of the Company. The Company covenants and agrees that:

(a) The Company will use all reasonable efforts to cause the Registration Statement and any amendment thereof, if not effective at the time and date that this Agreement is executed and delivered by the parties hereto, to become effective. If the Registration Statement has become or becomes effective pursuant to Rule 430A of the Rules and Regulations, or the filing of the Prospectus is otherwise required under Rule 424(b) of the Rules and Regulations, the Company will file the Prospectus, properly completed, pursuant to the applicable paragraph of Rule 424(b) of the Rules and Regulations within the time period prescribed and will provide evidence reasonably satisfactory to you of such timely filing. The Company will promptly advise you in writing (i) of the receipt of any comments of the Commission, (ii) of any request of the Commission for amendment of or supplement to the Registration Statement (either before or after it becomes effective), any Preliminary Prospectus or the Prospectus or for additional information, (iii) when the Registration Statement shall have become effective, and (iv) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or of the institution of any proceedings for that purpose. If the Commission shall enter any such stop order at any time, the Company will use all reasonable efforts to obtain the lifting of such order at the earliest possible moment. The Company will not file any amendment or supplement to the Registration Statement (either before or after it becomes effective), any Preliminary Prospectus or the Prospectus of which you have not been furnished

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with a copy a reasonable time prior to such filing or to which you reasonably object or which is not in compliance with the Act and the Rules and Regulations.

(b) The Company will prepare and file with the Commission, promptly upon your request, any amendments or supplements to the Registration Statement or the Prospectus which in your reasonable judgment may be necessary or advisable to enable the several Underwriters to continue the distribution of the Common Shares and will use all reasonable efforts to cause the same to become effective as promptly as possible. The Company will fully and completely comply with the provisions of Rule 430A of the Rules and Regulations with respect to information omitted from the Registration Statement in reliance upon such Rule.

(c) As soon as practicable, but not later than 45 days after the end of the first quarter ending after one year following the "effective date of the Registration Statement" (as defined in Rule 158(c) of the Rules and Regulations), or not later than 90 days after the end of such quarter, if the quarter is the fourth quarter of the Company's fiscal year, the Company will make generally available to its security holders an earnings statement (which need not be audited) covering a period of 12 consecutive months beginning after the effective date of the Registration Statement which will satisfy the provisions of the last paragraph of Section 11(a) of the Act.

(d) During such period as a prospectus is required by law to be delivered in connection with sales by an Underwriter or dealer, the Company, at its expense, but only for the prospectus delivery period required under the Act, will furnish to you or mail to your order copies of the Registration Statement, the Prospectus, the Preliminary Prospectus and all amendments and supplements to any such documents in each case as soon as available and in such quantities as you may reasonably request, for the purposes contemplated by the Act.

(e) The Company shall cooperate with you and your counsel in order to qualify or register the Common Shares for sale under (or obtain exemptions from the application of) the Blue Sky laws of such jurisdictions as you designate (which such jurisdictions may include states of the United States, other United States jurisdictions, Canada and Canadian Provinces), will comply with such laws and will continue such qualifications, registrations and exemptions in effect so long as reasonably required for the distribution of the Common Shares. The Company shall not be required to qualify as a foreign corporation or to file a general consent to service of process in any such jurisdiction where it is not presently qualified or where it would be subject to taxation as a foreign corporation. The Company will advise you promptly of the suspension of the qualification or registration of (or any such exemption relating to) the Common Shares for offering, sale or trading in any jurisdiction or any initiation or threat of any proceeding for any such purpose, and in the event of the issuance of

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any order suspending such qualification, registration or exemption, the Company, with your cooperation, will use all reasonable efforts to obtain the

withdrawal thereof.

(f) During the period of five years hereafter, the Company will furnish to the Representatives and, upon request of the Representatives, to each of the other Underwriters: (i) as soon as practicable after the end of each fiscal year, copies of the Annual Report of the Company containing the balance sheet of the Company as of the close of such fiscal year and statements of income, stockholders' equity and cash flows for the year then ended and the opinion thereon of the Company's independent public accountants; (ii) as soon as practicable after the filing thereof, copies of each proxy statement, Annual Report on Form 10-K, Quarterly Report on Form 10-Q, Report on Form 8-K or other report filed by the Company with the Commission, the National Association of Securities Dealers, Inc. ("NASD"), New York Stock Exchange, Pacific Stock Exchange or any other securities exchange; and (iii) as soon as available, copies of any report or communication of the Company mailed generally to holders of its Common Stock.

(g) During the period of 90 days after the first date that any of the Common Shares are released by you for sale to the public, without the prior written consent of Montgomery Securities (which consent may be withheld at the sole discretion of the Montgomery Securities), the Company, its directors and its officers named in the Prospectus under the heading "Management," will not issue, offer, sell, grant options to purchase or otherwise dispose of any of the Company's equity securities or any other securities convertible into or exchangeable with its Common Stock or other equity security, except pursuant to options and plans disclosed in the Prospectus or documents incorporated by reference in the Prospectus or gifts or dispositions by individuals not involving the public market, provided that the recipients of such gifts or dispositions agree to be bound by restrictions on sale as provided in this paragraph (g).

(h) The Company will apply the net proceeds of the sale of the Common Shares sold by it substantially in accordance with its statements under the caption "Use of Proceeds" in the Prospectus.

(i) The Company will use all reasonable efforts to qualify or register its Common Stock for sale in non-issuer transactions under (or obtain exemptions from the application of) the Blue Sky laws of the State of California (and thereby permit market making transactions and secondary trading in the Company's Common Stock in California), will comply with such Blue Sky laws and will continue such qualifications, registrations and exemptions in effect for a period of five years after the date hereof.

(j) The Company will list, subject to official notice of issuance, on the New York Stock Exchange and the Pacific

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Stock Exchange, the Common Shares to be issued and sold by the Company.

You, on behalf of the Underwriters, may, in your sole discretion, waive in writing the performance by the Company of any one or more of the foregoing covenants or extend the time for their performance.

SECTION 6. Payment of Expenses. Whether or not the transactions contemplated hereunder are consummated or this Agreement becomes effective or is terminated, the Company agrees to pay all costs, fees and expenses incurred in connection with the performance of its obligations hereunder and in connection with the transactions contemplated hereby, including without limiting the generality of the foregoing, (i) all expenses incident to the issuance and delivery of the Common Shares (including all printing and engraving costs), (ii) all fees and expenses of the registrar and transfer agent of the Common Stock, (iii) all

necessary issue, transfer and other stamp taxes in connection with the issuance and sale of the Common Shares to the Underwriters, (iv) all fees and expenses of the Company's counsel and the Company's independent accountants, (v) all costs and expenses incurred in connection with the printing, filing, shipping and distribution of the Registration Statement, each Preliminary Prospectus and the Prospectus (including all exhibits and financial statements) and all amendments and supplements provided for herein, this Agreement, the Agreement Among Underwriters, the Selected Dealers Agreement, the Underwriters' Questionnaire, the Underwriters' Power of Attorney and the preliminary and final Blue Sky memorandum, (vi) all filing fees, attorneys' fees and expenses incurred by the Company or the Underwriters in connection with qualifying or registering (or obtaining exemptions from the qualification or registration of) all or any part of the Common Shares for offer and sale under the Blue Sky laws and applicable Canadian securities laws, and (vii) all other fees, costs and expenses referred to in Item 14 of the Registration Statement. Except as provided in this Section 6, Section 8 and Section 10 hereof, the Underwriters shall pay all of their own expenses, including the fees and disbursements of their counsel (excluding those relating to qualification, registration or exemption under the Blue Sky laws, Canadian securities laws, and the Blue Sky memoranda), stock transfer taxes on resale of the Common Shares by them, the expenses of the Underwriters incurred in connection with marketing of the Common Shares, and any advertising expenses connected with any offers they make.

SECTION 7. Conditions of the Obligations of the Underwriters. The obligations of the several Underwriters to purchase and pay for the Firm Common Shares on the First Closing Date and the Optional Common Shares on the Second Closing Date shall be subject to the accuracy of the representations and warranties on the part of the Company herein set forth as of the date hereof and as of the First Closing Date or the Second Closing Date, as the case may be, to the accuracy of the statements of Company officers made pursuant to the provisions hereof, to the performance by the Company of its

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obligations hereunder, and to the following additional conditions:

(a) The Registration Statement shall have become effective not later than 5:00 P.M., Washington, D.C. Time, on the date of this Agreement, or at such later time as shall have been consented to by you; if the filing of the Prospectus, or any supplement thereto, is required pursuant to Rule 424(b) of the Rules and Regulations, the Prospectus shall have been filed in the manner and within the time period required by Rule 424(b) of the Rules and Regulations; and prior to such Closing Date, no stop order suspending the effectiveness of the Registration Statement shall have been issued and no proceedings for that purpose shall have been instituted or shall be pending or, to the knowledge of the Company or you, shall be contemplated by the Commission; and any request of the Commission for inclusion of additional information in the Registration Statement, or otherwise, shall have been complied with to your satisfaction.

(b) Since the respective dates as of which information is given in the Registration Statement and Prospectus, (i) the representations and warranties of the Company set forth in Section 2 of this Agreement shall be true and correct as of the First Closing Date and the Second Closing Date, as the case may be, (ii) except as set forth or contemplated by the Registration Statement or the Prospectus, no material verbal or written agreement or other transaction shall have been entered into by the Company or any of its subsidiaries, which is not in the ordinary course of business or which could result in a material reduction in the future earnings of the Company and its subsidiaries taken as a whole, (iii) no loss or damage (whether or not insured) to the property of the Company or any of its subsidiaries shall have been

sustained which materially and adversely affects the financial condition, business, results of operations or properties of the Company and its subsidiaries, taken as a whole, (iv) no legal or governmental action, suit or proceeding affecting the Company or any of its subsidiaries which is material to the Company and its subsidiaries, taken as a whole, or which affects or may affect the transactions contemplated by this Agreement shall have been instituted or threatened, and (v) there shall not have been any material change in the financial condition, business, management, results of operations or properties of the Company and its subsidiaries, taken as a whole, which makes it impractical or inadvisable in the judgment of the Representatives to proceed with the public offering or purchase the Common Shares as contemplated hereby.

(c) There shall have been furnished to you, as Representatives of the Underwriters, on each Closing Date, in form and substance satisfactory to you, except as otherwise expressly provided below:

(i) An opinion of Warner Norcross & Judd LLP, counsel for the Company, addressed to the Underwriters and dated the First

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Closing Date, or the Second Closing Date, as the case may be, to the effect that:

(1) Each of the Company and its subsidiaries has been duly incorporated and is validly existing as a corporation in good standing under the laws of its jurisdiction of incorporation, is duly qualified to do business as a foreign corporation and is in good standing in all other jurisdictions where the ownership or leasing of properties or the conduct of its business requires such qualification, except for such failures to so qualify would not have a material adverse effect, and has full corporate power and authority to own its properties and conduct its business as described in the Registration Statement;

(2) The authorized, issued and outstanding capital stock of the Company is as set forth under the caption "Capitalization" in the Prospectus; all necessary and proper corporate proceedings have been taken in order to authorize validly such authorized Common Stock; the Firm Common Shares and any Optional Common Shares have been duly and validly issued, are fully paid and nonassessable, have been issued in compliance with federal and state securities laws, were not issued in violation of or subject to any preemptive rights or other rights to subscribe for or purchase any securities and conform to the description thereof contained in the Prospectus; without limiting the foregoing, there are no preemptive or other rights to subscribe for or purchase any of the Common Shares to be sold by the Company hereunder;

(3) All of the issued and outstanding shares of the Company's [subsidiaries] have been duly and validly authorized and issued, are fully paid and nonassessable and are owned beneficially by the Company free and clear of all liens, encumbrances, security interests, as voting trusts;

(4) The certificates evidencing the Common Shares to be delivered hereunder are in due and proper form under Delaware law, and when duly countersigned by the Company's transfer agent and registrar, and delivered to you or upon your order against payment of the agreed consideration therefor in accordance with the provisions of this Agreement, the Common Shares represented thereby will be duly authorized and validly issued, fully paid and nonassessable, will not have been issued in violation of or subject to any preemptive rights or other rights to subscribe for or purchase securities and will conform in all respects to the description thereof contained in the Prospectus;

(5) Except as disclosed in or specifically contemplated by, or disclosed in documents incorporated by reference in, the Prospectus, to such counsel's knowledge, there are no outstanding options, warrants or other rights calling for the issuance of, and no commitments, plans or arrangements to issue, any shares of capital stock of the Company or any security convertible into or exchangeable for capital stock of the Company;

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(6) (a) The Registration Statement has become effective under the Act, and, to such counsel's knowledge, no stop order suspending the effectiveness of the Registration Statement or preventing the use of the Prospectus has been issued and no proceedings for that purpose have been instituted or are pending or contemplated by the Commission; any required filing of the Prospectus and any supplement thereto pursuant to Rule 424(b) of the Rules and Regulations has been made in the manner and within the time period required by such Rule 424(b);

(b) The Registration Statement, the Prospectus and each amendment or supplement thereto (except for the financial statements and schedules included as incorporated by reference therein as to which such counsel need express no opinion) comply as to form in all material respects with the requirements of the Act and the Rules and Regulations;

(c) To such counsel's knowledge, there are no franchises, leases, contracts, agreements or documents required to be disclosed in the Registration Statement or Prospectus or to be filed as exhibits to the Registration Statement which are not disclosed or filed, as required;

(d) To such counsel's knowledge, there are no legal or governmental actions, suits or proceedings pending or threatened against the Company which are required to be described in the Prospectus which are not described as required; and

(e) The documents incorporated by reference in the Prospectus (except for any financial statements and schedules included in such documents as to which such counsel need express no opinion), when they were filed with the Commission, complied as to form in all material respects with the requirements of the Exchange Act and the rules and regulations of the Commission thereunder;

(f) At the date the Registration Statement was filed, the Company has met all of the eligibility requirements for the use of a registration statement on Form S-3.

(7) The Company has full corporate right, power and authority to enter into this Agreement and to sell and deliver the Common Shares to be sold by it to the several Underwriters; this Agreement has been duly and validly authorized by all necessary corporate action by the Company, has been duly and validly executed and delivered by and on behalf of the Company, and is a valid and binding agreement of the Company in accordance with its terms, except to the extent that (i) the validity and binding effect and enforcement of this Agreement may be limited by any applicable bankruptcy, reorganization, moratorium, or similar laws of general application, (ii) the availability of equitable remedies may be limited by principles of equity, whether considered in a proceeding at law or in equity, and (iii) the terms hereof may be limited by applicable securities laws and the policies embodied therein; and to such counsel's knowledge, no approval,

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authorization, order, consent, registration, filing, qualification, license or permit of or with any court, regulatory, administrative or other governmental body is required for the execution and delivery of this Agreement by the Company or the consummation of the transactions contemplated by this Agreement, except such as have been obtained and are in full force and effect under the Act and such as may be required under applicable Blue Sky laws or Canadian securities laws in connection with the purchase and distribution of the Common Shares by the Underwriters and the obtaining a letter of no objection of such offering from the NASD;

(8) The execution and performance of this Agreement and the consummation of the transactions herein contemplated will not, and to such counsel's knowledge conflict with, result in a material breach of, or constitute, either by itself or upon notice or the passage of time or both, a material default under, any material agreement, mortgage, deed of trust, lease, franchise, license, indenture, permit or other instrument known to such counsel to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries or any of its or their property may be bound or affected which is material to the Company and its subsidiaries, or violate any of the provisions of the certificate of incorporation or bylaws of the Company or any of its subsidiaries or, so far as is known to such counsel, violate any statute, judgment, decree, order, rule or regulation of any court or governmental body having jurisdiction over the Company or any of its subsidiaries or any of its or their property (other than state securities or Blue Sky laws and regulations as to which counsel need not express any opinion);

(9) Neither the Company nor any subsidiary is in violation of its certificate of incorporation or bylaws, or to such counsel's knowledge, in breach of or default with respect to any provision of any agreement, mortgage, deed of trust, lease, franchise, license, indenture, permit or other instrument known to such counsel to which the Company or any such subsidiary is a party or by which it or any of its properties may be bound or affected, except where such default would not materially adversely affect the Company; and, to such counsel's knowledge, the Company and its subsidiaries are in compliance with all laws, rules, regulations, judgments, decrees, orders and statutes of any court or jurisdiction to which they are subject, except where noncompliance would not materially adversely affect the Company and its subsidiaries;

(10) To such counsel's knowledge, no stockholders of the Company have any right which has not been waived in writing to require the Company to register the sale of shares owned by the Stockholders under the Act in the offering contemplated hereby;

(11) No transfer taxes are required to be paid under the laws of the State of Michigan in connection with the sale and

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delivery of the Common Shares to the Underwriters hereunder.

In rendering the foregoing opinion, such counsel may rely as to matters not governed by Federal law or the laws of the State of Michigan on opinions of legal counsel satisfactory to such counsel and upon certificates of public officials and officers of the Company without independent verification thereof. References to knowledge of such counsel may be qualified to mean the actual

knowledge of attorneys associated with such firm who have recorded time chargeable to the Company between January 1, 1995 and the date of such opinion.

In addition, such counsel shall state that they have participated in conferences with officers, employees and other representatives of the Company, counsel for the Underwriters, representatives of the independent public accountants for the Company and representatives of the Underwriters at which the contents of the Registration Statement and Prospectus and related matters were discussed and, although such counsel is not passing upon and does not assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Registration Statement and Prospectus and has not made any independent check or verification thereof, on the basis of the foregoing (relying as to materiality to a large extent upon the statements of officers, employees and other representatives of the Company), no facts have come to such counsel's attention that lead them to believe that either the Registration Statement at the time such Registration Statement became effective contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein in light of the circumstances in which they were made, not misleading, or the Prospectus as of its date contained an untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, except that such counsel need express no opinion with respect to financial statements, schedules and financial data included in the Registration Statement or Prospectus;

(ii) Such opinion or opinions of Locke Purnell Rain Harrell (A Professional Corporation), counsel for the Underwriters, dated the First Closing Date or the Second Closing Date, as the case may be, with respect to the incorporation of the Company, the sufficiency of all corporate proceedings and other legal matters relating to this Agreement, the validity of the Common Shares, the Registration Statement and the Prospectus and other related matters as you may reasonably require, and the Company shall have furnished to such counsel such documents and shall have exhibited to them such papers and records as they may reasonably request for the purpose of enabling them to pass upon such matters. In connection with such opinions, such counsel may rely on representations or certificates of officers of the Company and governmental officials. In addition, counsel for the underwriters may rely on the opinion of Warner, Norcross & Judd as to matters of Michigan law and may

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assume, with the permission of Warner, Norcross & Judd, that the laws of the State of Texas are the same as the laws of the State of Michigan with respect to the matters of law relied upon.

(iii) A certificate of the Company executed by the President or a Vice President and the chief financial or accounting officer of the Company, dated the First Closing Date or the Second Closing Date, as the case may be, to the effect that:

(1) The representations and warranties of the Company set forth in Section 2 of this Agreement are true and correct as of the date of this Agreement and as of the First Closing Date or the Second Closing Date, as the case may be, and the Company has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied on or prior to such Closing Date;

(2) The Commission has not issued any order preventing or suspending the use of the Prospectus or any Preliminary Prospectus filed as a part of the Registration Statement or any amendment thereto; no stop order suspending the effectiveness of the Registration Statement has been issued; and

to the best of the knowledge of the respective signers, no proceedings for that purpose have been instituted or are pending or contemplated under the Act;

(3) Each of the respective signers of the certificate has carefully examined the Registration Statement and the Prospectus; in his opinion and to the best of his knowledge, the Registration Statement and the Prospectus and any amendments or supplements thereto contain all statements required to be stated therein regarding the Company and its subsidiaries; and neither the Registration Statement nor the Prospectus nor any amendment or supplement thereto includes any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading;

(4) Since the initial date on which the Registration Statement was filed, no agreement, written or oral, transaction or event has occurred which should have been set forth in an amendment to the Registration Statement or in a supplement to or amendment of any prospectus which has not been disclosed in such a supplement or amendment;

(5) Since the respective dates as of which information is given in the Registration Statement and the Prospectus, and except as disclosed in or contemplated by the Prospectus, there has not been any material adverse change or a development involving a material adverse change in the condition (financial or otherwise), business, properties, results of operations, management or prospects of the Company and its subsidiaries; and no legal or governmental action, suit or proceeding is pending or threatened against the Company or any of its subsidiaries which is materially adverse to the

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Company, whether or not arising from transactions in the ordinary course of business, or which may adversely affect the transactions contemplated by this Agreement; since such dates and except as so disclosed, neither the Company nor any of its subsidiaries has entered into any verbal or written agreement or other transaction which is not in the ordinary course of business (or which could result in a material adverse effect on the future earnings of the Company) or incurred any liability or obligation, direct, contingent or indirect, that would have a material adverse effect on the Company, or made any change in its capital stock, made any material change in its short-term debt or long-term debt or repurchased or otherwise acquired any of the Company's capital stock; and the Company has not declared or paid any dividend, or made any other distribution, upon its outstanding capital stock payable to stockholders of record on a date prior to the First Closing Date or Second Closing Date, except as disclosed in the Prospectus; and

(6) Since the respective dates as of which information is given in the Registration Statement and the Prospectus and except as disclosed in or contemplated by the Prospectus, the Company and its subsidiaries have not sustained a material loss or damage by strike, fire, flood, windstorm, accident or other calamity (whether or not insured).

(vi) On the date before this Agreement is executed and also on the First Closing Date and the Second Closing Date a letter addressed to you, as Representatives of the Underwriters, from Ernst & Young LLP, independent accountants, the first one to be dated the day before the date of this Agreement, the second one to be dated the First Closing Date and the third one (in the event of a Second Closing) to be dated the Second Closing Date, consistent with Exhibit B hereto.

(vii) On or before the First Closing Date, letters from each director and officer named in the Company's proxy statement dated March 27, 1995, for its Annual Meeting of Stockholders held on April 19, 1995, under the

heading "Securities Ownership of Management," and Robert Sidrewski, Blake Krueger and Dean Estes, in form and substance consistent with Appendix C hetero.

All such opinions, certificates, letters and documents shall be in compliance with the provisions hereof only if they are satisfactory to you and to Locke Purnell Rain Harrell (A Professional Corporation), counsel for the Underwriters. The Company shall furnish you with such manually signed or conformed copies of such opinions, certificates, letters and documents as you request. Any certificate signed by any officer of the Company and delivered to the Representatives or to counsel for the Underwriters shall be deemed to be a representation and warranty by the Company to the Underwriters as to the statements made therein.

If any condition to the Underwriters' obligations hereunder to

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be satisfied prior to or at the First Closing Date is not so satisfied, this Agreement at your election will terminate upon notification by you as Representatives to the Company without liability on the part of any Underwriter or the Company except for the expenses to be paid or reimbursed by the Company pursuant to Sections 6 and 8 hereof and except to the extent provided in Section 10 hereof.

SECTION 8. Reimbursement of Underwriters' Expenses. Notwithstanding any other provisions hereof, if this Agreement shall be terminated by you pursuant to Section 7, or if the sale to the Underwriters of the Common Shares at the First Closing is not consummated because of any refusal, inability or failure on the part of the Company to perform any agreement herein or to comply with any provision hereof, the Company agrees to reimburse you and the other Underwriters upon demand for all out-of-pocket expenses that shall have been reasonably incurred by you and them in connection with the proposed purchase and the sale of the Common Shares, including but not limited to fees and disbursements of counsel, printing expenses, travel expenses, postage, telegraph charges and telephone charges relating directly to the offering contemplated by the Prospectus. Any such termination shall be without liability of any party to any other party except that the provisions of this Section, Section 6 and Section 10 shall at all times be effective and shall apply.

SECTION 9. Effectiveness of Registration Statement. You and the Company will use your and its best efforts to cause the Registration Statement to become effective, to prevent the issuance of any stop order suspending the effectiveness of the Registration Statement and, if such stop order be issued, to obtain as soon as possible the lifting thereof.

SECTION 10. Indemnification. (a) The Company agrees to indemnify and hold harmless each Underwriter and each person, if any, who controls any Underwriter within the meaning of the Act against any losses, claims, damages, liabilities or expenses, joint or several, to which such Underwriter or such controlling person may become subject, under the Act, the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or other federal or state statutory law or regulation, or at common law or otherwise (including in settlement of any litigation, if such settlement is effected with the written consent of the Company), insofar as such losses, claims, damages, liabilities or expenses (or actions in respect thereof as contemplated below) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in the Registration Statement, any Preliminary Prospectus, the Prospectus, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state in any of them a material fact required to be stated therein or necessary to make the statements in any

of them not misleading, or arise out of or are based in whole, provided, further, that the Company shall not be liable to any Underwriter or any controlling person of an Underwriter in respect of any Preliminary Prospectus to the extent that (i) the Prospectus did not contain the untrue statement

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or alleged untrue statement or omission or alleged omission giving rise to such loss, claim, damage, liability, expense or action; (ii) the Prospectus was not sent to or given to the purchaser of the Common Shares in question at or prior to the time at which the written confirmation of the sale of such Common Shares was sent or given to such person; and (iii) the failure to deliver such Prospectus was not the result of the Company's noncompliance with its obligations under this Agreement. The Company will reimburse each Underwriter and each such controlling person for any legal and other expenses as such expenses are reasonably incurred by such Underwriter or such controlling person in connection with investigating, defending, settling, compromising or paying any such loss, claim, damage, liability, expense or action; provided, however, that the Company will not be liable in any such case to the extent that any such loss, claim, damage, liability or expense arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in the Registration Statement, any Preliminary Prospectus, the Prospectus or any amendment or supplement thereto in reliance upon and in conformity with the information furnished to the Company pursuant to Section 3 hereof. In addition to its other obligations under this Section 10(a), the Company agrees that, as an interim measure during the pendency of any claim, action, investigation, inquiry or other proceeding arising out of or based upon any statement or omission, or any alleged statement or omission, or any inaccuracy in the representations and warranties of the Company herein or failure to perform its obligations hereunder, all as described in this Section 10(a), it will reimburse each Underwriter on a quarterly basis for all reasonable legal or other expenses incurred in connection with investigating or defending any such claim, action, investigation, inquiry or other proceeding, notwithstanding the absence of a judicial determination as to the propriety and enforceability of the Company's obligation to reimburse each Underwriter for such expenses and the possibility that such payments might later be held to have been improper by a court of competent jurisdiction. To the extent that any such interim reimbursement payment is so held to have been improper, each Underwriter shall promptly return it to the Company together with interest, compounded daily, determined on the basis of the prime rate (or other commercial lending rate for borrowers of the highest credit standing) announced from time to time by Bank of America NT&SA, San Francisco, California (the "Prime Rate"). Any such interim reimbursement payments which are not made to an Underwriter within 30 days of a request for reimbursement, shall bear interest at the Prime Rate from the date of such request. This indemnity agreement will be in addition to any liability which the Company may otherwise have.

(b) Each Underwriter will severally indemnify and hold harmless the Company, each of its directors, each of its officers who signed the Registration Statement and each person, if any, who controls the Company within the meaning of the Act, against any losses, claims, damages, liabilities or expenses to which the Company, or any such director, officer or controlling person may become subject, under the Act, the Exchange Act, or other federal or

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state statutory law or regulation, or at common law or otherwise (including in settlement of any litigation, if such settlement is effected with the written consent of such Underwriter), insofar as such losses, claims, damages, liabilities or expenses (or actions in respect thereof as contemplated below) arise out of or are based upon any untrue or alleged untrue statement of any material fact contained in the Registration Statement, any Preliminary Prospectus, the Prospectus, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in the Registration Statement, any Preliminary Prospectus, the Prospectus, or any amendment or supplement thereto, in reliance upon and in conformity with the information furnished to the Company pursuant to Section 3 hereof; and will reimburse the Company, or any such director, officer or controlling person for any legal and other expense reasonably incurred by the Company, or any such director, officer or controlling person in connection with investigating, defending, settling, compromising or paying any such loss, claim, damage, liability, expense or action. In addition to its other obligations under this Section 10(b), each Underwriter severally agrees that, as an interim measure during the pendency of any claim, action, investigation, inquiry or other proceeding arising out of or based upon any statement or omission, or any alleged statement or omission, described in this Section 10(b) which relates to information furnished to the Company pursuant to Section 3 hereof, it will reimburse the Company (and, to the extent applicable, each officer, director, controlling person) on a quarterly basis for all reasonable legal or other expenses incurred in connection with investigating or defending any such claim, action, investigation, inquiry or other proceeding, notwithstanding the absence of a judicial determination as to the propriety and enforceability of the Underwriters' obligation to reimburse the Company (and, to the extent applicable, each officer, director, controlling person) for such expenses and the possibility that such payments might later be held to have been improper by a court of competent jurisdiction. To the extent that any such interim reimbursement payment is so held to have been improper, the Company (and, to the extent applicable, each officer, director, controlling person) shall promptly return it to the Underwriters together with interest, compounded daily, determined on the basis of the Prime Rate. Any such interim reimbursement payments which are not made to the Company within 30 days of a request for reimbursement, shall bear interest at the Prime Rate from the date of such request. This indemnity agreement will be in addition to any liability which such Underwriter may otherwise have.

(c) Promptly after receipt by an indemnified party under this Section of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against an indemnifying party under this Section, notify the indemnifying party in writing of the commencement thereof; but the

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omission so to notify the indemnifying party will not relieve it from any liability which it may have to any indemnified party for contribution or otherwise than under the indemnity agreement contained in this Section or to the extent it is not prejudiced as a proximate result of such failure. In case any such action is brought against any indemnified party and such indemnified party seeks or intends to seek indemnity from an indemnifying party, the indemnifying party will be entitled to participate in, and, to the extent that it may wish, jointly with all other indemnifying parties similarly notified, to assume the defense thereof with counsel reasonably satisfactory to such indemnified party; provided, however, if the defendants in any such action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that there may be a conflict

between the positions of the indemnifying party and the indemnified party in conducting the defense of any such action or that there may be legal defenses available to it and/or other indemnified parties which are different from or additional to those available to the indemnifying party, the indemnified party or parties shall have the right to select separate counsel to assume such legal defenses and to otherwise participate in the defense of such action on behalf of such indemnified party or parties. Upon receipt of notice from the indemnifying party to such indemnified party of its election so to assume the defense of such action and approval by the indemnified party of counsel, the indemnifying party will not be liable to such indemnified party under this Section for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof unless (i) the indemnified party shall have employed such counsel in connection with the assumption of legal defenses in accordance with the proviso to the next preceding sentence (it being understood, however, that the indemnifying party shall not be liable for the expenses of more than one separate counsel, approved by the Representatives in the case of paragraph 10(a), representing the indemnified parties who are parties to such action) or (ii) the indemnifying party shall not have employed counsel reasonably satisfactory to the indemnified party to represent the indemnified party within a reasonable time after notice of commencement of the action, in each of which cases the fees and expenses of counsel shall be at the expense of the indemnifying party. An indemnifying party shall not be liable for any settlement of any action, suit, proceeding or claims effected without its written consent.

(d) If the indemnification provided for in this Section 10 is required by its terms but is for any reason held to be unavailable to or otherwise insufficient to hold harmless an indemnified party under paragraphs (a), (b) or (c) in respect of any losses, claims, damages, liabilities or expenses referred to herein, then each applicable indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of any losses, claims, damages, liabilities or expenses referred to herein (i) in such proportion as is appropriate to reflect the relative benefits received by the Company and the Underwriters from the offering of the Common Shares or (ii) if the allocation provided by clause (i)

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above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company and the Underwriters in connection with the statements or omissions or inaccuracies in the representations and warranties herein which resulted in such losses, claims, damages, liabilities or expenses, as well as any other relevant equitable considerations. The respective relative benefits received by the Company and the Underwriters shall be deemed to be in the same proportion, in the case of the Company as the total price paid to the Company for the Common Shares sold by it to the Underwriters (net of underwriting commissions but before deducting expenses) bears to the total price to the public set forth on the cover of the Prospectus, and in the case of the Underwriters as the underwriting commissions received by them bears to the total price to the public set forth on the cover of the Prospectus. The relative fault of the Company and the Underwriters shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact by the Company or the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The amount paid or payable by a party as a result of the losses, claims, damages, liabilities and expenses referred to above shall be deemed to include, subject to the limitations set forth in subparagraph (c) of this Section 10, any legal or other fees or expenses reasonably incurred by such party in connection with investigating or defending any action or claim. The provisions set forth in subparagraph (c) of this

Section 10 with respect to notice of commencement of any action shall apply if a claim for contribution is to be made under this subparagraph (d); provided, however, that no additional notice shall be required with respect to any action for which notice has been given under subparagraph (c) for purposes of indemnification. The Company and the Underwriters agree that it would not be just and equitable if contribution pursuant to this Section 10 were determined solely by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to in the immediately preceding paragraph. Notwithstanding the provisions of this Section 10, no Underwriter shall be required to contribute any amount in excess of the amount of the total underwriting commissions received by such Underwriter in connection with the Common Shares underwritten by it and distributed to the public. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations to contribute pursuant to this Section 10 are several in proportion to their respective underwriting commitments and not joint.

(e) It is agreed that any controversy arising out of the operation of the interim reimbursement arrangements set forth in Sections 10(a) and 10(b) hereof, including the amounts of any requested reimbursement payments and the method of determining such

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amounts, shall be settled by arbitration conducted under the provisions of the Constitution and Rules of the Board of Governors of the New York Stock Exchange, Inc. or pursuant to the Code of Arbitration Procedure of the NASD. Any such arbitration must be commenced by service of a written demand for arbitration or written notice of intention to arbitrate, therein electing the arbitration tribunal. In the event the party demanding arbitration does not make such designation of an arbitration tribunal in such demand or notice, then the party responding to said demand or notice is authorized to do so. Such an arbitration would be limited to the operation of the interim reimbursement provisions contained in Sections 10(a) and 10(b) hereof and would not resolve the ultimate propriety or enforceability of the obligation to reimburse expenses which is created by the provisions of such Sections 10(a) and 10(b) hereof.

SECTION 11. Default of Underwriters. It shall be a condition to this Agreement and the obligation of the Company to sell and deliver the Common Shares hereunder, and of each Underwriter to purchase the Common Shares in the manner as described herein, that, except as hereinafter in this paragraph provided, each of the Underwriters shall purchase and pay for all the Common Shares agreed to be purchased by such Underwriter hereunder upon tender to the Representatives of all such shares in accordance with the terms hereof. If any Underwriter or Underwriters default in their obligations to purchase Common Shares hereunder on either the First or Second Closing Date and the aggregate number of Common Shares which such defaulting Underwriter or Underwriters agreed but failed to purchase on such Closing Date does not exceed 10% of the total number of Common Shares which the Underwriters are obligated to purchase on such Closing Date, the non-defaulting Underwriters shall be obligated severally, in proportion to their respective commitments hereunder, to purchase the Common Shares which such defaulting Underwriters agreed but failed to purchase on such Closing Date. If any Underwriter or Underwriters so default and the aggregate number of Common Shares with respect to which such default occurs is more than the above percentage and arrangements satisfactory to the Representatives and the Company for the purchase of such Common Shares by other persons are not made within 48 hours after such default, this Agreement will terminate without liability on the part of any non-defaulting Underwriter or the Company except for the expenses to be paid by the Company pursuant to

Section 6 hereof.

In the event that Common Shares to which a default relates are to be purchased by the non-defaulting Underwriters or by another party or parties, the Representatives or the Company shall have the right to postpone the First or Second Closing Date, as the case may be, for not more than five business days in order that the necessary changes in the Registration Statement, Prospectus and any other documents, as well as any other arrangements, may be effected. As used in this Agreement, the term "Underwriter" includes any person substituted for an Underwriter under this Section. Nothing herein will relieve a defaulting Underwriter from liability for its

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default.

SECTION 12. Effective Date. This Agreement shall become effective immediately as to Sections 6, 8, 10, 13 and 14 and, as to all other provisions, (i) if at the time of execution of this Agreement the Registration Statement has not become effective, at 2:00 P.M., California time, on the first full business day following the effectiveness of the Registration Statement, or (ii) if at the time of execution of this Agreement the Registration Statement has been declared effective, at 2:00 P.M., California time, on the first full business day following the date of execution of this Agreement; but this Agreement shall nevertheless become effective at such earlier time after the Registration Statement becomes effective as you may determine on and by notice to the Company or by release of any of the Common Shares for sale to the public. For the purposes of this Section 12, the Common Shares shall be deemed to have been so released upon the release for publication of any newspaper advertisement relating to the Common Shares or upon the release by you of telegrams (i) advising Underwriters that the Common Shares are released for public offering, or (ii) offering the Common Shares for sale to securities dealers, whichever may occur first.

SECTION 13. Termination. Without limiting the right to terminate this Agreement pursuant to any other provision hereof:

(a) This Agreement may be terminated by the Company by notice to you or by you by notice to the Company at any time prior to the time this Agreement shall become effective as to all its provisions, and any such termination shall be without liability on the part of the Company to any Underwriter (except for the expenses to be paid or reimbursed by the Company pursuant to Sections 6 and 8 hereof and except to the extent provided in Section 10 hereof) or of any Underwriter to the Company (except to the extent provided in Section 10 hereof).

(b) This Agreement may also be terminated by you prior to the First Closing Date by notice to the Company (i) if additional material governmental restrictions, not in force and effect on the date hereof, shall have been imposed upon trading in securities generally or minimum or maximum prices shall have been generally established on the New York Stock Exchange or on the American Stock Exchange or in the NASDAQ National Market, or trading in securities generally shall have been suspended on either such Exchange or in the NASDAQ National Market, or a general banking moratorium shall have been established by federal, New York or California authorities, (ii) if an outbreak of major hostilities or other national or international calamity or any substantial change in political, financial or economic conditions shall have occurred or shall have accelerated or escalated to such an extent, as, in the judgment of the Representatives, to affect adversely the marketability of the Common Shares, (iii) if any adverse event shall have occurred or shall exist which makes untrue or incorrect in any material respect any statement or information contained in the Registration Statement or Prospectus or which is

not reflected in

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the Registration Statement or Prospectus but should be reflected therein in order to make the statements or information contained therein not misleading in any material respect, or (iv) if there shall be any action, suit or proceeding pending or threatened, or there shall have been any development or prospective development involving particularly the business or properties or securities of the Company or any of its subsidiaries or the transactions contemplated by this Agreement, which, in the reasonable judgment of the Representatives, may materially and adversely affect the Company's business or earnings and makes it impracticable or inadvisable to offer or sell the Common Shares. Any termination pursuant to this subsection (b) shall be without liability on the part of any Underwriter to the Company or on the part of the Company to any Underwriter (except for expenses to be paid or reimbursed by the Company pursuant to Sections 6 and 8 hereof and except to the extent provided in Section 10 hereof).

SECTION 14. Representations and Indemnities to Survive Delivery. The respective indemnities, agreements, representations, warranties and other statements of the Company and of the several Underwriters set forth in or made pursuant to this Agreement will remain in full force and effect, regardless of any investigation made by or on behalf of any Underwriter or the Company or any of its or their partners, officers or directors or any controlling person, as the case may be, and will survive delivery of and payment for the Common Shares sold hereunder and any termination of this Agreement.

SECTION 15. Notices. All communications hereunder shall be in writing and, if sent to the Representatives shall be mailed, delivered or telecopied and confirmed to you at 600 Montgomery Street, San Francisco, California 94111, Attention: General Counsel, with a copy to Locke Purnell Rain Harrell (A Professional Corporation), 2200 Ross Avenue, Suite 2200, Dallas, Texas 75201, Attention: Dan Busbee; and if sent to the Company shall be mailed, delivered or telecopied and confirmed to the Company at Wolverine World Wide, Inc., 9341 Courtland Drive, N.E., Rockford, Michigan 49351, Attention: Blake W. Krueger, General Counsel and Secretary. The Company or you may change the address for receipt of communications hereunder by giving notice to the others.

SECTION 16. Successors. This Agreement will inure to the benefit of and be binding upon the parties hereto, including any substitute Underwriters pursuant to Section 11 hereof, and to the benefit of the officers and directors and controlling persons referred to in Section 10, and in each case their respective successors, personal representatives and assigns, and no other person will have any right or obligation hereunder. No such assignment shall relieve any party of its obligations hereunder. The term "successors" shall not include any purchaser of the Common Shares as such from any of the Underwriters merely by reason of such purchase.

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SECTION 17. Representation of Underwriters. You will act as Representatives for the several Underwriters in connection with all dealings hereunder, and any action under or in respect of this Agreement taken by you, as Representatives,

will be binding upon all the Underwriters.

SECTION 18. Partial Unenforceability. The invalidity or unenforceability of any Section, paragraph or provision of this Agreement shall not affect the validity or enforceability of any other Section, paragraph or provision hereof. If any Section, paragraph or provision of this Agreement is for any reason determined to be invalid or unenforceable, there shall be deemed to be made such minor changes (and only such minor changes) as are necessary to make it valid and enforceable.

SECTION 19. Applicable Law. This Agreement shall be governed by and construed in accordance with the internal laws (and not the laws pertaining to conflicts of laws) of the State of Michigan.

SECTION 20. General. This Agreement constitutes the entire agreement of the parties to this Agreement and supersedes all prior written or oral and all contemporaneous oral agreements, understandings and negotiations with respect to the subject matter hereof. This Agreement may be executed in several counterparts, each one of which shall be an original, and all of which shall constitute one and the same document.

In this Agreement, the masculine, feminine and neuter genders and the singular and the plural include one another. The section headings in this Agreement are for the convenience of the parties only and will not affect the construction or interpretation of this Agreement. This Agreement may be amended or modified, and the observance of any term of this Agreement may be waived, only by a writing signed by the Company and you.

If the foregoing is in accordance with your understanding of our agreement, kindly sign and return to us the enclosed copies hereof, whereupon it will become a binding agreement among the Company and the several Underwriters including you, all in accordance with its terms.

Very truly yours,

WOLVERINE WORLD WIDE, INC.

By: _____
President

The foregoing Underwriting Agreement is hereby confirmed and accepted by us in San Francisco, California as of

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the date first above written.

MONTGOMERY SECURITIES

Gerrard Klauer & Mattison
Acting as Representatives of the
several Underwriters named in
the attached Schedule A.

By MONTGOMERY SECURITIES

By: _____

SCHEDULE A

Name of Underwriter -----	Number of Firm Common Shares to be Purchased -----
Montgomery Securities	
Gerrard Klauer & Mattison	
TOTAL	----- =====

MASTER AGREEMENT AMONG UNDERWRITERS

May 13, 1988

MONTGOMERY SECURITIES
600 Montgomery Street
San Francisco, California 94111

Ladies and Gentlemen:

1. General. We understand that from time to time you may act as Representative or as one of the Representatives of the several underwriters of offerings of securities of various issuers. This Agreement shall apply to any such offering of securities in which we elect to act as an underwriter after receipt of an invitation from your Syndicate Department which shall identify the issuer, contain information regarding certain terms of the securities to be offered and specify the amount of our proposed participation (subject to increase as provided in the applicable Underwriting Agreement), and the names of the other Representatives, if any. At or prior to the time of an offering, you will advise us, to the extent applicable, as to the expected offering date, the expected closing date, the initial public offering price, the interest or dividend rate (or the method by which such rate is to be determined), the conversion price, the underwriting discount, the management fee, the selling concession and the reallowance, except that if the public offering price of the securities is to be determined by a formula based upon the market price of certain securities (such procedure being hereinafter referred to as "Formula Pricing"), you shall so advise us and shall specify the maximum underwriting discount, management fee and selling concession. Such information may be conveyed by you in one or more communications in the form of letters, wires, telexes or other written communications or by telephone calls (provided any such telephone calls are promptly confirmed in writing) (such communications received by us with respect to an offering are hereinafter collectively referred to as the "Invitation"). If the Underwriting Agreement (as hereinafter defined) provides for the granting of an option to purchase additional securities to cover over-allotments, you will notify us, in the Invitation, of such option.

This Agreement, as amended or supplemented by the Invitation, shall become effective with respect to our participation in an offering of securities if you have received our oral or written acceptance and you do not subsequently receive a written communication revoking our acceptance prior to the time and date specified in the Invitation (our unrevoked acceptance after expiration of such time and date being hereinafter referred to as our "Acceptance"). Our Acceptance will constitute our confirmation that, except as otherwise stated in such Acceptance, each statement included in the Master Underwriters' Questionnaire set forth as Exhibit A hereto (or otherwise furnished to us) is correct.

The issuer of the securities in any offering of securities made pursuant to this Agreement is hereinafter referred to as the "Company." If the Underwriting Agreement does not provide for an over-allotment option, the securities to be purchased are hereinafter referred to as the "Securities"; if the Underwriting Agreement provides for an over-allotment option, the securities the Underwriters (as hereinafter defined) are initially obligated to purchase pursuant to the Underwriting Agreement are hereinafter called the "Firm Securities" and any additional securities which may be purchased upon exercise of the over-allotment option are hereinafter called the "Additional Securities," with the Firm Securities and all or any part of the Additional Securities being hereinafter collectively referred to as the "Securities." Any underwriters of Securities under this Agreement, including the Representatives (as hereinafter defined), are hereinafter collectively referred to as the "Underwriters." The term "underwriting obligation," as used in this Agreement with respect to any Underwriter, shall refer to the amount of Securities, including any Additional Securities (plus such additional Securities as may be

required by the Underwriting Agreement in the event of a default by one or more of the Underwriters) which such Underwriter is obligated to purchase pursuant to the provisions of the Underwriting Agreement. All references herein to "you" or to the "Representatives" shall mean Montgomery Securities and the other firm or firms, if any, which are named as Representatives in the invitation. The

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Securities to be offered may, but need not, be registered for a delayed or continuous offering pursuant to Rule 415 under the Securities Act of 1933, as amended (the "Securities Act").

The following provisions of this Agreement shall apply separately to each individual offering of Securities. This Agreement may be supplemented or amended by you by written notice to us and, except for supplements or amendments set forth in an Invitation relating only to a particular offering of Securities, any such supplement or amendment to this Agreement shall be effective with respect to any offering of Securities to which this Agreement applies after this Agreement is so amended or supplemented.

2. Underwriting Agreement; Authority of Representatives. We authorize you to execute and deliver an underwriting or purchase agreement and any amendment or supplement thereto and any associated pricing agreement or other similar agreement (collectively, the "Underwriting Agreement") on our behalf with the Company and/or any selling securityholder(s) with respect to Securities in such form as you determine. We will be bound by all terms of the Underwriting Agreement as executed. We understand that changes may be made in those who are to be Underwriters and in the amount of Securities to be purchased by them, but the amount of Securities to be purchased by us in accordance with the terms of this Agreement and the Underwriting Agreement, including the amount of Additional Securities, if any, which we may become obligated to purchase by reason of the exercise of any over-allotment option provided in the Underwriting Agreement, shall not be changed without our consent. Without limiting the foregoing, we authorize you to (a) determine all matters relating to advertising and communications with dealers or others, (b) extend the time within which the Registration Statement (as hereinafter defined) may become effective, (c) postpone the closing date or dates for any offering, and (d) exercise any right of cancellation or termination.

As Representatives of the Underwriters, you are authorized to take such action as you deem necessary or advisable to carry out this Agreement, the Underwriting Agreement, and the purchase, sale and distribution of the Securities, and to agree to any waiver or modification of any provision of the Underwriting Agreement. To the extent applicable, you are also authorized to determine (i) the amount of Additional Securities, if any, to be purchased by the Underwriters pursuant to any over-allotment option, and (ii) with respect to offerings using Formula Pricing, the initial public offering price and the price at which the Securities are to be purchased by the Underwriters in accordance with the Underwriting Agreement. Authority with respect to matters to be determined by you, or by you and the Company pursuant to the Underwriting Agreement, shall survive the termination of this Agreement. Your authority hereunder and under the Underwriting Agreement may be exercised by the Representatives jointly or by Montgomery Securities acting alone.

3. Registration Statement and Prospectus. You will furnish to us, to the extent made available to you by the Company, copies of the registration statement, the related prospectus and the amendment(s) thereto (excluding exhibits but including any documents incorporated by reference therein) filed with the Securities and Exchange Commission (the "Commission") in respect of the Securities, and our Acceptance of the Invitation with respect to an offering of Securities will serve to confirm that we are willing to accept the responsibility of an Underwriter thereunder and to proceed as therein contemplated. Such Acceptance will further confirm that the statements made under the heading "Underwriting" in the proposed final form of prospectus, insofar as they relate to us, do not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading. As hereinafter mentioned, the "Registration Statement" and the "Prospectus" refer to the

Registration Statement and Prospectus included as a part thereof, in the form in which the Registration Statement becomes effective (including all information deemed to be a part thereof pursuant to Rule 430A promulgated under the Securities Act) and the form in which the Prospectus is filed pursuant to Rule 424(b) under the Securities Act or, if no such filing is required, the form in which the Prospectus is in at the time the Registration Statement in which it is contained becomes effective, with respect to the Securities. Each preliminary prospectus with respect to the Securities is herein referred to as a "Preliminary Prospectus." The use of our name in the Prospectus and any Preliminary Prospectus, as one of the Underwriters, has our consent. You are

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authorized, with the approval of counsel for the Underwriters, to approve on our behalf any further amendments or supplements to the Registration Statement or the Prospectus which may be necessary or appropriate.

4. Compensation. As our share of the compensation to be paid for your services, we will pay you, and we authorize you to charge our account therefor, a management fee as specified in the Invitation for the offering. If there is more than one Representative, such compensation will be divided among the Representatives in such proportion as you may determine.

5. Public Offering. In connection with the public offering of the Securities, we authorize you, in your discretion:

(a) to determine the time of the initial public offering, the initial public offering price, the purchase price of the Securities to the Underwriters, and the concessions and discounts to Selected Dealers (as defined below) to change the public offering price and such concessions and discounts (and we agree to be bound by any such change), to furnish the Company with the information to be included in the Registration Statement and any amendment or supplement thereto with respect to the terms of the offering, and to determine all matters relating to advertising and communications with Selected Dealers and others;

(b) to reserve for sale to dealers selected by you, among whom any of the Underwriters may be included ("Selected Dealers"), who shall be either (i) members of the National Association of Securities Dealers, Inc. (the "Association") who agree in writing to comply with Section 24 of Article III of the Association's Rules of Fair Practice or (ii) foreign dealers not eligible for membership in the Association who agree in writing not to make sales within the United States, its territories or possessions or to persons who are citizens or residents therein, to comply with the Association's Interpretation with Respect to Free-Riding and Withholding, and to comply with Sections 8, 24, 25 (as such Sections apply to foreign non-members of the Association) and 36 of Article III of the Association's Rules of Fair Practice, and to others, all or any part of the Securities to be purchased by us, such reservations for sales to Selected Dealers to be in such proportions as you may determine and such reservations for sales to others to be as nearly as practicable in proportion to the respective underwriting obligations of the Underwriters unless you agree to a smaller proportion at the request of any Underwriter, and from time to time to add to the reserved Securities any Securities retained by us remaining unsold and to release to us any of our Securities reserved but not sold;

(c) to sell reserved Securities as nearly as practicable in proportion to the respective reservations, (i) to Selected Dealers, under Selected Dealers Agreements in substantially the form attached hereto as Exhibit B or otherwise, at the public offering price less the applicable Selected Dealers' concession, and (ii) to others at the public offering price; and

(d) to buy Securities for our account from Selected Dealers at the initial public offering price less such amount not in excess of the applicable Selected Dealers' concession as you determine.

After, and only after, advice from you that the Securities are released for public offering, we will offer to the public in conformity with the terms of the offering as set forth in the Prospectus or any amendment or supplement thereto such of the Securities to be purchased by us as you advise us are not reserved.

We will comply with any and all restrictions which may be set forth in the Invitation. The initial public advertisement with respect to the Securities shall appear on such date, and shall include the names of such of the Underwriters, as you may determine.

6. Additional Provisions Regarding Sales. Any Securities sold by us (otherwise than through you) which you purchase in the open market or otherwise prior to the termination of this Agreement as provided in Section 12, shall be repurchased by us on demand at the cost to you of such purchase plus commissions and taxes on redelivery. Securities delivered on such repurchase need not be the

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identical Securities so purchased. In lieu of such action, you may, in your discretion, sell for our account the Securities so purchased and debit or credit our account for the loss or profit resulting from such sale, or charge our account with an amount not in excess of the Selected Dealers' concession with respect to such Securities.

Sales of Securities among the Underwriters may be made with your prior consent or as you deem advisable for Blue Sky law purposes.

In connection with offers to sell and sales of the Securities, we will comply with all applicable laws and all applicable rules, regulations and interpretations of all governmental and self-regulatory agencies.

7. Payment and Delivery. At or before such time, on such dates as you may specify in the Invitation and at your offices unless you otherwise specify in the Invitation, we will deliver to you a certified or bank cashier's check in such funds as are specified in the Invitation, payable to the order of Montgomery Securities (unless otherwise specified in the Invitation) in an amount equal to, as you direct, either (i) the public offering price or prices plus accrued interest, amortization of original issue discount or dividends, if any, set forth in the Prospectus less the concession to Selected Dealers in respect of the amount of Securities to be purchased by us in accordance with the terms of this Agreement, or (ii) the amount set forth in the Invitation with respect to the Securities to be purchased by us. We authorize you to make payment for our account of the purchase price for the Securities to be purchased by us against delivery to you of such Securities (which, in the case of Securities which are debt obligations, may be in temporary form), and the difference between such purchase price of the Securities and the amount of our funds delivered to you therefor shall be credited to our account.

You may, in your discretion, make payment of such purchase price on our behalf as provided in Section 8 hereof, but any such payment shall not relieve us of any of our obligations under the Underwriting Agreement or under this Agreement and we agree to pay you on demand the amount so advanced for our account. We authorize you, as our custodian, to take delivery of our Securities and to hold the same for our account, in your name or otherwise subject to the provisions of this Agreement, and to deliver our reserved Securities against sales. Delivery to us of Securities retained by us for direct sale shall be made by you as soon as practicable after your receipt of the Securities. Upon termination of the provisions of this Agreement as provided in Section 12, you shall deliver to us any Securities reserved for our account for sale to Selected Dealers and others which remain unsold at that time, except that if, upon such termination, the aggregate of all reserved and unsold Securities of all Underwriters does not exceed 10% of the total amount of Securities underwritten, you are authorized in your discretion to sell such Securities for the accounts of the several Underwriters at such price or prices as you may determine. After you receive payment for reserved Securities sold for our

account, you shall remit to us the purchase price paid by us for such Securities and debit or credit our account with the difference (if any) between the sale price and such purchase price.

If we are a member of The Depository Trust Company or any other depository or similar facility, you are authorized to make appropriate arrangements for payment for and/or delivery through its facilities of the Securities to be purchased by us, or, if we are not a member, settlement may be made through a correspondent that is a member pursuant to our timely instructions to you.

In the event that the Underwriting Agreement for an offering provides for the payment of a commission or other compensation to the Underwriters, we authorize you to receive such commission or other compensation for our account.

8. Authority to Borrow. In connection with the purchase or carrying for our account of any of the Securities to be purchased by us under this Agreement or the Underwriting Agreement or any other securities purchased for our account pursuant to Section 9 hereof, we authorize you, in your discretion, to advance your funds for our account, charging current interest rates (but not in excess of the amount permitted by law), to arrange loans for our account, and in connection therewith to execute and deliver any notes or other instruments and hold or pledge as security any of our Securities

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or other securities purchased for our account. Any lender may rely upon your instructions in all matters relating to any such loan.

Any Securities held by you for our account may be delivered to us for carrying purposes, and if so delivered will be redelivered to you upon demand.

9. Stabilization and Over-Allotment. We authorize you, in your discretion, to make purchases and sales of the Securities, any other securities of the Company of the same class and series, any securities of the Company into which the Securities are convertible or exchangeable and any other securities of the Company which you may designate, in the open market or otherwise, for long or short account, on such terms and for such prices as you deem advisable, and to over-allot in arranging sales. Such purchases and sales and over-allotments will be made for the accounts of the Underwriters as nearly as practicable in proportion to their respective underwriting obligations. It is understood that you may have made purchases of securities of the Company for stabilizing purposes prior to the time when we become one of the Underwriters, and we agree that any securities so purchased shall be treated as having been purchased for the respective accounts of the Underwriters pursuant to the foregoing authorization. We authorize you, in your discretion, to cover any short position or liquidate any long position incurred pursuant to this Section 9 by purchasing or selling Securities on such terms and at such times and prices during the term of this Agreement or after its termination as you deem advisable. At no time will the amount of our net commitment either for long or short account under this Section 9 exceed 15% of our underwriting obligation. Soley for the purposes of the immediately preceding sentence, our "underwriting obligation" shall be deemed to exclude any Securities which we are obligated to purchase solely by virtue of the exercise of an over-allotment option. We will on demand take up and pay at cost Securities so purchased and deliver any Securities so sold or over-allotted for our account, and, if any Underwriter defaults in any such obligation, each non-defaulting Underwriter will assume its proportionate share of such obligation without relieving the defaulting Underwriter from liability. The provisions of this Section 9 do not constitute an assurance that the price of the Securities will be stabilized or that stabilization, if commenced, may not be discontinued at any time.

Upon request, we will advise you of the Securities retained by us and unsold and will sell to you for the account of one or more of the Underwriters such of the unsold Securities retained by us and at such price, not less than the applicable net price to Selected Dealers nor more than the public offering

price, as you may determine.

We and each other Underwriter authorize you, as our Representative, to file with the Securities and Exchange Commission (the "Commission") any notices and reports which may be required as a result of any transactions made by you for the accounts of the Underwriters pursuant to this Section 9. We understand that, in the event that you effect stabilization pursuant to this Section, you will notify us promptly of the date and time when the first stabilizing purchase is effected and the date and time when stabilizing terminated. We agree that stabilizing by us may be effected only with your consent, and we will furnish you with such information and reports relating to such stabilization as are required by the rules and regulations of the Commission under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

10. Open Market Transactions. Until termination of this Agreement, unless this restriction is sooner terminated by you, we agree not to bid for, purchase, sell or attempt to induce others to purchase or sell, directly or indirectly, any of the Securities or securities exchangeable for, or convertible into, or exercisable against the Securities, any security of the same class and series as the Securities and any right to purchase the Securities or any such security, including trading in any put or call option on any such security other than (a) as provided for in this Agreement or in the Underwriting Agreement or (b) as a broker in executing unsolicited orders.

We represent that we have not participated in any transaction prohibited by the preceding paragraph and that we have at all times complied with the provisions of Rule 10b-6 of the Commission applicable to the offering of the Securities.

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11. Expenses and Settlement. You may charge our account with all transfer taxes on sales or purchases made of Securities purchased for our account and with our proportionate share (based upon our underwriting obligation or upon sales for our accounts, as you shall determine in your sole discretion) of all other expenses incurred by you under this Agreement or in connection with the purchase, carrying, sale or distribution of the Securities. With respect to each offering of Securities to which this Agreement applies, the respective accounts of the Underwriters shall be settled as promptly as practicable after the termination of this Agreement as provided in Section 12, but you may reserve such amount as you deem advisable for additional expenses. Your determination of the amount to be paid to or by us will be conclusive. You may at any time make partial distributions of credit balances or call for payment of debit balances. Any of our funds in your hands may be held with your general funds without segregation and without accountability for interest. Notwithstanding any settlement, we will remain liable for taxes on transfers for our account and for our proportionate share (based upon our underwriting obligation) of all expenses and liabilities which may be incurred by or for the accounts of the Underwriters with respect to each offering of Securities to which this Agreement applies.

12. Termination. With respect to each offering of Securities to which this Agreement applies, all limitations in this Agreement on the price at which the Securities may be sold, the periods of time referred to in Sections 6, 7, 11 and 18, the authority granted by the first sentence of Section 9, and the restrictions contained in Section 10, shall terminate at the close of business on the 30th day after the commencement of the offering of such Securities. You may terminate any or all of such provisions at any time prior thereto by notice to the Underwriters. All other provisions of this Agreement shall survive the termination of such provisions and shall remain operative and in full force and effect with respect to such offering.

13. Default by Underwriters. Default by one or more Underwriters hereunder or under the Underwriting Agreement shall not release the other Underwriters from their obligations or affect the liability of any defaulting Underwriter to the other Underwriters for damages resulting from such default.

If one or more Underwriters default under the Underwriting Agreement, you may (but shall not be obligated to) arrange for the purchase by others, including you or other non-defaulting Underwriters, of the Securities not taken up by the defaulting Underwriter or Underwriters.

In the event that such arrangements are made, the respective underwriting obligations of the non-defaulting Underwriters and the amounts of the Securities to be purchased by others, if any, shall be taken as the basis for all rights and obligations hereunder; but this shall not in any way affect the liability of any defaulting Underwriter to the other Underwriters for damages resulting from its default, nor shall any such default relieve any other Underwriter of any of its obligations hereunder or under the Underwriting Agreement except as herein or therein provided. In addition, in the event of default by one or more Underwriters in respect of their obligations under the Underwriting Agreement to purchase the Securities agreed to be purchased by them thereunder and, to the extent that arrangements shall not have been made by you for any person to assume the obligations of such defaulting Underwriter or Underwriters, we agree, if provided in the Underwriting Agreement, to assume our proportionate share, based upon our underwriting obligation, of the obligations of each such defaulting Underwriter (subject to the limitations contained in the Underwriting Agreement) without relieving such defaulting Underwriter of its liability therefor.

In the event of default by one or more Underwriters in respect of their obligations under this Agreement to take up and pay for any shares of Securities purchased by you for their respective accounts pursuant to Section 9 hereof, or to deliver any such shares of Securities sold or over-allotted by you for their respective accounts pursuant to any provision of this Agreement, and to the extent that arrangements shall not have been made by you for other persons to assume the obligations of such defaulting Underwriter or Underwriters, each non-defaulting Underwriter shall assume its proportionate share of the aforesaid obligations of each such defaulting Underwriter without relieving any such defaulting Underwriter of its liability therefor.

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14. Position of Representatives; No Liability for Certain Matters. You shall be under no liability to us for any act or omission except for your lack of good faith in the performance of the obligations expressly assumed by you in this Agreement, but no obligations on your part shall be implied or inferred herefrom. Without limitation, you shall be under no liability for or in respect of the validity or value of, or title to, the Securities; the form of, or the statements contained in, or the validity of, the Registration Statement as initially filed, any Preliminary Prospectus, the Registration Statement or the Prospectus, or any amendment or supplement to any of them, or any other letters or instruments executed by or on behalf of the Company or others; the form or validity of the Underwriting Agreement, the Selected Dealers Agreement or this Agreement; the delivery of the Securities; the performance by the Company or others of any agreement on its or their part to be performed; the qualification of the Securities for sale under the laws of any jurisdiction; or any matter in connection with any of the foregoing. The rights and liabilities of the Underwriters are several and not joint and nothing shall constitute the Underwriters a partnership, association or separate entity.

If the Underwriters are deemed to constitute a partnership for federal income tax purposes, we elect to be excluded from the application of Subchapter K, Chapter 1, Subtitle A, of the Internal Revenue Code of 1986, as amended, and agree not to take any position inconsistent with such election, and you are authorized, in your discretion, to execute on behalf of the Underwriters such evidence of such election as may be required by the Internal Revenue Service.

15. Indemnification. We will indemnify and hold harmless each other Underwriter and each person, if any, who controls such Underwriter within the meaning of Section 15 of the Securities Act, to the extent and upon the terms

upon which each Underwriter agrees to indemnify the Company and other specified persons as set forth in the Underwriting Agreement.

If at any time claim or claims (whether alone or together with another claim or claims) shall be asserted against you, individually or as Representative of the Underwriters, or against any other Underwriter, or against any person who controls either you or such other Underwriter within the meaning of Section 15 of the Securities Act, which claim or claims arise out of or are based in whole or in part upon (i) any actual or alleged untrue or misleading statement in or omission from any version of the Registration Statement or Prospectus, or any amendment or supplement to any of them, (ii) any actual or alleged action or omission to act by you or any other Underwriter or any other person in connection with the preparation for and management or other effectuation of any of the transactions contemplated by this Agreement, the Selected Dealers Agreement or the Underwriting Agreement or (iii) any other actual or alleged action or omission in connection with or related to the offer or sale of the Securities, we authorize you to make such investigation, to retain or arrange for or approve the retaining of such attorneys (including, in your discretion, separate attorneys for any single Underwriter or group of Underwriters) and to take such other action as you shall deem necessary or desirable under the circumstances, including settlement of any such claim or claims. We will pay you, on request, our proportionate share (based upon the underwriting obligation of all Underwriters participating in such indemnification) of all expenses incurred by you to the date of each such request (including, without limitation, cost of investigation and the fees and disbursements of your attorneys and any other attorneys retained by you or whose retaining you arrange for or approve) in investigating, defending against and negotiating with respect to such claim or claims, and our similar proportionate share of any liability incurred to the date of each such request by you, by any such other Underwriter or by any such controlling person in respect of such claim or claims, whether such liability shall be the result of a judgment or the result of any such settlement. In determining the amount of our obligation under this paragraph, appropriate adjustment may be made by you to reflect any amounts received by any one or more Underwriters in respect of such claim from the Company pursuant to the Underwriting Agreement or otherwise. If any Underwriter or Underwriters default in their obligation to make any payments under this second paragraph of Section 15, each non-defaulting Underwriter shall be obligated to pay its proportionate share of all defaulted payments, based upon such Underwriter's underwriting obligation as related to the underwriting obligations of all non-defaulting Underwriters. Nothing herein shall relieve a defaulting Underwriter from liability for its

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default. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

In addition and without limitation, we will indemnify and hold harmless you, each other Underwriter and each person, if any, who controls you and each Underwriter within the meaning of Section 15 of the Securities Act, against any claim or claims, liabilities and expenses (including, without limitation, costs of investigation, attorneys' fees and disbursements and amounts paid upon judgment or settlement) to which you, any such other Underwriters and any such controlling persons may become subject or incur, in whole or in part, as a result of our actual or alleged failure to timely perform our obligations under this Agreement, the Underwriting Agreement or under applicable law or the inaccuracy of any of our representations in this Agreement or the Master Underwriters' Questionnaire (as attached hereto as Exhibit A), and we will, upon such request as may be made from time to time, pay to you, each such other Underwriter and each such controlling person (i) such expenses as have been incurred by you, such other Underwriters and such controlling persons to the date of each such request (including, without limitation, costs of investigation and attorneys' fees and disbursements) in whole or in part in investigating, defending against and negotiating with respect to such claim or claims, and (ii) any liabilities incurred by you, such other Underwriters or

such controlling persons to the date of each such request, in whole or in part, as a result of such claim or claims, whether such liability shall be the result of a judgment or the result of any settlement made by you, such other Underwriter or such controlling person.

You shall give us reasonably prompt notice of the assertion of any such claim or claims referred to in this Section 15, as well as such reports from time to time as you shall deem reasonable as to the status thereof and as to the actions taken by you in respect thereof pursuant to the foregoing authorizations and indemnifications, although your failure to do so shall not affect our obligations hereunder. In addition, we will cooperate with you and attorneys retained by you (or which you arranged for or approved the retaining of) in investigating and defending against any such claim or claims referred to in this Section 15 and will make available all relevant records and documents and appropriate personnel. We understand that the discharge of any obligations that we may have under the provisions of the preceding two paragraphs of this Section 15 shall not relieve us of any obligation that we may have under the first paragraph of this Section 15. The foregoing indemnifications will be in addition to, and will not supersede, any other indemnification to which you, any such other Underwriter and any such controlling person shall be entitled from us by virtue of this Agreement, by operation of law or otherwise.

The provisions of Section 14 hereof and our agreements contained in this Section 15 shall remain in full force and effect regardless of any investigation made by or on behalf of you, any other Underwriter or any controlling person and shall survive the delivery of the Securities and the termination of this Agreement and the similar agreements entered into with the other Underwriters.

16. Reports and Blue Sky Matters. We authorize you to file with the Commission and any other governmental agency any reports required in connection with any transactions effected by you for our account pursuant to this Agreement and the Underwriting Agreement, and we will furnish any information needed for such reports. As provided in Section 9 hereof, we agree to notify you in writing of the information specified in Rule 17a-2(d) of the Commission promulgated under the Exchange Act. You shall not have any responsibility with respect to the right of any Underwriter or other person to sell the Securities in any jurisdiction, notwithstanding any information you may furnish in that connection.

We are familiar with Rule 15c2-8 promulgated under the Exchange Act relating to the distribution of preliminary and final prospectuses for securities of an issuer (whether or not the issuer is subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act) and confirm that we will comply therewith in connection with any sale of Securities.

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17. NASD Membership. We understand that you are a member in good standing of the Association. We confirm that we are actually engaged in the investment banking or securities business and are either a member in good standing of the Association or foreign dealer not eligible for membership in the Association who has agreed not to make sales within the United States, its territories or possessions or to persons who are citizens thereof or residents therein, to comply with the requirements of the Association's Interpretation with Respect to Free-Riding and Withholding in making sales of the Securities and not to use any means of interstate commerce to effect such sales unless we are registered under the Exchange Act. In connection with our sale of the Securities, and without limiting the foregoing, we specifically agree to comply with Section 24 of Article III of the Rules of Fair Practice of the Association or, if we are a foreign dealer not a member of the Association, we agree to comply as though we were a member with Sections 8, 24 and 36 of said Article and with Section 25 of said Article as that Section applies to non-member brokers or dealers in a foreign country.

We authorize you to file on our behalf with the Association such

documents and information, if any, which are available or have been furnished to you for filing pursuant to applicable rules, statements and interpretations of the Association.

18. Representations and Agreements. (a) We understand that it is our responsibility to examine the Registration Statement, the Prospectus, any amendment or supplement thereto relating to the offering of the Securities, any preliminary prospectus and the material, if any, incorporated by reference therein and we will familiarize ourselves with the terms of the Securities and the other terms of the offering thereof which are to be reflected in the Prospectus and the Invitation with respect thereto. You are authorized, with the approval of counsel for the Underwriters, to approve on our behalf any amendments or supplements to the Registration Statement or the Prospectus.

(b) We confirm that the information that we have given or are deemed to have been given in response to the Master Underwriters' Questionnaire attached as Exhibit A hereto (which information has been furnished to the Company for use in the Registration Statement or the Prospectus) is correct. We will notify you immediately if any development occurs before the termination of this Agreement under Section 12 as to the offering of Securities which makes untrue or incomplete any information that we have given or are deemed to have been given in response to the Master Underwriters' Questionnaire.

(c) Unless we have promptly notified you in writing otherwise, our name as it should appear in the Prospectus and our address are as set forth on the signature page hereof.

(d) We agree that if we are advised by you that the Company was not, immediately prior to the filing of the Registration Statement, subject to the requirements of Section 13(a) or 15(d) of the Exchange Act, we will not, without your consent, sell any of the Securities to an account over which we exercise discretionary authority.

19. Capital Requirements. We confirm that our net capital and the ratio of our aggregate indebtedness to our net capital is such that we may, in accordance with and pursuant to Rule 15c3-1 promulgated by the Commission under the Exchange Act, and other applicable laws, rules and regulations relating to us, agree to purchase the Securities that we are obligated to purchase hereunder and under the Underwriting Agreement.

20. Notices. All notices to us will be considered duly given if mailed or telegraphed to our address as set forth on the signature page hereof (as such address may be changed by written notice to you). All notices to you will be considered duly given if mailed or telegraphed to Montgomery Securities at the address set forth above, directed to the attention of the Syndicate Department, or to such other address as you may specify to us in writing from time to time.

21. General Provisions. Subject to the provisions of Section I hereof, this Agreement may be amended or modified by notification in writing by you to us. This Agreement will be governed by and construed in accordance with the laws of the State of California. The invalidity or unenforceability of

any provision or portion of this Agreement shall not affect the validity or enforceability of the other provisions hereof. If any provision or portion of this Agreement shall be invalid or unenforceable for any reason, there shall be deemed to be made such minor changes (and only such minor changes) as are necessary to make it valid and enforceable.

Neither this Agreement nor any rights hereunder may be directly or indirectly assigned (whether by merger, reverse merger, sale of stock or assets, operation of law or, without limitation, otherwise) by us. This Agreement shall inure to the benefit of and be binding upon the permissible successors and assigns and the heirs, executors and administrators of the

parties hereto. No such assignment will relieve us of our obligations hereunder.

In this Agreement, the masculine, feminine and neuter genders and the singular and the plural include one another. The section headings in this Agreement are for the convenience of the parties only and will not affect the construction or interpretation of this Agreement. This Agreement may be executed in several counterparts, each one of which shall be an original and all of which shall constitute one and the same document.

Very truly yours,

Name of Firm

By -----

Name: -----

Title: -----

Address: -----

Confirmed, as of the date first above written.

MONTGOMERY SECURITIES

By -----
Partner

MASTER UNDERWRITERS' QUESTIONNAIRE

In connection with each offering of Securities to which the foregoing Master Agreement Among Underwriters dated May 13, 1988 between Montgomery Securities and the Underwriter executing the same relates, except as otherwise disclosed to the Representatives in writing, such Underwriter advises the Representatives as follows and authorizes the Representatives to use the information furnished in response to this Master Underwriters' Questionnaire in the Registration Statement relating to the Securities:

(a) Neither such Underwriter nor any of its directors, officers or partners, individually or as a part of a "group" (as that term is used in Section 13(d)(3) of the Exchange Act), (i) has a "material" relationship (as defined in Rule 405 under the Act) with the Company or any other seller of Securities in the offering or (ii) is a director, officer or holder (of record or beneficially) of 5% or more of any class of voting securities of the Company or any other seller of Securities in the offering:

(b) With reference to the Interpretation of the Board of Governors of the Association with respect to the Review of Corporate Financing, neither such Underwriter nor any of its "related persons" (as defined by the Association) (i) has purchased or otherwise acquired from the Company any warrants, options or other securities of the Company within 18 months prior to the date that the Registration Statement was initially filed or subsequent to that date, and there are no existing arrangements for any such purchase or (ii) has had any dealings with the Company (except those with respect to the Underwriting Agreement) or any "affiliate" of the Company (as defined in Rule 405 under the Act) as to which documents or other information are required to be furnished to the Association pursuant to such Interpretation;

(c) Other than as may be stated in the Registration Statement, any Prospectus, the Master Agreement Among Underwriters, the Underwriting Agreement or any selling agreements, such Underwriter does not know of any discounts or commissions, including any cash, securities, contract or other consideration to be received by any dealer in connection with the sale of the Securities, or of any intention to over-allot the Securities or to stabilize the price of any security to facilitate the offering of the Securities;

(d) If the Securities are to be issued pursuant to a trust indenture, such Underwriter is not in control of, controlled by, or under common control with the Trustee, any other trustee under a trust indenture relating to securities of the Company and qualified under the Trust Indenture Act of 1939 (an "Other Trustee") or any of their respective affiliates, and none of said companies or affiliates, or any of their respective directors or executive officers, is a director, officer, partner, employee, appointee or representative of such Underwriter;

(e) If the Securities are to be issued pursuant to a trust indenture, such Underwriter and its directors, executive officers and partners, taken as a group, did not, on the date of the Trustee's Statement of Eligibility and Qualification on Form T-1, own beneficially more than 1% of the outstanding voting securities of the Trustee, the Trustee's parents, any Other Trustee or the parent of any Other Trustee;

(f) If the Registration Statement is on Form S-1, such Underwriter has not prepared or had prepared for it within the past 12 months any engineering, management or similar report or memorandum relating to the broad aspects of the business, operations or products of the Company, except for reports solely comprising recommendations to buy, sell or hold the Company's securities, unless such recommendations have changed within the past six months;

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(g) If the Registration Statement is on either Form S-2 or Form S-3, such Underwriter has not prepared any report or memorandum for external use by it or by the Company in connection with the proposed offering of the Securities;

(h) Such Underwriter's proposed commitment to purchase Securities will not result in a violation by it of the financial responsibility requirements of Rule 15c3-1 under the Exchange Act;

(i) Such Underwriter is familiar with the rules, regulations and releases of the Commission dealing with dissemination of information prior to and during registration and has not distributed nor will it distribute any written information outside of its organization relating to the Company or its securities other than in accordance with such rules, regulations and releases; and

(j) If the Company is a "public utility," such Underwriter is not a "holding company" or a "subsidiary company" or an "affiliate" of a "holding company" or of a "public utility," each as defined in the Public Utility Holding Company Act of 1935.

All capitalized terms in this Questionnaire not otherwise defined herein are used as defined in the foregoing Master Agreement Among Underwriters.

May 13, 1988

Very Truly Yours

(Name of Firm)

By

Name:

Title:

SELECTED DEALERS AGREEMENT

May 13, 1988

MONTGOMERY SECURITIES
600 Montgomery Street
San Francisco, California 94111

Ladies and Gentlemen:

1. General. We understand that Montgomery Securities is entering into this Agreement with us and other firms who may be offered the right to purchase as principal a portion of securities being distributed to the public. The terms and conditions of this Agreement shall be applicable to any public offering of securities ("Securities") pursuant to a registration statement filed under the Securities Act of 1933 (the "Securities Act") wherein Montgomery Securities (acting for its own account or for the account of any underwriting or similar group or syndicate) is responsible for managing or otherwise implementing the sale of the Securities to selected dealers ("Selected Dealers") and has expressly informed us that such terms and conditions shall be applicable. Any such offering of Securities to us as a Selected Dealer is hereinafter called an "Offering." In the case of any Offering in which you are acting for the account of any underwriting or similar group or syndicate ("Underwriters"), the terms and conditions of this Agreement shall be for the benefit of, and binding upon, such Underwriters, including, in the case of any Offering in which you are acting with others as representatives of Underwriters, such other representatives. The term "preliminary prospectus" means any preliminary prospectus relating to an Offering of Securities or any preliminary prospectus supplement together with a prospectus relating to an Offering of Securities; the term "Prospectus" means the prospectus, together with the final prospectus supplement, if any, relating to an Offering of Securities, either filed pursuant to Rule 424(b) or Rule 424(c) under the Securities Act or, if no such filing is required, the form of final prospectus contained in the related registration statement at the time that it first becomes effective.

2. Conditions of Offering; Acceptance and Purchase. Any Offering will be subject to delivery of the Securities and their acceptance by you and any other Underwriters, may be subject to the approval of certain legal matters by counsel and the satisfaction of other conditions, and may be made on the basis of reservation of Securities or an allotment against subscription. You will advise us by telegram, telex, or other form of written communication ("Written Communication") of the particular method and supplementary terms and conditions (including, without limitation, the information as to prices and offering date referred to in section 3(b)) of any Offering in which we are invited to participate. To the extent such supplementary terms and conditions are inconsistent with any provision herein, such terms and conditions shall supersede any such provision. Unless otherwise indicated in any such Written Communication, acceptances and other communications by us with respect to any Offering should be sent to Montgomery Securities, 600 Montgomery Street, San Francisco, California 94111. You reserve the right to reject any acceptance in whole or in part. Payment for Securities purchased by us is to be made at such office as you may designate, at the public offering price, or if you shall so advise us, at such price less the concession to dealers or at the price set forth or indicated in a Written Communication, on such date as you shall determine, on one days' prior notice to us, by certified or official bank check payable in next day funds to the order of Montgomery Securities, against delivery of certificates evidencing such Securities. If payment is made for Securities purchased by us at the public offering price, the concession to which we shall be entitled will be paid to us upon termination of the provisions of Section 3(b) hereof with respect to such Securities.

Unless we promptly give you written instructions otherwise, if

transactions in the Securities may be settled through the facilities of The Depository Trust Company, payment for and delivery of Securities purchased by us will be made through such facilities if we are a member, or if we are not a member, settlement may be made through our ordinary correspondent who is a member.

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3. Representations, Warranties, and Agreement.

(a) Prospectuses. You shall provide us with such number of copies of each preliminary prospectus, the Prospectus and any supplement thereto relating to each Offering as we may reasonably request for the purposes contemplated by the Securities Act and the Securities Exchange Act of 1934 (the "Exchange Act") and the applicable rules and regulations of the Securities and Exchange Commission thereunder. We represent that we are familiar with Rule 15c2-8 under the Exchange Act relating to the distribution of preliminary and final prospectuses and agree that we will comply therewith. We agree to keep an accurate record of our distribution (including dates, number of copies, and persons to whom sent) of copies of the Prospectus or any preliminary prospectus (or any amendment or supplement to any thereof), and promptly upon request by you, to bring all subsequent changes to the attention of anyone to whom such material shall have been furnished. We agree to furnish to persons who receive a confirmation of sale a copy of the Prospectus. We agree that in purchasing Securities in an Offering we will rely upon no statements in the Prospectus delivered to us by you. We will not be authorized by the issuer or other seller of Securities offered pursuant to a Prospectus or by any Underwriters to give any information or to make any representation not contained in the Prospectus in connection with the sale of such Securities.

(b) Offer and Sale to the Public. With respect to any offering of Securities, you will inform us by a Written Communication of the public offering price, the selling concession, the reallowance (if any) to dealers, and the time when we may commence selling Securities to the public. After such public offering has commenced, you may change the public offering price, the selling concession, and the reallowance to dealers. With respect to each Offering of Securities, until the provisions of this Section 3(b) shall be terminated pursuant to Section 4, we agree to offer Securities to the public only at the public offering price, except that if a reallowance is in effect, a reallowance from the public offering price not in excess of such reallowance may be allowed as consideration for services rendered in distribution to dealers who are actually engaged in the investment banking or securities business, who execute the written agreement prescribed by Section 24(c) of Article III of the Rules of Fair Practice of the National Association of Securities Dealers, Inc. (the "NASD") and who are either members in good standing of the NASD or foreign brokers or dealers not eligible for membership in the NASD who represent to us that they will promptly reoffer such Securities at the public offering price and will abide by the conditions with respect to foreign brokers and dealers set forth in Section 3(e) hereof.

(c) Stabilization and Overallotment. You may, with respect to any Offering, be authorized to overallot in arranging sales to Selected Dealers, to purchase and sell Securities, any other securities of the issuer of the Securities of the same class and series and any other securities of such issuer that you may designate for long or short account, and to stabilize or maintain the market price of the Securities. We agree to advise you from time to time upon request, prior to the termination of the provisions of Section 3(b) with respect to any Offering, of the amount of Securities purchased by us hereunder remaining unsold and we will, upon your request, sell to you, for the accounts of the Underwriters, such amount of Securities as you may designate, at the public offering price thereof less an amount to be determined by you not in excess of the concession to dealers. In the event that prior to the later of (i) the termination of the provisions of Section 3(b) with respect to any Offering, or (ii) the covering by you of any short position created by you in

connection with such Offering for your account or the account of one or more Underwriters, you purchase or contract to purchase for the account of any of the Underwriters, in the open market or otherwise, any Securities theretofore delivered to us, you reserve the right to withhold the above-mentioned concession to dealers on such Securities if sold to us at the public offering price, or if such concession has been allowed to us through our purchase at a net price, we agree to repay such concession upon your demand, plus in each case any taxes on redelivery, commissions, accrued interest, and dividends paid in connection with such purchase or contract to purchase.

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(d) Open Market Transactions. We agree not to bid for, purchase, attempt to purchase, or sell, directly or indirectly, any Securities, any other securities of the issuer of the Securities of the same class and series, or any other securities of such issuer as you may designate, except as brokers pursuant to unsolicited orders and as otherwise provided in this Agreement. If the Securities are common stock or securities convertible into common stock, we agree not to effect, or attempt to induce others to effect, directly or indirectly, any transactions in or relating to put or call options on any stock of such issuer, except to the extent permitted by Rule 10b-6 under the Exchange Act as interpreted by the Securities and Exchange Commission.

(e) NASD. We represent that we are actually engaged in the investment banking or securities business and we are either a member in good standing of the NASD, or, if not such a member, a foreign dealer not eligible for membership. If we are such a member, we agree that in making sales of the Securities we will comply with all applicable rules of the NASD, including, without limitation, the NASD's Interpretation with Respect to Free-Riding and Withholding and Section 24 of Article III of the Rules of Fair Practice. If we are such a foreign dealer, we agree not to offer or sell any Securities in the United States of America except through you and in making sales of Securities outside the United States of America we agree to comply as though we were a member with such Interpretation and Sections 8, 24, and 36 of Article III of the NASD's Rules of Fair Practice and to comply with Section 25 of such Article III as it applies to a non-member broker or dealer in a foreign country.

(f) Relationship among Underwriters and Selected Dealers. You may buy Securities from or sell Securities to any Underwriter or Selected Dealer and, with your consent, the Underwriters (if any) and the Selected Dealers may purchase Securities from and sell Securities to each other at the public offering price less all or any part of the concession. We are not authorized to act as agent for you or any Underwriter or the issuer or other seller of any Securities in offering Securities to the public or otherwise. Nothing contained herein or in any Written Communication from you shall constitute the Selected Dealers partners with you or any Underwriter or with one another. Neither you nor any Underwriter shall be under any obligation to us except for obligations assumed hereby or in any Written Communication from you in connection with any Offering. In connection with any Offering, we agree to pay our proportionate share of any claim, demand, or liability asserted against us, and the other Selected Dealers or any of them, or against you or the Underwriters, if any, based on any claim that such Selected Dealers or any of them constitute an association, unincorporated business, or other separate entity, including in each case our proportionate share of any expense incurred in defending against any such claim, demand, or liability.

(g) Blue Sky Laws. Upon application to you, you will inform us as to the jurisdictions in which you believe the Securities have been qualified for sale under the respective securities or "blue sky" laws of such jurisdictions. We understand and agree that compliance with the securities or "blue sky" laws in each jurisdiction in which we shall offer or sell any of the Securities shall be our sole responsibility and that you assume no responsibility or obligations as to the eligibility of the Securities for sale or our right to sell the Securities in any jurisdiction.

(h) Compliance with Law. We agree that in selling Securities pursuant to any Offering (which agreement shall also be for the benefit of the

issuer or other seller of such Securities), we will comply with the applicable provisions of the Securities Act and the Exchange Act, the applicable rules and regulations of the Securities and Exchange Commission thereunder and the applicable rules and regulations of any securities exchange having jurisdiction over the Offering. You shall have full authority to take such action as you may deem advisable in respect of all matters pertaining to any Offering. Neither you nor any Underwriter shall be under any liability to us, except for lack of good faith and for obligations expressly assumed by you in this Agreement; provided, however, that nothing in this sentence shall be deemed to relieve you from any liability imposed by the Securities Act.

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4. Termination; Supplements and Amendments. This Agreement may be terminated by either party hereto upon five business days' written notice to the other party; provided that with respect to any Offering for which Written Communication was sent and accepted prior to such notice, this Agreement as it applies to such Offering shall remain in full force and effect and shall terminate with respect to such Offering in accordance with the last sentence of this Section. This Agreement may be supplemented or amended by you by written notice thereof to us, and any such supplement or amendment to this Agreement shall be effective with respect to any Offering to which this Agreement applies after the date of such supplement or amendment. Each reference to "this Agreement" herein shall, as appropriate, be to this Agreement as so amended and supplemented. The terms and conditions set forth in Sections 3(b) and (d) hereof with regard to any Offering will terminate at the close of business on the thirtieth day after the date of the initial public offering of the Securities to which such Offering related, but such terms and conditions, upon notice to us, may be terminated by you at any time.

5. Successor and Assigns. This Agreement shall be binding on, and inure to the benefit of, the parties hereto and other persons specified or indicated in Section 1 hereof, and the respective successors and assigns of each of them; provided, however, that we may not assign our rights or delegate any of our duties under this Agreement without your prior written consent.

6. Governing Law. This Agreement and the terms and condition set forth herein with respect to any Offering together with such supplementary terms and conditions with respect to such Offering as may be contained in any Written Communication from you to us in connection therewith shall be governed by, and construed in accordance with, the laws of the State of California.

By signing this Agreement we confirm that our subscription to, or our acceptance of any reservation of, any Securities pursuant to an Offering shall constitute (i) acceptance of and agreement to the terms and conditions of this Agreement (as supplemented and amended pursuant to Section 4) together with and subject to any supplementary terms and conditions contained in any Written Communication from you in connection with such Offering, all of such shall constitute a binding agreement between us and you, individually, or as a representative of any Underwriters, (ii) in confirmation that our representations and warranties set forth in Section 3 hereof are true and correct at that time and (iii) confirmation that our agreements set forth in Sections 2 and 3 hereof have been and will be fully performed by us to the extent and at the times required thereby.

Very Truly Yours,

(Name of Firm)

By: -----

Name: -----

Title: -----

Confirmed, as of the date
first above written.

MONTGOMERY SECURITIES

By: -----
Partner

NOT MORE THAN
100,000 SHARES

NOT MORE THAN
100,000 SHARES

COMMON STOCK
PAR VALUE \$1.00

COMMON STOCK
PAR VALUE \$1.00

NUMBER
WW 15964

SHARES
SPECIMEN

INCORPORATED UNDER THE LAWS

OF THE STATE OF DELAWARE

WOLVERINE WORLD WIDE, INC.

THIS CERTIFICATE IS TRANSFERABLE IN CHICAGO, ILLINOIS OR NEW YORK, NEW YORK

SEE REVERSE FOR CERTAIN
DEFINITIONS

This is to Certify that

SPECIMEN

is the owner of

CUSIP 978097 10 3

FULLY PAID AND NON-ASSESSABLE SHARES OF THE COMMON STOCK OF

WOLVERINE WORLD WIDE, INC. TRANSFERABLE ON THE BOOKS OF THE CORPORATION IN PERSON OR BY DULY AUTHORIZED ATTORNEY UPON SURRENDER OF THIS CERTIFICATE PROPERLY ENDORSED. THIS CERTIFICATE AND THE SHARES REPRESENTED HEREBY ARE ISSUED AND SHALL BE HELD SUBJECT TO ALL THE PROVISIONS OF THE ARTICLES OF INCORPORATION OF THE CORPORATION AND ALL AMENDMENTS THERETO (COPIES OF WHICH ARE ON FILE WITH THE TRANSFER AGENT), TO ALL OF WHICH THE HOLDER BY ACCEPTANCE HEREOF ASSENTS. THIS CERTIFICATE IS NOT VALID UNLESS COUNTERSIGNED BY THE TRANSFER AGENT AND REGISTERED BY THE REGISTRAR. WITNESS THE SEAL OF THE CORPORATION AND THE SIGNATURES OF ITS DULY AUTHORIZED OFFICERS.

[WOLVERINE WORLD WIDE, INC. SEAL]

[AUTHORIZED SIGNATURE]

DATED

BLAKE W. KRUEGER
SECRETARY

GEOFFREY B. BLOOM
PRESIDENT AND CHIEF EXECUTIVE OFFICER

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	--as tenants in common	UNIF GIFT MIN ACT--....Custodian....
		(Cust) (Minor)
TEN ENT	--as tenants by the entireties	under Uniform Gifts to Minors
JT TEN	--as joint tenants with right of survivorship and not as tenants in	Act.....

common

(State)

Additional abbreviations may also be used though not in the above list.

FOR VALUE RECEIVED, _____ HEREBY SELL, ASSIGN AND
transfer unto _____

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS OF ASSIGNEE)

SHARES OF THE COMMON STOCK REPRESENTED BY THE WITHIN CERTIFICATE, AND DO HEREBY
IRREVOCABLY CONSTITUTE AND APPOINT _____ ATTORNEY, TO
TRANSFER THE SAID STOCK ON THE BOOKS OF THE WITHIN-NAMED CORPORATION, WITH FULL
POWER OF SUBSTITUTION IN THE PREMISES.

DATED _____

NOTICE: The signature to this assignment must correspond with the name as
written upon the face of the certificate, in every particular, without
alteration or enlargement or any change whatever.

X _____

This certificate also evidences and entitles the holder hereof to
certain Rights as set forth in the Rights Agreement between Wolverine World
Wide, Inc. (the "Company") and National Bank of Detroit (the "Rights Agent")
dated as of May 7, 1987 (the "Rights Agreement"), the terms of which are hereby
incorporated herein by reference and a copy of which is on file at the principal
offices of the Company. Under certain circumstances, as set forth in the
Rights Agreement, such Rights will be evidenced by separate certificates and
will no longer be evidenced by this certificate. The Company will mail to the
holder of this certificate a copy of the Rights Agreement, as in effect on the
date of mailing, without charge promptly after receipt of a written request
therefor. Under certain circumstances set forth in the Rights Agreement,
Rights issued to, or held by, any Person who is, was or becomes an Acquiring
Person or any Affiliate or Associate thereof (as such terms are defined in the
Rights Agreement), whether currently held by or on behalf of such Person or by
any subsequent holder, may become null and void.

WARNER NORCROSS & JUDD LLP
ATTORNEYS AT LAW
900 OLD KENT BUILDING
111 LYON STREET, N.W.
GRAND RAPIDS, MICHIGAN 49503-2489

TELEPHONE (616) 752-2000
FAX (616) 752-2500

October 26, 1995

Wolverine World Wide, Inc.
9341 Courtland Drive, NE
Rockford, MI 49351

Re: Registration Statement on Form S-3
1,610,000 shares of Common Stock

Gentlemen:

We are counsel to Wolverine World Wide, Inc. (the "Company") in connection with registration under the Securities Act of 1933, as amended, (the "Securities Act") pursuant to a registration statement on Form S-3 (the "Registration Statement") filed with the Securities and Exchange Commission (the "Commission") on or about October 26, 1995.

We are familiar with the proceedings taken by the Company in connection with the authorization of up to 1,610,000 shares of Common Stock, \$1 par value (the "Common Stock"). We have examined such documents, records and matters of law as we have deemed necessary for purposes of this opinion. In our examination, we have assumed the genuineness of all signatures, the legal capacity of all natural persons, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified or photostatic copies, and the authenticity of the originals of such copies.

Based upon the foregoing, we are of the opinion that the Common Stock will be, when duly registered under the Securities Act and sold, issued and delivered as described in the Registration Statement, legally issued, fully paid and non-assessable.

We consent to the filing of this opinion as an exhibit to the Registration Statement and to reference to us under the caption "LEGAL MATTERS" in the prospectus comprising a part of the Registration Statement.

This opinion is rendered for the purposes of Item 16 of Form S-3 and Item 601 of Regulation S-K, may be relied upon only by you and the Commission, and may not be used, quoted or referred to and/or filed for any other purpose without our prior written permission.

WARNER, NORCROSS & JUDD LLP

By Gordon R. Lewis,
a partner

CONSENT OF INDEPENDENT AUDITORS

We consent to the reference to our firm under the caption "Experts" in the Registration Statement (Form S-3) and related prospectus of Wolverine World Wide, Inc. for the registration of 1,610,000 shares of its common stock and to the incorporation by reference therein of our report dated February 16, 1995, with respect to the consolidated financial statements and schedules of Wolverine World Wide, Inc. included in its Annual Report on Form 10-K for the fiscal year ended December 31, 1994, filed with the Securities and Exchange Commission.

/s/ Ernst & Young LLP

Grand Rapids, Michigan
October 25, 1995

POWER OF ATTORNEY

Each of the undersigned, in his or her capacity as a director or officer, or both, as the case may be, of Wolverine World Wide, Inc., does hereby appoint GEOFFREY B. BLOOM, STEPHEN L. GULIS, JR., and BLAKE W. KRUEGER, and any of them severally, his or her true and lawful attorney or attorneys, with full power of substitution, to execute in his or her name in his or her capacity as a director or officer, or both, as the case may be, of Wolverine World Wide, Inc., a Form S-3 Registration Statement of Wolverine World Wide, Inc. with respect to the issuance of up to 1,800,000 shares of its Common Stock, \$1.00 par value, to be offered to the public, and any and all amendments to such Registration Statement, and to file the same, with all exhibits thereto and all other documents in connection therewith, with the Securities and Exchange Commission. Each of such attorneys shall have full power and authority to do and to perform in the name and on behalf of each of the undersigned, in any and all capacities, every act, whatsoever requisite or necessary to be done in the premises as fully and to all intents and purposes as each of the undersigned might or could do in person, hereby ratifying and approving the acts of such attorneys and each of them.

Signature -----	Title -----	Date ----
/s/ Geoffrey B. Bloom ----- Geoffrey B. Bloom	President, Chief Executive Officer and Director (Principal Executive Officer)	October 5, 1995
/s/ Daniel T. Carroll ----- Daniel T. Carroll	Director	October 5, 1995
/s/ Thomas D. Gleason ----- Thomas D. Gleason	Director	October 5, 1995
/s/ Alberto L. Grimoldi ----- Alberto L. Grimoldi	Director	October 5, 1995
/s/ David T. Kollat ----- David T. Kollat	Director	October 5, 1995
/s/ Phillip D. Matthews ----- Phillip D. Matthews	Chairman of the Board and Director	October 5, 1995
/s/ David P. Mehney ----- David P. Mehney	Director	October 5, 1995
/s/ Stuart J. Northrop ----- Stuart J. Northrop	Director	October 5, 1995
/s/ Timothy J. O'Donovan ----- Timothy J. O'Donovan	Executive Vice President and Director	October 5, 1995
/s/ Joseph A. Parini -----	Director	October 5, 1995

Joseph A. Parini

/s/ Joan Parker Director October 5, 1995

Joan Parker

/s/ Elizabeth A. Sanders Director October 5, 1995

Elizabeth A. Sanders

/s/ Stephen L. Gulis, Jr. Vice President and October 5, 1995
----- Chief Financial Officer
Stephen L. Gulis, Jr. (Principal Financial and
Accounting Officer)