

COMPUTER ASSOCIATES INTERNATIONAL INC
Form PRRN14A
July 25, 2001

**SCHEDULE 14A
(Rule 14a-101)
INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION**

**Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934
(Amendment No. 2)**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement Confidential, For Use of the Commission Only
(as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to Rule 14a-12

COMPUTER ASSOCIATES INTERNATIONAL, INC.
(Name of Registrant as Specified in its Charter)

RANGER GOVERNANCE, LTD.
(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of filing fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
- (1) Title of each class of securities to which transaction applies:
 - (2) Aggregate number of securities to which transaction applies:
 - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
 - (4) Proposed maximum aggregate value of transaction:
 - (5) Total fee paid:
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- (1) Amount previously paid:

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- (2) Form, Schedule or Registration Statement No.:
- (3) Filing Party:
- (4) Date Filed:

July [], 2001

Dear Fellow Stockholder:

We believe that Computer Associates International, Inc. is broken but we think we have the team and a plan to fix it.

Ranger believes that Computer Associates, under its current Board of Directors and senior management, has

Consistently under-performed against its peer companies, managing a negative 14% return for stockholders over the past five years versus a positive 169% return for the software industry;

Allowed accounting controversy to damage its credibility; and

Compensated its top executives lavishly while stockholders lost value.

The Right Leadership for Computer Associates

To provide what we believe is the right leadership for the future of Computer Associates, Ranger has assembled a slate of independent director nominees comprised of people who have in-depth experience and proven records of performance in the financing, management and governance of growing software, computer, technology and communications companies. Ranger's nominees are: Richard J. Agnich, Robert E. Cook, Dennis Mitchell Crumpler, Mark Cuban, Dixon Doll, Dr. Wendy Lee Gramm, Stephen E. Perkins, Cece Smith, Elizabeth VanStory and Sam Wyly.

The Right Plan for Computer Associates

Ranger has put together a comprehensive plan which we believe will realize the full potential of Computer Associates' winning products, people and customers, and achieve substantial new growth and success. Ranger plans to:

Seek to increase the value of Computer Associates, which we believe can be accomplished by reorganizing it into four independent business groups: Storage Management; Security Management; Systems Management; and Knowledge Management.

Recruit, or promote from within, as many as four world-class CEOs and senior management teams to run the four business groups into which Ranger intends to allocate Computer Associates' 800 products.

Implement a program of continuous product innovation, while actively exploring opportunities to expand Computer Associates' current mix of products and services through cost-effective strategic acquisitions and investments in research and development.

Adopt guidelines relating to corporate governance practices and focusing board review and action through four committees: Audit; Human Resources and Compensation; Product Development and Acquisition; and Governance and Nominating.

Build a corporate culture that is customer-focused and treats valued employees with the respect that their hard work and achievement deserve.

A Time for Change at Computer Associates

We believe the time for change at Computer Associates is now. Ranger is confident that it can fix the problems at Computer Associates with this team and this plan so we can build value for stockholders. That is why we are asking you to elect our nominees to the Computer Associates' Board of Directors.

Your vote is extremely important. Whether or not you plan to attend the 2001 annual meeting of Computer Associates, we urge you to vote for the election of the Ranger nominees by signing, dating and returning the enclosed GREEN proxy card. A postage-paid

envelope is enclosed for your convenience.

If you have any questions or require any assistance in executing or delivering your proxy, please call our proxy solicitor, Morrow & Co. at 1-800-607-0088.

Sincerely,

Ranger Governance, Ltd.

**Preliminary Copy.
Subject to completion. July 25, 2001.**

**ANNUAL MEETING OF STOCKHOLDERS OF
COMPUTER ASSOCIATES INTERNATIONAL, INC.
AUGUST 29, 2001**

**PROXY STATEMENT OF
RANGER GOVERNANCE, LTD.**

This proxy statement and the enclosed GREEN proxy card are being furnished to you, the stockholders of Computer Associates International, Inc. (Computer Associates or the Company), in connection with the solicitation of proxies by Ranger Governance, Ltd. (Ranger) for use at the 2001 annual meeting of stockholders of Computer Associates, and at any adjournments, postponements or reschedulings thereof (the 2001 Annual Meeting).

Ranger is soliciting proxies to take the following actions at the 2001 Annual Meeting:

(1) to elect Richard J. Agnich, Robert E. Cook, Dennis Mitchell Crumpler, Mark Cuban, Dixon Doll, Wendy L. Gramm, Stephen R. Perkins, Cece Smith, Elizabeth Ann VanStory and Sam Wyly to the board of directors of Computer Associates, each to serve until the 2002 annual meeting of stockholders of Computer Associates and until their respective successors are duly elected; and

(2) to transact any other business that is properly brought before the 2001 Annual Meeting.

The 2001 Annual Meeting is scheduled to be held on Wednesday, August 29, 2001 at 10:00 a.m. Eastern Daylight Time at the Wyndham Wind Watch Hotel, located at 1717 Motor Parkway, Islandia, New York. Computer Associates has set July 5, 2001 as the record date for determining stockholders entitled to notice of and to vote at the 2001 Annual Meeting.

Information concerning Ranger, its nominees and other persons who are participants in its solicitation of proxies is provided in this proxy statement under the headings Election of Directors and Information About the Participants and in Annex A.

* * * * *

A proxy may be given by any person who held shares of Computer Associates common stock on July 5, 2001, the record date for the 2001 Annual Meeting. Whether or not you plan to attend the 2001 Annual Meeting, you are urged to sign and date the enclosed GREEN proxy card and return it in the postage-paid envelope provided. Your latest-dated proxy is the only one that counts, so you may return the GREEN proxy card even if you have already delivered a proxy. We urge you not to return any proxy sent to you by Computer Associates.

* * * * *

The date of this proxy statement is July [], 2001. This proxy statement and the enclosed GREEN proxy card are first being sent or given to stockholders of Computer Associates on or about July [], 2001.

INTRODUCTION

At the 2001 Annual Meeting, ten persons will be elected as directors of Computer Associates to hold office until the 2002 annual meeting and until their successors have been elected and qualified or until their earlier death, resignation or removal.

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In accordance with Computer Associates' by-laws, Ranger has provided written notice to the secretary of Computer Associates of its intent to nominate for election to the Board at the 2001 Annual Meeting, and is soliciting your proxy in support of the election of, Richard J. Agnich, Robert E. Cook, Dennis Mitchell Crumpler, Mark Cuban, Dixon Doll, Wendy L. Gramm, Stephen R. Perkins, Cece Smith, Elizabeth Ann VanStory and Sam Wyly. We believe the Ranger nominees are highly qualified individuals based on their extensive business and professional experience. For more information regarding the Ranger nominees, see "The Election of Directors" Information About Our Nominees.

YOUR VOTE IS IMPORTANT SO PLEASE SIGN, DATE AND MAIL YOUR GREEN PROXY CARD AT YOUR EARLIEST CONVENIENCE.

If you have any questions concerning this proxy statement or need help voting your shares, please call:

**445 Park Avenue
New York, NY 10022
1-800-607-0088**

WHY WE BELIEVE THE CURRENT BOARD OF DIRECTORS OF COMPUTER ASSOCIATES MUST GO

We believe that it is time to change the Board of Directors and senior management at Computer Associates. The reasons for our belief are numerous and include the following:

We believe that Computer Associates' management has produced poor financial results.

Computer Associates' five-year total return for the period ended March 31, 2001 has been a negative 14%, versus 169% for the Standard & Poor's Computer Software and Services Index.(1)

On December 31, 2000, Computer Associates' debt to equity ratio was over three times the average debt to equity ratio of the 19 companies that comprise the Standard & Poor's Computer Software and Services Index.(2)

Computer Associates' net working capital decreased more than \$500 million, or 64%, from March 31, 2000 to March 31, 2001, to \$357 million.(3)

We believe that the credibility of Computer Associates' management has been damaged by accounting controversy.

As reported in the New York Times on April 29, 2001, according to more than a dozen former employees and independent industry analysts, Computer Associates . . . has used accounting tricks to systematically overstate its profits and revenues for years and that [t]he practices were so widespread that employees joked that C.A. stood for Creative Accounting. (4)

Computer Associates has disputed the findings of the New York Times article but, based on its contacts with members of the financial community, Ranger believes that Computer Associates' financial results are questioned by many investment professionals.

We believe that Computer Associates' treatment of its employees and customers has been publicly challenged.

As reported in the New York Times on March 20, 2001 and April 29, 2001, serious questions and concerns were raised about Computer Associates' treatment of employees in recent firings and about its relationships with customers.(5)

- (1) Definitive proxy statement filed by Computer Associates on July 18, 2001. Ranger has selected the five year period ended March 31, 2001 because it corresponds to the period used by Computer Associates in its definitive proxy statement.
- (2) Based upon information filed by each company with the Securities and Exchange Commission. The information is available through www.Quicken.com. December 31 is the most recent date for which a comprehensive comparison is available.
- (3) Publicly available data of Computer Associates.
- (4) "A Software Company Runs Out of Tricks: The Past May Haunt Computer Associates" by Alex Berenson, published in New York Times on April 29, 2001. The publisher has not consented to the use of these quotations or article.
- (5) "Questions on Firings and Severance at Computer Associates" by Alex Berenson, published by the New York Times on March 20, 2001 and "A Software Company Runs Out of Tricks: The Past May Haunt Computer Associates" by Alex Berenson, published in New York Times on April 29, 2001. The publisher has not consented to the use of these articles.

We believe that Computer Associates compensated its top executives lavishly while stockholders lost value.

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In 1995, Computer Associates granted Charles Wang, Sanjay Kumar and Russell Artzt the right to receive up to six million shares of restricted stock vesting March 31, 2000, contingent upon achievement of certain stock price trading target levels. These shares automatically vested, however, if Computer Associates' shares traded above \$180 (\$53.33 after taking into account three 3-for-2 splits of Computer Associates' stock) for 60 days within a 12-month period.(6)

In May 1998 this condition was satisfied and over \$1.1 billion in Computer Associates stock held by Messrs. Wang, Kumar and Artzt became vested, subject to restrictions on transfer for as long as seven years. The number of shares that vested included shares received as a result of the stock splits.

About two months after the shares vested, Computer Associates announced slowing sales and its stock price dropped significantly.

Thereafter, two stockholder lawsuits were filed in Delaware challenging the number of shares Messrs. Wang, Kumar and Artzt received under the plan. The lawsuits alleged that the plan did not provide for an increase in the number of shares as a result of the stock splits. In settlement of these lawsuits, Messrs. Wang, Kumar and Artzt agreed to return an aggregate of 4.5 million Computer Associates shares.

According to a report in Business Week in April 2000, a few months prior to the settlement, Mr. Wang said that he was not worried about losing in Delaware. Mr. Wang said "I know my directors, my comp committee. They'll make me whole." (7)

An investment of \$100 in Computer Associates common stock on March 31, 1996 would have been worth only \$86 on March 31, 2001, even assuming re-investment of all dividends.(8)

THE RANGER PLAN

Ranger's Objectives

Ranger's objectives are to:

Restore Computer Associates' credibility with investors, customers and employees;

Create four decentralized business groups that will allow Computer Associates flexibility to innovate across key business areas;

Provide industry leading support to existing and new products and services;

Foster superior customer service and relationships;

Create an entrepreneurial work environment based upon empowering employees; and

Accelerate growth and build stockholder value.

Ranger's Plan

Ranger has put together a comprehensive plan which we believe will realize the full potential of Computer Associates' winning products, people and customers, and to achieve substantial new growth and success. Ranger plans to:

Seek to increase the value of Computer Associates, which we believe can be accomplished by reorganizing it into four independent business groups: Storage Management; Security Management; Systems Management; and Knowledge Management.

- (6) 1995 Key Employee Stock Ownership Plan of Computer Associates, filed as Exhibit B to Computer Associates' definitive proxy statement dated July 7, 1995. The plan, including the restricted stock grants, was approved by Computer Associates' stockholders upon the recommendation of Computer Associates' Board of Directors.
- (7) "The Package That Launched a Dozen Lawsuits" by Anthony Banco, published in Business Week on April 17, 2000. The publisher has not consented to the use of this quotation or article.
- (8) Definitive proxy statement filed by Computer Associates on July 18, 2001.

Recruit or promote from within, as many as four world-class CEOs and senior management teams to run the four business groups into which Ranger intends to allocate Computer Associates' 800 products.

Implement a program of continuous product innovation, while actively exploring opportunities to expand Computer Associates' current mix of products and services through cost-effective strategic acquisitions and investments in research and development.

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Adopt guidelines relating to corporate governance practices and focusing Board review and action through four committees Audit; Human Resources and Compensation; Product Development and Acquisition; and Governance and Nominating.

Build a corporate culture that is customer-focused and treats valued employees with the respect that their hard work and achievement deserve.

Ranger s Commitment

Ranger s nominees have decades of collective management and investment experience with growing software, computer, technology and communications companies. They are wholly independent of Computer Associates current management and are committed to increasing stockholder value through the proposed plan. No assurance can be given that electing the Ranger nominees will enhance stockholder value. Ranger s nominees, if elected, are committed to acting in the best interest of Computer Associates stockholders and, subject to their fiduciary duties as directors of Computer Associates, will pursue the proposed plan diligently and promptly. No stockholder vote will be required for implementation of Ranger s plan (including reorganizing Computer Associates into four independent business groups) and none is contemplated.

We urge you to sign, date and return the enclosed GREEN proxy card (and not to return any proxy card sent to you by Computer Associates) to help us pursue the Ranger plan.

ELECTION OF DIRECTORS

Computer Associates board of directors currently consists of one class of ten directors. We anticipate that ten directors will be elected at the 2001 Annual Meeting, each to serve until the 2002 annual meeting of stockholders of Computer Associates and until his or her successor is elected and qualified.

Our nominees are Richard J. Agnich, Robert E. Cook, Dennis Mitchell Crumpler, Mark Cuban, Dixon Doll, Wendy L. Gramm, Stephen R. Perkins, Cece Smith, Elizabeth Ann VanStory and Sam Wyly. Based on their extensive business and professional experience, we believe that our nominees are highly qualified to serve as directors of Computer Associates. In accordance with Computer Associates by-laws, we have provided written notice to Computer Associates of our intent to nominate our nominees for election to Computer Associates board of directors at the 2001 Annual Meeting. Each Ranger nominee has consented to serve as a director of Computer Associates if elected and to be named in this proxy statement and in Ranger s other soliciting materials as a Ranger nominee.

Information About Our Nominees

Each Ranger nominee has furnished the information about him or her that is provided in this proxy statement. Additional disclosure regarding our nominees and the other participants in our solicitation can be found on [Annex A](#) to this proxy statement.

Name and Business Address	Age	Present Principal Occupation and Five Year Business Experience
Richard J. Agnich 8525 Ferndale Rd. Dallas, Texas 75238	57	Mr. Agnich presently manages personal investments through The Agnich Partners, Ltd. family limited partnership. From 1988 until January 20, 2001, he served as Senior Vice President, Secretary and General Counsel of Texas Instruments Incorporated. He continued to serve as its Senior Vice President and Secretary until his retirement on May 1, 2001.

Name and Business Address	Age	Present Principal Occupation and Five Year Business Experience
		President and CEO from 1986 to 1989 and Chairman and CEO from 1989 to July 1998, when it was acquired by Sterling Commerce, Inc. During his tenure, it developed into an industry leader in systems management for large-scale remote and mobile systems; the company went public in 1994. From 1998 to 2000, he served as vice chairman of Green Mountain Energy. In 1983, he co-founded Sales Technologies, Inc., a successful pioneer in field sales automation software that was sold to Dun & Bradstreet in 1989. He began his career as a consultant for McKinsey and Company, where he worked from 1982 to 1983.

Name and Business Address	Age	Present Principal Occupation and Five Year Business Experience
Cece Smith Phillips-Smith-Machens Venture Partners 5080 Spectrum Drive,	56	Since 1986, Ms. Smith has been a general partner of Phillips-Smith-Machens Venture Partners, a venture capital investment firm that specializes in retail and e-commerce investments. She has been a director of Cheap Tickets, Inc. since July 1997 and previously served as a

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<u>Name and Business Address</u>	<u>Age</u>	<u>Present Principal Occupation and Five Year Business Experience</u>
Suite 805 West Addison, Texas 75001		director of publicly-held retailers BizMart, Inc., A Pea in the Pod, Inc. and Hot Topic, Inc. Ms. Smith served as a director from 1992 to 1997 and as Chairman from 1994 to 1996 of the Federal Reserve Bank of Dallas.

Except for Sterling Software, Inc., no corporation or organization identified in the preceding table is an affiliate of Computer Associates. The present principal occupation of each director nominee is the first occupation described in his or her biography, except that Mr. Cuban's present principal occupation is serving as owner of the Dallas Mavericks.

Each Ranger nominee (other than Sam Wyly) has entered into a letter agreement with Ranger that provides that Ranger will pay the Ranger nominee any out-of-pocket expenses and/or losses incurred by such nominee that arise from investigating or defending any claim brought against him or her with respect to actions taken in connection with the solicitation of proxies to which this proxy statement relates, other than claims resulting from the nominee's bad faith, willful misconduct or gross negligence. Each letter agreement also provides that if the nominee is elected to the board of directors of Computer Associates, Ranger will grant him or her an economic interest in 20,000 options to purchase Computer Associates' common stock presently held by Ranger (the Options). The Options expire on October 6, 2006 and have an exercise price of \$25.071 per share. Ranger will pay each elected Ranger nominee the fair market value of 20,000 Options on the earlier of (i) the date the Options expire and (ii) the date Ranger has exercised or otherwise disposed of an aggregate of 140,000 Options after the date of such letter agreements.

Each of Ranger's nominees, if elected, will be entitled to receive compensation customarily paid by Computer Associates to its independent directors, which is described in the definitive proxy statement filed by Computer Associates on July 18, 2001.

We have no reason to believe that any of the Ranger nominees will be disqualified or unwilling or unable to serve if elected. Ranger reserves the right to nominate substitute persons if Computer Associates makes or announces any changes to its by-laws or takes or announces any other action that has, or if consummated would have, the effect of disqualifying any of the Ranger nominees. In addition, if any additional directorships are to be voted upon at the 2001 Annual Meeting, Ranger reserves the right to nominate additional persons to fill the added positions. Shares represented by proxies given to us will be voted for any substitute or additional nominees of Ranger.

* * * * *

When you return the GREEN proxy card, you will be voting for the Ranger nominees to serve as directors, unless you appropriately indicate otherwise.

Ranger believes that it is in the best interest of stockholders to elect the Ranger nominees at the 2001 Annual Meeting. We strongly recommend that you vote for the election of the Ranger nominees.

* * * * *

Your vote is important regardless of the number of shares you own. Whether or not you plan to attend the 2001 Annual Meeting, please sign and date the enclosed GREEN proxy card and return it in the envelope provided.

VOTING PROCEDURES

To support the Ranger nominees at the 2001 Annual Meeting, please sign and date the enclosed GREEN proxy card and return it to Morrow & Co. in the enclosed postage-paid envelope. Submitting a proxy will not affect your right to attend the 2001 Annual Meeting and vote in person.

How do I vote in person?

If you owned Computer Associates common stock on the record date, July 5, 2001, you may attend the 2001 Annual Meeting and vote in person. If you are not the record holder of your shares, please refer to the discussion following the question "What if I am not the record holder of my shares?"

How do I vote by proxy?

To vote by proxy, you should complete, sign and date the enclosed GREEN proxy card and return it promptly in the enclosed postage-paid envelope.

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To be able to vote your shares in accordance with your instructions at the 2001 Annual Meeting, we must receive your proxy as soon as possible but in any event prior to their being voted at the meeting. You may vote your shares without submitting a proxy to us if you vote in person, submit a proxy to the secretary of Computer Associates or, in some cases, if you provide appropriate instructions to the record holder of your shares.

What if I am not the record holder of my shares?

If your shares are held in the name of a brokerage firm, bank nominee or other institution, only it can give a proxy with respect to your shares. You may have received either a blank, executed proxy card from the record holder (which you can complete and send directly to Ranger) or an instruction card (which you can complete and return to the record holder to direct its voting of your shares). If the record holder has not sent you either a blank, executed proxy card or an instruction card, you may contact the record holder directly to provide it with instructions. If you need assistance, please contact our solicitor, Morrow & Co., by telephone at 1-800-607-0088.

If you do not have record ownership of your shares and want to vote in person at the 2001 Annual Meeting, you may obtain a document called a legal proxy from the record holder of your shares and bring it to the 2001 Annual Meeting. If you need assistance, please contact our solicitor, Morrow & Co., by telephone at 1-800-607-0088.

What should I do if I receive a white proxy card?

Proxies on the white proxy card are being solicited by the incumbent board of directors of Computer Associates. If you submit a proxy to us by signing and returning the enclosed GREEN proxy card, do not sign or return the white proxy card or follow any voting instructions provided by Computer Associates unless you intend to change your vote, because only your latest-dated proxy will be counted.

If you have already sent a white proxy card to Computer Associates, you may revoke it and provide your support to the Ranger nominees by signing, dating and returning the enclosed GREEN proxy card.

What if I want to revoke my proxy?

If you give a proxy, you may revoke it at any time before it is voted on your behalf. You may do so in three ways:

By delivering a later-dated proxy to either Morrow & Co. or the secretary of Computer Associates; or

By delivering a written notice of revocation to either Morrow & Co. or the secretary of Computer Associates; or

By voting in person at the 2001 Annual Meeting.

If you choose to revoke a proxy by giving written notice or a later-dated proxy to the secretary of Computer Associates, we would appreciate if you would assist us in representing the interests of stockholders on an informed basis by sending us a copy of your revocation or proxy or by calling Morrow & Co. at 1-800-607-0088. **Remember, your latest-dated proxy is the only one that counts.**

If I plan to attend the 2001 Annual Meeting, should I still submit a proxy?

Whether you plan to attend the 2001 Annual Meeting or not, we urge you to submit a proxy. Returning the enclosed proxy card will not affect your right to attend the 2001 Annual Meeting and vote.

Who can vote?

You are eligible to vote or to execute a proxy only if you owned Computer Associates common stock on the record date for the 2001 Annual Meeting, July 5, 2001. Even if you sell your shares after the record date, you will retain the right to execute a proxy in connection with the 2001 Annual Meeting. It is important that you grant a proxy regarding shares you held on the record date, or vote those shares in person, even if you no longer own those shares. Based upon the definitive proxy statement filed by Computer Associates on July 18, 2001, 576,104,836 shares of Computer Associates common stock were outstanding on the record date for the 2001 Annual Meeting.

How many votes do I have?

With respect to each matter to be considered at the 2001 Annual Meeting, each stockholder that is not a subsidiary of Computer Associates will have one vote for each share of Computer Associates common stock held by it on the record date. Based on documents publicly filed by Computer Associates, Computer Associates has no outstanding voting securities other than its common stock.

How will my shares be voted?

If you give a proxy on the accompanying GREEN proxy card, your shares will be voted as you direct. If you submit a proxy to us without instructions, our representatives will vote your shares in favor of our nominees and will abstain on items two and three. Submitting a GREEN proxy card will entitle our representatives to vote your shares in accordance with their discretion on matters not described in this proxy statement that may arise at the 2001 Annual Meeting.

Unless a proxy specifies otherwise, it will be presumed to relate to all shares held of record on the record date by the person who submitted it.

What is a quorum and why is it necessary?

Conducting business at the 2001 Annual Meeting requires a quorum. For a quorum to exist, stockholders representing a majority of the votes eligible to be cast must be present in person or represented by proxy. Under the Delaware General Corporation Law, Computer Associates certificate of incorporation and Computer Associates by-laws, abstentions and broker non-votes are treated as present for purposes of determining whether a quorum exists.

What vote is required to approve each proposal and how will votes be counted?

If a quorum is present, directors will be elected by a plurality of the votes cast. This means that the ten nominees receiving the highest number of votes will be elected as directors. Accordingly, abstentions and broker non-votes do not have the effect of a vote against the election of any nominees. Under New York Stock Exchange rules, brokers will not have discretion to vote shares held in street name without instructions from the beneficial owner of the shares with respect to the election of directors, but will have such discretion with respect to voting on the 2001 Stock Option Plan and the ratification of auditors. Stockholders do not have the right to cumulate their votes.

Each proposal other than the election of directors will be adopted if a majority of the shares represented at the meeting and entitled to vote on the proposal are voted in its favor. Accordingly, abstentions on each such proposal will have the same effect as a vote against the proposal. Broker non-votes will not have the effect of a vote for or against any such proposal.

How can I receive more information?

If you have any questions about giving your proxy or about our solicitation, or if you require assistance, please call Morrow & Co. at 1-800-607-0088.

PROXY SOLICITATION AND EXPENSES

The solicitation to which this proxy statement relates is being made by (i) Ranger; (ii) Ranger's general partner, Ranger GP Governance, L.L.C.; (iii) the Ranger nominees; and (iv) Charles J. Wyly, Jr. (the Participants). The Participants may solicit proxies in person and by mail, press release, advertisements in newspapers, magazines and/or trade publications, telephone, telecopier, telegraph, electronic mail, Internet (World Wide Web) publication, television, radio and newspapers. No person identified above has or will receive compensation for soliciting proxies.

The Participants will ask banks, brokers, custodians, nominees, other institutional holders and other fiduciaries to forward all soliciting materials to the beneficial owners of the shares that those institutions hold of record. Ranger will reimburse those institutions for reasonable expenses that they incur in connection with forwarding our materials.

Ranger has retained Morrow & Co., Inc. to solicit proxies on its behalf in connection with the 2001 Annual Meeting. Morrow & Co. may solicit proxies from individuals, banks, brokers, custodians, nominees, other institutional holders and other fiduciaries and will employ approximately 100 people in its efforts. Ranger has agreed to reimburse Morrow & Co. for its reasonable expenses, to indemnify it against certain losses, costs and expenses, and to pay it fees not to exceed \$650,000. The agreement between Ranger and Morrow & Co. may be extended for an additional fee.

The entire expense of our proxy solicitation is being borne by Ranger. Ranger may, particularly if the Ranger nominees are elected to Computer Associates' board of directors, seek reimbursement of our expenses from Computer Associates. Ranger does not intend to seek stockholder approval of any such reimbursement.

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In addition to the costs related to the engagement of Morrow & Co., costs related to our solicitation of proxies include expenditures for printing, postage, legal services and other related items. Total expenditures are expected to be approximately \$[10,000,000]. Total payment of costs to date in furtherance of our proxy solicitation is approximately \$[2,300,000].

INFORMATION ABOUT THE PARTICIPANTS

Ranger, Ranger GP Governance, L.L.C., the Ranger nominees, and Charles Wyly are participants in Ranger's solicitation of proxies for the 2001 Annual Meeting within the meaning of the federal securities laws. Information related to the Participants, including their beneficial ownership of Computer Associates common stock, is set forth on Annex A to this proxy statement and is incorporated into this proxy statement by reference. Except as set forth on Annex A, none of the Participants is party to any commercial dealing with Computer Associates or its subsidiaries that is required to be discussed in this proxy statement by the federal securities laws. Information in this proxy statement about each Participant was provided by that Participant.

INFORMATION ABOUT COMPUTER ASSOCIATES

Based upon Computer Associates annual report on Form 10-K for the fiscal year ended March 31, 2001, the mailing address of the principal executive offices of Computer Associates is One Computer Associates Plaza, Islandia, New York, 11749.

Annex B sets forth information obtained from Computer Associates' public filings related to the beneficial ownership of Computer Associates common stock and is incorporated in this proxy statement by reference.

Except as otherwise noted herein, the information in this proxy statement concerning Computer Associates has been taken from or is based upon documents and records on file with the Securities and Exchange Commission and other publicly available information. Although Ranger does not have any knowledge indicating that any statement contained herein is untrue, we do not take any responsibility for the accuracy or completeness of statements taken from public documents and records that were not prepared by or on behalf of Ranger, or for any failure by Computer Associates to disclose events that may affect the significance or accuracy of such information.

OTHER MATTERS TO BE VOTED UPON

Computer Associates has disclosed that, in addition to electing directors, stockholders will be asked at the 2001 Annual Meeting to vote upon (i) ratifying KPMG LLP as Computer Associates' independent auditors for the fiscal year ending March 31, 2002 and (ii) approving Computer Associates' 2001 Stock Option Plan. Ranger does not make any recommendations regarding these matters but, if you provide instructions regarding these matters on the enclosed proxy card, Ranger will vote your shares as you direct. Submitting a GREEN proxy card will entitle our representatives to vote your shares in accordance with their discretion on matters not described in this proxy statement that may arise at the 2001 Annual Meeting.

FUTURE STOCKHOLDERS' PROPOSALS

To be included in Computer Associates' proxy statement for the 2002 annual meeting of Computer Associates stockholders (the 2002 Meeting), a proposal by a Computer Associates stockholder must generally be received at Computer Associates' principal executive offices not less than 120 calendar days before the anniversary of the date on which Computer Associates mails its proxy statement in connection with the 2001 Annual Meeting. However, if the 2002 Meeting is more than 30 days from the first anniversary of the 2001 Annual Meeting, the deadline for submitting a proposal is a reasonable time before Computer Associates begins to print and mail its proxy materials for the 2002 Meeting.

In addition, Computer Associates' by-laws require advance notice for any stockholder nomination or proposal in connection with any annual or special meeting of stockholders. Under Computer Associates' by-laws, proposals for the 2002 Meeting generally must be received by Computer Associates at its principal executive offices not fewer than 60 or more than 90 days before the first anniversary of the 2001 Annual Meeting. However, if the 2002 Meeting is more than 30 days from the first anniversary of the 2001 Annual Meeting, the deadline is the close of business on the 10th day following the earlier of the day on which notice of the 2002 Meeting is mailed and the day on which the date of the 2002 Meeting is publicly disclosed.

* * * * *

We urge you to vote your shares in favor of the Ranger nominees by signing, dating and returning the enclosed GREEN proxy card in the postage-paid envelope provided.

Questions or requests for additional copies of this proxy statement should be directed to:

445 Park Avenue
New York, NY 10022
1-800-607-0088

ANNEX A

**INFORMATION CONCERNING RANGER AND OTHER
PARTICIPANTS IN ITS SOLICITATION OF PROXIES**

The following persons are participants (the Participants and, each, a Participant) in the solicitation of proxies in support of electing the Ranger nominees to the board of directors of Computer Associates: (i) Ranger; (ii) Ranger's general partner, Ranger GP Governance, L.L.C.; (iii) the Ranger nominees; and (iv) Charles Wyly. The Ranger nominees are Richard J. Agnich, Robert E. Cook, Dennis Mitchell Crumpler, Mark Cuban, Dixon Doll, Wendy L. Gramm, Stephen R. Perkins, Cece Smith, Elizabeth Ann VanStory and Sam Wyly.

Ranger is a Texas limited partnership that was formed to conduct this proxy contest and other activities related to the promotion of good corporate governance. Its principal place of business is Dallas, Texas and its address is 300 Crescent Court, Suite 1000, Dallas, Texas, 75201.

Occupations

The present principal occupation or employment of each Ranger nominee is described in Ranger's proxy statement under the heading Election of Directors. Charles Wyly's principal occupation is Vice Chairman of Michaels Stores, Inc., an arts and crafts retailer. The address of Michaels Stores, Inc. is 8000 Bent Branch Drive, Irving, Texas, 75063. Charles Wyly's business address is 300 Crescent Court, Suite 1000, Dallas, Texas, 75201.

Security Ownership

The Participants and their associates may be deemed to have beneficial ownership of Computer Associates common stock as set forth below. Except for the shares beneficially owned by Charles Wyly and a portion of the shares beneficially owned by Dennis Crumpler, each Participant's beneficial ownership results from an indirect interest in shares owned or deemed to be owned directly by Ranger. Most of the shares that Ranger is reported to own underlie exercisable options held by Ranger. The federal securities laws treat such options as having been exercised for purposes of reporting beneficial ownership.

Name	Amount of Beneficial Ownership Through Options and Otherwise	Percent of Class(7)
Ranger Governance, Ltd.	1,479,025(1)	*
Ranger GP Governance, L.L.C.	1,479,025(2)	*
Richard J. Agnich	20,000(3)	*
Robert E. Cook	20,000(3)	*
Dennis Mitchell Crumpler	23,500(3)(4)	*
Mark Cuban	20,000(3)	*
Dixon Doll	20,000(3)	*
Wendy L. Gramm	20,000(3)	*
Stephen R. Perkins	20,000(3)	*
Cece Smith	20,000(3)	*
Elizabeth Ann VanStory	20,000(3)	*
Charles Wyly	636,810(5)	*
Sam Wyly	1,479,025(6)	*

- (1) Ranger beneficially owns 100 shares of Computer Associates common stock. Cede & Co. is the record holder of those 100 shares. Ranger also holds options to purchase 169,020 shares of Computer Associates common stock at a price per share of \$24.1835 and options to purchase 1,309,905 shares of Computer Associates common stock at a price per share of \$25.071. Ranger has sole, direct beneficial ownership of its shares and options. It exercises sole voting and investment power with respect to its shares and exercises sole investment power with respect to its options. If its options were exercised, Ranger would exercise sole voting power with respect to the shares purchased upon exercise.
- (2) Ranger GP Governance, L.L.C., as the sole general partner of Ranger, has sole, indirect beneficial ownership of the shares of Computer Associates common stock beneficially owned by Ranger and exercises the same voting and investment powers as Ranger.

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- (3) Consists of a contingent economic interest in common stock beneficially owned by Ranger. The interest results from the letter agreement entered into between Ranger and each of its nominees. The letter agreements are described in Ranger's proxy statement under the heading Election of Directors.
- (4) Includes 3,500 shares of Computer Associates common stock held by Crumpler Investment LP. Mr. Crumpler is the manager of CIMCO, LLC, which is the general partner of Crumpler Investment LP. As a result, he exercises sole, indirect voting and investment power with respect to the shares held by Crumpler Investment LP. The address of Crumpler Investment LP is c/o CIMCO, LLC at its address given above.
- (5) Includes 100,001 shares of Computer Associates common stock held by the Martha Caroline Wyly Trust, 100,001 shares held by the Charles Joseph Wyly III Trust, 100,000 shares held by the Emily Ann Wyly Trust and 100,001 shares held by the Jennifer Lynn Wyly Trust. Mr. Charles Wyly is the trustee of each trust, exercising sole voting and investment power. Also includes 236,807 shares held by Stargate, Ltd. The Charles J. Wyly, Jr. and Caroline D. Wyly Revocable Trust is the general partner of Stargate, Ltd. Mr. Charles Wyly is a co-trustee of The Charles J. Wyly, Jr. and Caroline D. Wyly Revocable Trust and exercises shared, indirect voting and investment power with respect to the shares held by Stargate, Ltd. Each trust identified in this footnote may be an associate of Charles Wyly. The address of each trust is c/o Charles Wyly at his business address given above.
- (6) Represents shares beneficially owned by Ranger. Ranger's sole general partner is Ranger GP Governance, L.L.C., of which Mr. Sam Wyly is the sole member and the sole manager. As a result, Mr. Sam Wyly has sole, indirect beneficial ownership of the shares of Computer Associates common stock beneficially owned by Ranger and exercises the same voting and investment powers as Ranger.
- (7) Represents less than 1% of the outstanding common stock of Computer Associates.

No Participant and no associate of any Participant (within the meaning of the federal proxy rules) beneficially owns any securities of Computer Associates other than common stock (and the accompanying rights under Computer Associates' rights agreement) and the options described above. No Participant beneficially owns any securities of any parent or subsidiary of Computer Associates. No Participant has record but not beneficial ownership with respect to any securities of Computer Associates.

Transactions in Computer Associates Securities

Other than the transactions described below, no Participant has purchased or sold any securities of Computer Associates in the past two years.

Transactions in Computer Associates Common Stock by Sam Wyly

Date of Transaction	Nature of Transaction	Number of Shares of Computer Associates Common Stock(5)
January 30, 2000	sale	156,000(1)
January 31, 2000		