

SECURITIES AND EXCHANGE COMMISSION

FORM DEFC14A

Definitive proxy statement in connection with contested solicitations

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SUBJECT COMPANY

CONSOLIDATED FREIGHTWAYS INC

CIK: **23675** | IRS No.: **941444798** | State of Incorporation: **DE** | Fiscal Year End: **1231**
Type: **DEFC14A** | Act: **34** | File No.: **001-05046** | Film No.: **94522222**
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FILED BY

INTERNATIONAL BROTHERHOOD OF TEAMSTERS

CIK: **919788** | IRS No.: **530215427** | State of Incorporation: **DC** | Fiscal Year End: **1231**
Type: **DEFC14A**

Business Address
25 LOUISIANA AVENUE, NW
WASHINGTON DC 20010
2026246800

PROXY STATEMENT
INDEPENDENT SHAREHOLDER SOLICITATION
Re: CONSOLIDATED FREIGHTWAYS
ANNUAL MEETING: APRIL 25, 1994

Dear Consolidated Freightways Shareholder,

We are pleased to present you with three corporate governance reforms proposed for our Company and ask that you sign the enclosed proxy card that will be voted at the upcoming Annual Meeting on April 25.

- 1) Eliminate the 80% vote requirement to alter board structure;
- 2) Declassify the Board;
- 3) Institute confidential voting.

The first resolution complements the second, making board declassification the subject of a simple majority vote. Many shareholders may be unaware of the unusual voting standard currently required by CF to change board structure.

All three proposals are widely accepted governance reforms, supported by many institutional investors with published policies. We think these reforms are especially important for our Company to encourage the Board of Directors to improve shareholder value. Despite a rally last fall, CF's stock still trails its peers. As the company notes in its 1994 preliminary proxy, \$100 invested in CF five years ago was worth \$76 at the end of 1993. The same \$100 invested in the group CF identifies as its peers was worth \$162 by the end of 1993. In addition, CF suspended its dividend during this period.

A table charts the following material.

A COMPARISON OF FIVE-YEAR CUMULATIVE TOTAL SHAREHOLDER RETURN
Consolidated Freightways, Inc., S & P 500 Index, Peer Group
Index

Total Returns with Dividends Reinvested on Pay Date 12/31/88
Composite Market Cap Weighted.

| Quarter Ending | CNF | Peer Group | S&P 500 |
|----------------|-----|------------|---------|
| 12/31/93 | 76 | 162 | 197 |

| | | | |
|----------|-----|-----|-----|
| 9/30/93 | 51 | 145 | 193 |
| 6/30/93 | 52 | 124 | 188 |
| 3/31/93 | 55 | 140 | 187 |
| 12/31/92 | 57 | 142 | 179 |
| 9/30/92 | 43 | 117 | 171 |
| 6/30/92 | 42 | 125 | 165 |
| 3/31/92 | 56 | 139 | 162 |
| 12/31/91 | 50 | 122 | 166 |
| 9/30/91 | 38 | 114 | 154 |
| 6/30/91 | 53 | 109 | 146 |
| 12/31/90 | 38 | 91 | 128 |
| 9/30/90 | 43 | 81 | 119 |
| 6/30/90 | 42 | 102 | 136 |
| 3/31/90 | 52 | 116 | 128 |
| 12/31/89 | 83 | 105 | 132 |
| 9/30/89 | 99 | 111 | 129 |
| 6/30/89 | 89 | 92 | 117 |
| 3/31/89 | 91 | 92 | 107 |
| 12/31/88 | 100 | 100 | 100 |

The Company opposes our resolutions as they have opposed others, beginning with a "poison pill" reform effort in 1988 by the California Public Employee Retirement System. The Company claims our interests as shareholders are subordinated to our interests as employees. But the record proves otherwise. Last year, one of us -- Jim Weaver -- garnered enough shareholder support to compel the company to negotiate a reform of its "poison pill." Jim Weaver was pleased to negotiate this reform on behalf of all shareholders. The Company now highlights this reform as part of its corporate governance assets. The Company's performance has improved since adoption of this reform. We dispute the Company's contention that this year's proposals will somehow detract from CF's recovery.

We believe additional reforms are important. During the period of CF's contest against the Weaver "poison pill" reform effort last year, important information about an Emery bonus plan was left undisclosed to the SEC for several months. Sometime before March 19, CF's board approved a bonus plan at Emery where "Every dollar of [Emery] profits from zero to \$11.3 million goes into the [bonus] pool. Thereafter, 50% of every dollar of profit goes into the pool."

We believe this was important information of interest to any investor with which CF communicated. Yet the company did not disclose this information to the SEC until May 13, months

after board approval, and three weeks after the annual meeting. Following disclosure, at least one Wall Street analyst cited the Emery bonus plan as part of his reason for reducing his earnings forecast for the company. As it turns out, the bonus plan amounted to \$20.4 million, a considerable figure given total 1993 profits at CF of \$30.1 million. (The bonus plan represents pre-tax dollars, while the profits are post-tax. While we are not apprised of the company's tax position for 1993, measuring the profits in pre-tax dollars would reduce the relative size of the bonus plan.)

In reciting these events, we do not allege or imply that CF consciously mislead investors or charge CF officials with improper, illegal or immoral conduct.

But we do think that a company more fully attuned to shareholder interests would have disclosed such information to the SEC in a more timely fashion.

The company's recent financial reports may signal a genuine turnaround. We note that the Board awarded CEO Donald Moffitt a raise in 1993 to \$1.6 million (total compensation, including Black-Scholes option pricing model valuation of options), compared with total 1992 compensation of \$757,000, to recognize the progress of the company. That's a 113% pay raise. For comparison, the stock began 1993 at \$17.625 and finished at \$23.625, a 34% improvement. We think that additional corporate governance reforms can help keep a turnaround on track, and that some of these profits find their way to shareholders in the form of dividends.

We ask your support for the reforms.

Not all of these proposals are included in the company's proxy. The enclosed CF Shareholder Committee proxy card allows you to vote on these proposals as well as all management proposals.

Sincerely,

James Weaver
Retiree-
shareholder

Jack Boyle
Employee-
shareholder

Larry Ellison
Employee-
shareholder

William Patterson
Director,
International
Brotherhood
of Teamsters
Office of Corporate Affairs

PROXY STATEMENT
INDEPENDENT SHAREHOLDER SOLICITATION
Re: CONSOLIDATED FREIGHTWAYS
ANNUAL MEETING: APRIL 25, 1994

The enclosed proxy material relating to CONSOLIDATED

FREIGHTWAYS from the CF Shareholders Committee is sent to you as the direct or beneficial owner of shares in this corporation. Shareholders Jack Boyle, James Weaver and Larry Ellison who collectively own more than 4,500 shares (more than \$100,000), each propose resolutions that are joined here for purposes of explanation and solicitation. This proxy statement is being distributed to shareholders on or after March 24.

To be ensured to vote all three issues, you need to use this proxy card. The company proxy does not include all three of these shareholder issues. By returning the enclosed proxy, stockholders will be able to vote on all matters described in management's proxy statement, in addition to all three issues described here.

YOU CAN USE THIS CARD TO VOTE ALL THE ISSUES THAT WILL BE VOTED ON IN THE COMPANY'S ANNUAL MEETING.

ON BOARD ELECTIONS AND OTHER MANAGEMENT-PROPOSED ISSUES, WE PLAN TO VOTE AS MANAGEMENT REQUESTS, UNLESS YOU DIRECT US OTHERWISE.

CF Shareholders Committee
c/o International Brotherhood of Teamsters
25 Louisiana Ave NW
Washington, D.C. 20001
800-208-3081

Fax: 202-624-6833

Summary of Problems and Shareholder Reforms

For five years, shareholders of Consolidated Freightways have confronted serious problems:

- * Declining stock price; and
- * Dividend suspension; and
- * Undisclosed bonus plan; and
- * Alleged illegal insider transactions.

FIGURE FILED ON MARCH 4 FILING TO BE INCLUDED HERE

A Board more fully attuned to shareholder interests would have overseen more timely repairs to CF's financial posture, and would have more diligently policed insider transactions and disclosure irregularities. Instead, the company has repeatedly contested shareholders who sought reforms. These problems indicate that the CF Board may be insulated from shareholder concerns.

To address the board's unresponsiveness, shareholders are proposing three reforms:

- 1) Eliminate the supermajority requirement of 80% shareholder approval to declassify the Board, or to mandate shareholder elections for open seats;
- 2) Declassify the Board, to require annual elections of all Board Directors;
- 3) Institute confidential voting to eliminate the chance for coercion.

The first resolution complements the second, making board declassification subject to a simple majority vote. These are widely accepted governance reforms. These resolutions build on a successful effort last year when a shareholder negotiated a reform of the company's "poison pill."

WHY GOVERNANCE REFORM IS NEEDED

For nearly five years following the takeover of Emery, CF management has faltered.

* The company's once unbroken string of profitable quarters dissolved into several years of losses. The company's 1993 annual profit is the first since acquiring Emery.

* The company suspended the dividend.

* The company overpaid for Emery, according to some Wall Street analysts, lost its high credit rating, and changed

the CEO three times.

* CF's stock price collapsed, from a high \$36.75 on Feb. 7, 1989, the week before it announced its acquisition of Emery, to \$10.50, which it hit on Oct. 21, 1991. As of March 3, 1994, CF stock sold for \$26.75.

CF's stock staged a come-back last fall, as did the economy and transportation stocks generally. But the company's 1993 company revenues were 48% greater than those of 1988. Yet CF's Dec. 31, 1993 market price of \$23.50 was still less than the Feb. 7, 1989 price of \$36.75, a level reached immediately after CF announced its 1988 results. The company's earnings of 87 cents a share in 1993 (77 cents fully diluted) are a shadow of 1988 earnings of \$3 a share.

Rather than take decisive, affirmative action to correct problems, we believe management has engaged in a campaign to thwart the efforts of shareholders who suggest reforms. The California Public Employee Retirement System repeatedly sought to terminate and eventually won a majority of shares voted to eliminate the management-entrenching "poison pill." But CF exploited a technicality that required a majority of outstanding shares, and rejected the CalPERS initiative.

Emery Bonus Plan: Prior to March 19, 1993, CF's Board adopted an Incentive Compensation Plan for its Emery division. According to the plan, "Every dollar of [Emery] profits from zero to \$11.3 million goes into the [bonus] pool. Thereafter, 50% of every dollar of profit goes into the pool." We believe this information was valuable to investors. Yet the company did not disclose this information to the SEC until May 13, months after Board approval, and three weeks after the annual meeting. During the period before disclosure, numerous news accounts cite CF officials making optimistic comments about Emery, but none that we could find describe the profit-based bonus plan. Following disclosure to the SEC, at least one Wall Street analyst cited the Emery bonus plan as part of his reason for reducing his earnings forecast at the company. We also note that the stock price fell precipitously in the days following the May 13 disclosure, as illustrated in the chart.

In reciting these events, we do not allege or imply that CF consciously mislead investors or charge CF officials with improper, illegal or immoral conduct. Possibly, the company faced no requirement to make an immediate disclosure of this bonus plan. Nor do we assert that publication of the incentive plan caused the stock price drop. But we believe investors would preferred to have learned about the bonus plan sooner rather than later. NOTE: A CHART INCLUDED IN THE MARCH 4 FILING TO BE INCLUDED HERE. This chart will be annotated as follows: 1. May 12, the day before disclosure of bonus plan.

\$18.25. 2. May 19, \$15. The current annotation will be deleted.

Insider Transactions: We believe two episodes of insider transactions also bears on the issue of board oversight.

* The company learned of possible illegal insider trading involving former chief executive officer Lary R. Scott, other CF employees and a securities firm. In Consolidated Freightways Inc., vs. Lary R. Scott, filed Nov. 18, 1991, "CF alleges that defendant ... and others have conspired and are continuing to conspire to obtain and trade on inside information from CF."

The alleged illegal trading took place both before and after Scott's separation from the company in July 1990. In 1992 the court ruled that the company lacked standing. (Specifically, the company lacked standing in federal court because the company did not suffer "damages" in the form of stock trading losses as a result of the alleged illegal transactions involving Scott.) Rather than aggressively pursuing the case in state court, the company did nothing. Shareholder Jack Boyle, proponent of a resolution in this proxy, asked the board on Sept. 21, 1993, to explain its inaction. CF's board responded that it "rejected" his demand.

* CF Chairman Raymond O'Brien sold \$1 million of his company stock on Feb. 3, 6, 7, 1989, days before the company sealed the Emery deal on Feb. 12, 1989.

DATE
EVENT
DAILY
CLOSING
STOCK
PRICE

Nov. 1988

Contacts between companies lead "in early November 1988, to substantive negotiations," but are terminated on Nov. 6, according to merger documents

Jan 1989

Merger "discussions resumed in January," according to

merger documents. News reports cite CF and others as potential buyers of Emery

Wed

Feb. 1,
1989

Stock trading at post-1987-stock-market-crash high.
36-3/4

Fri

Feb. 3,
1989

CF Chairman O'Brien sells 10,000 shares of CF stock @
\$36.75, or \$367,500
36-5/8

Mon

Feb. 6,
1989

CF Chairman O'Brien sells 10,000 shares of CF stock at
\$36.75, or \$367,500
36-1/2

Tues

Feb. 7,
1989

CF Chairman O'Brien sells 12,000 shares of CF stock at
\$36.75, or \$441,000; CF Chairman also sells 500 shares at
\$36.75, or \$18,375.
36-1/2

Thurs

Feb. 9,
1989

Employee shareholders buy CF stock through payroll
deduction plan.

CF Senior V.P. sells 2,615 shares at \$35.63, or
\$93,172.45.
35-1/2

Fri

Feb. 10,
1989

34-3/4

Sun
Feb. 12,
1989
CF President outlines plans following announcement of
acquisition: "We expect CF's stock to take a hit in the
short term."

Mon
Feb. 13,
1989
Acquisition of Emery announced; stock drops
32-7/8

March 13,
1989
One month following tender offer
30

Feb. 13,
1990
One year anniversary of Emery tender offer
19-1/8

CF Counsel claimed there was no illegal insider trading because negotiations to acquire Emery were not active at the time of the chairman's sales, but began "about Feb. 11" leading to an agreement the next day. We note that to activate merger discussions and bring them to completion in about a day is remarkably fast, especially given the size of this deal. We also note, however, that CF's own merger documents detail merger discussions in the fall of 1988, and in January and February of 1989. (CF Counsel's claim came in response to statements made by Mr. Boyle in his shareholder proposal submitted for inclusion in the company's proxy statement.)

Pattern of Insulation: We believe a Board more fully attuned to shareholder interests would have more aggressively overseen timely repairs to CF's financial posture. While CF struggled during the last five years, peer companies such as Roadway and Yellow posted consistent profits. A Board more fully attuned

to shareholder interests would have more diligently policed insider trading and disclosure irregularities. Instead, the company has repeatedly contested shareholders who sought reform.

These events suggest a pattern of disregard for and insulation from shareholder interests. Rather than respond affirmatively, the Board has sought to minimize or even impugn the motives of shareholders. To address this insulation, the following governance reforms are proposed.

CORPORATE GOVERNANCE PROPOSALS

1. Eliminate the Supermajority Requirement

RESOLVED: That the Board of Directors take the necessary steps to remove the by-law requirement that 80% of the outstanding shares must be voted to change the structure of the board.

Specifically, under Article III (Directors), Section 2(c), the phrase "at least 80%" will be replaced by the phrase "a simple majority" and read as follows:

Any amendment, change or repeal of this Section 2 of Article III, or any other amendment to these By-Laws that will have the effect of permitting circumvention of or modifying this Section 2 of Article III shall require the favorable vote, at a stockholders' meeting, of the holders of a simple majority of the then-outstanding shares of stock of the Corporation entitled to vote."

CF's board structure includes staggered terms, and board power to increase the number of board seats and appoint directors to these seats, or to a vacant seat, without stockholder votes. That means a director could serve nearly three years without being approved by shareholders. A shareholder proponent again asks CF to declassify the board as part of this proxy. But as a practical matter, this proposal can't be passed until the principle of majority rule is restored.

[text block: In February, only two months before the annual meeting, CF's board increased its size by one seat, and appointed a director -- all without a shareholder vote.]

* Supermajority requirements of any kind are widely opposed.

The bi-partisan National Conference of State

Legislatures cites simple majority corporate vote requirements for states "that choose to consider reforming their corporate laws."

Many major pension funds, including those holding CF stock, believe that supermajority provisions are not in the best interests of the shareholders.

* CF offers no specific justification for the 80% requirement even in its 1994 preliminary proxy, other than it protects the classified board, which the Company contends benefits shareholders.

A small majority of 52.85% of outstanding shares approved the package, that classified the board and instituted the 80% requirement.

* The Investor Responsibility Research Center (IRRC) shows consistently growing support for proposals eliminating supermajority requirements, from 21.9% in 1986, to 41.4% in 1990 to 50% in 1992. (1992 results was based on less than three solicitations.)

According to the Company's explanation in its 1994 proxy, here are the rules governing this vote:

This proposal is intended to be a proposed amendment to a provision in the Company's By-Laws. Such By-law amendment requires the favorable vote of the holders of at least 80% of the then-outstanding shares of voting stock of the Company. In light of the provisions in the Company's Certificate of Incorporation discussed below, even if this By-law amendment is approved, the Board is not empowered to declassify the Board, make other changes in structure of the Board as provided for in the Certificate of Incorporation or eliminate the 80% vote requirement, without an amendment to the Certificate of Incorporation. Such an amendment to the Certificate of Incorporation would require the favorable vote, at a future shareholders' meeting, of the holders of at least 80% of the then-outstanding shares of voting stock of the Company. In addition, under applicable provisions of Delaware law (the Company's state of incorporation), shareholders cannot amend the Certificate of Incorporation unless such proposed amendment is first approved by the Company's Board of Directors.

This explanation, which we do not dispute, suggest that it is very difficult to make a change. We believe this difficulty is another good reason to vote FOR this proposal.

2. Require Annual Election of All Board Directors

BE IT RESOLVED: That the stockholders of Consolidated Freightways, Inc., (CF) urge that the Board of Directors take the necessary steps to declassify the Board of Directors for the purpose of director elections, which shall be done in a manner that does not affect the unexpired terms of directors previously elected.

The Board of CF is divided into three classes serving staggered three-years terms. This means it would take three annual meetings for shareholders to replace the whole board.

CF's stated purpose is to provide continuity and prevent manipulative takeovers. But a staggered board is unnecessary since as a Delaware company, state law provides CF with what we consider to be ample protection from hostile bidders.

"Providing continuity" really means shareholders can't hold all directors accountable in annual elections.

* Only 52.85% of the shareholders supported management's classified board proposal in 1985, a slim margin we believe reflects shareholder concern about management entrenchment. Events itemized above have borne this out.

* Generally, shareholders have grown hostile to classified boards, rejecting three of the five management proposals to classify a board in 1992, and overturning a staggered board at Martin Marietta in 1993, according to IRRC.

According to the Company's explanation in its 1994 proxy, here are the rules governing this vote:

Approval of this advisory proposal requires the favorable vote of the holders of a majority of the voting power represented at the meeting. If approved, the proposal would serve as a recommendation to the Board of Directors to take the necessary steps to eliminate the classified Board. Such steps would require the repeal of the classified board provision in the Company's Certificate of Incorporation, which would require approval by the Board of Directors and, in accordance with the terms of the Certificate of Incorporation approved by the Company's shareholders in 1985, the favorable vote, at a future shareholders' meeting, of the holders of at least 80% of the then-outstanding shares of voting stock of the Company.

3. Institute Confidential Voting

RESOLVED: That the stockholders of Consolidated Freightways, Inc. ("Company") recommend that the Board of Directors take the necessary steps to adopt and implement a policy of confidential voting at all meetings of its shareholders, and that this includes the following provisions:

1. That the voting of all proxies, consents and authorizations be secret, and that no such document shall be available for examination nor shall the vote or identity of any shareholder be disclosed except to the extent necessary to meet the legal requirements, if any, of the company's state of incorporation; and
2. That the receipt, certification, and tabulation of such votes shall be performed by independent election inspectors.

Voting can only fairly reflect a voter's conviction when the process is free of potential coercion. Secret balloting is considered essential to such a process.

* IRRC found that a sizeable number of fund managers surveyed faced resolicitation from company management after they submitted their proxy.

Major institutional investors support confidential voting, including many of the prominent funds invested in CF.

* Many companies adopt confidential voting policies voluntarily, including Anheuser-Busch, which granted/acceded to a request by an employee shareholder. Avon, Lockheed, and USX also recently adopted confidential voting.

A simple majority of the outstanding shares is required to approve this proposal.

For these reasons, we urge a vote FOR ALL THREE resolutions.

REVOCATION RIGHTS

If you have already voted the proxy card you received

from the company, you can change your vote. A proxy card is revocable at any time prior to being voted by (1) executing a new proxy card; or (2) attending and voting at the meeting; or (3) delivering written notice of revocation to the Company or to the authorized agents of the employee benefit plan through which your stock is held.

Only your latest-dated proxy card will be counted.

MANAGEMENT COMPENSATION

The committee incorporates herein the discussion of the subject of management compensation in the Company's proxy statement. We note that CEO Moffitt received a raise in total compensation from \$757,000 in 1992, to \$1,612,000 in 1993, a 113% improvement. (In both years, total compensation includes options, valued by Black-Scholes pricing model.) The compensation committee explains: "The CEO's salary increase for 1993 was based on a subjective evaluation of his performance by the Compensation Committee and competitive salary data provided by the Company's executive compensation consultants." (Emphasis added.)

ELECTION OF DIRECTORS AND APPOINTMENT OF AUDITORS

At the 1994 annual stockholders meeting, shareholders will be asked to vote in the election for board of directors and to appoint auditors. The committee incorporates herein the discussion of these subjects in the Company's proxy statement. There is no contest for Board seats. The persons named in the attached proxy will vote for the Company's nominees for the Board and for reappointment of the auditors unless you instruct us otherwise.

EQUITY INCENTIVE PLAN FOR NON-EMPLOYEE DIRECTORS

The committee incorporates herein the discussion of the equity incentive plan for non-employee directors. The persons named in the attached proxy will vote for the plan.

PROPOSALS FOR FUTURE MEETINGS

Stockholders who wish to have their proposals considered for inclusion in the Company's proxy statement should deliver their proposals in writing to the Company at 3240 Hillview Ave., Palo Alto, California, 94304, by Nov. 18, 1994.

Employees of the Company and its subsidiaries own over 13 percent of the Company's common stock through various employee benefit plans. The Committee incorporates by reference the discussion of security ownership contained in the Company's 1994 proxy statement.

VOTING RIGHTS AND USE OF THE PROXY CARD

You can vote on all the proposals by using the enclosed green proxy card. The Committee will keep all cards it receives confidential from the Company until the deadline for their submission, absent a court order requiring disclosure.

If you sign and return the enclosed green card and do not instruct the Committee how to vote, the card will be voted for the shareholder proposals, election of the Company's nominees, reappointment of the Arthur Anderson as auditors, and adoption of the Equity Incentive Plan for board directors. Should any other business come before the meeting other than that listed above (which the Committee does not anticipate), the proxy holders will vote your shares in their best judgement.

Only shareholders as of March 1, 1994 are entitled to vote. The Committee incorporates by reference the additional information about voting requirements and outstanding shares contained in the Company's proxy statement.

SOLICITATION OF PROXIES

The CF Shareholders Committee was organized by Company stockholders James Weaver and Jack Boyle with assistance from the International Brotherhood of Teamsters ("IBT"). Larry Ellison is also a member of the Committee. Messrs. Ellison and Boyle are CF employees from California, and members of an IBT Local. Mr. Weaver was permanently disabled by a truck accident and will not be able to return to his job as a CF driver.

IBT is party to a national collective bargaining agreement with several Company subsidiaries. As of December 1993, the Company reported that IBT represented about 18,000 employees of Consolidated Freightways, out of about 38,000 total CF employees. IBT has experience assisting its members in enhancing the value of their employee benefits, including employee stock plans.

IBT's national freight agreement expires in March 1994.

The persons designated on the Committee's proxy cards are Weaver, Boyle, Ellison and William Patterson, executive director of IBT's Corporate and Financial Affairs Department and member of the Executive Committee of the Council of Institutional Investors.

The Committee expects to solicit proxies by mail,

telephone, telecopier and personal interviews. It will ask trustees, brokers, custodians and other nominees to forward solicitation materials to the beneficial owners of common stock, and they will be reimbursed for their reasonable out-of-pocket expenses. Proxies will be solicited by Committee members and by members and employees of IBT who do not receive any additional compensation for such solicitations. In addition, the Committee has engaged the services of Garland Associates, Inc. to assist in the solicitation of proxies at a fee of \$5,000.

The cost of the solicitation will be borne solely by IBT and while the exact cost of the solicitation is not at this time known, it is estimated at \$25,000. Total expenditures to date, including legal expenses to oppose the Company's efforts to exclude these proposals from the Company's proxy materials, have been approximately \$5,000. The Committee will not seek reimbursement for the cost of its solicitations from the Company.

* * *

VOTE FOR AN END TO THE SUPERMAJORITY REQUIREMENT

VOTE FOR AN END TO CF'S CLASSIFIED BOARD

VOTE FOR CONFIDENTIAL VOTING

CF SHAREHOLDERS COMMITTEE

c/o William Patterson

Int'l Brotherhood of Teamsters

25 Louisiana Avenue

Washington, DC 20001

Fax 202-624-6833

Telephone: 202-624-8100

800-208-3081

PROXY

color: GREEN

PROXY MATERIAL

PROXY

CONSOLIDATED FREIGHTWAYS, INC.

THIS PROXY IS SOLICITED ON BEHALF OF THE CF SHAREHOLDERS

COMMITTEE

The undersigned appoints James Weaver, Larry Ellison, Jack Boyle, William Patterson and each of them the proxies of the undersigned, with full power of substitution, to vote the stock of Consolidated Freightways, Inc., which the undersigned may be entitled to vote at the Annual Meeting of Shareholders to be held on Monday, April 25, 1994 at 10:00 A.M. or at any

adjournments or postponements thereof. The proxies are authorized to vote in their discretion upon such other business as may properly come before the meeting and any and all adjournments or postponements thereof.

COMMITTEE RECOMMENDS A VOTE FOR ELECTION OF THE FOLLOWING DIRECTORS AND FOR PROPOSALS 2, 3, 4, 5, AND 6.

You are encouraged to specify your choices by marking the appropriate boxes, SEE REVERSE SIDE.

PLEASE SIGN THIS CARD ON THE REVERSE SIDE

PLEASE MARK YOUR VOTES AS IN THIS EXAMPLE: X

This proxy when properly executed will be voted in the manner directed herein. If no direction is made, this proxy will be voted FOR the election of directors, FOR items 2,3,4,5, and 6 below.

1 ELECTION OF DIRECTORS (see reverse) PLEASE "X" ONLY ONE BOX:

1-ROBERT ALPERT, 2-ROBERT JAUNICH II, 3-RAYMOND F. O'BRIEN AND 4-ROBERT P. WAYMAN

 FOR ALL NOMINEES WITHHOLD ALL NOMINEES

 PLACE AN "X" HERE TO WITHHOLD AUTHORITY TO VOTE FOR ANY INDIVIDUAL NOMINEE AND WRITE THAT NOMINEE'S NUMBER FROM THE LIST ABOVE ON THE LINE BELOW.

2. APPROVAL OF EQUITY INCENTIVE PLAN FOR NON-EMPLOYEE DIRECTORS.

 FOR AGAINST ABSTAIN

3- APPOINTMENT OF ARTHUR ANDERSEN & CO. AS THE COMPANY AUDITORS FOR THE YEAR 1994.

 FOR AGAINST ABSTAIN

4. PROPOSAL TO DECLASSIFY THE BOARD.

 FOR AGAINST ABSTAIN

5- PROPOSAL TO END THE 80% VOTE REQUIREMENT TO ALTER BOARD STRUCTURE.

___ FOR ___ AGAINST ___ ABSTAIN

6. PROPOSAL TO ADOPT CONFIDENTIAL VOTING.

___ FOR ___ AGAINST ___ ABSTAIN

The proxies are hereby authorized to vote in their discretion upon such other matters as may properly come before the meeting and any adjournments or postponements thereof.

_____/____/____
SIGNATURE (s) DATE

NOTE: Please sign exactly as name appears hereon. Joint owners should each sign. When signing as an attorney, executor, administrator, trustee or guardian, please give full title as such.

___ PLEASE "X" HERE IF YOU PLAN TO ATTEND THE MEETING AND VOTE YOUR SHARES

PROXY

CONSOLIDATED FREIGHTWAYS, INC.

Annual Meeting April 25, 1994

THIS PROXY SOLICITED ON BEHALF OF CF SHAREHOLDERS COMMITTEE

The undersigned appoints James Weaver, Larry Ellison, Jack Boyle, William Patterson and each of them, the proxies of the undersigned, with full power of substitution, to vote the stock of Consolidated Freightways, Inc., which the undersigned may be entitled to vote at the Annual Meeting of Shareholders to be held on Monday, April 25, 1994 at 10:00 A.M. or at any adjournments or postponements thereof. The proxies are authorized to vote in their discretion upon such other business as may properly come before the meeting and any and all adjournments or postponements thereof.

Proxy voting instructions:

X Please mark your votes as in this example.

This proxy when properly executed will be voted in the manner directed herein. If no direction is made, this proxy will be voted for the election of directors and for Proposals 2, 3, 4, 5, and 6.

The Committee recommends a vote for the election of directors and for proposals 2, 3, 4, 5 and 6.

1. Election of Class III Directors for a three year term.

___ For ___ Withheld

Nominees: Robert Alpert, Robert Jaunich II, Raymond F. O'Brien and Robert P. Wayman

___ Vote for all nominees listed above; except vote withheld from the following nominee(s):

___ Vote withheld from all nominees.

2. Approve Equity Incentive Plan for Non-Employee Directors.

___ For ___ Against ___ Abstain

3. Appointment of Arthur Andersen & Co. as the Company auditors for the year 1994.

___ For ___ Against ___ Abstain

4. Proposal to declassify the board.

___ For ___ Against ___ Abstain

5. Proposal to end the 80% vote requirement to alter board structure.

___ For ___ Against ___ Abstain

6. Proposal to adopt confidential voting.

___ For ___ Against ___ Abstain

NAME(S) IN WHICH STOCK IS HELD (please print)*

ADDRESS*

ACCOUNT #*

TELEPHONE #*

SOCIAL SECURITY #*

The information requested above and marked with an * is voluntary and is not required to be provided in order for the named proxies to cast the shareholders vote.

SIGNATURE _____

DATE: _____

SIGNATURE IF JOINTLY HELD _____

DATE: _____

If the securities are jointly owned, each should sign. Please sign exactly as name appears hereon. When signing as an attorney, executor, administrator, trustee or guardian, please give full title as such.

___ Check this box if you wish to attend and vote at the meeting.