

February 11, 1974

To Our Clients

Tender Offers - Curative Amendments to Disclosure Documents. In Ronson Corp. v. Liquifin, CCH ¶ 94,369 (D.N.J. Jan. 11, 1974) the court carries the Corenco decision a step further and states that an offeror should be able to correct deficiencies in Williams Act disclosure documents and permanent injunctive relief for a Williams Act disclosure violation is appropriate only where the offeror willfully attempted to withhold information from the target company's shareholders.

Short Swing Profits. In Schur v. Salzman, CCH ¶ 94,370 (S.D.N.Y. Oct. 9, 1973) Judge Weinfeld passed on a number of important issues under § 16b:

- (1) a 16(b) cause of action survives the corporation's merger and the cause of action accrues to the surviving corporation on which no new demand need be made by plaintiff;
- (2) a surviving corporation-buyer is not estopped from asserting a 16(b) cause of action on the ground that it benefited from the purchase that gave rise to the cause of action;
- (3) a "sale of control premium" will not be taken into account in the absence of allocation of the purchase price thereto in the purchase contract, and
- (4) no distinction is made for 16(b) purposes between restricted shares and free shares -- sale of one can be matched against purchase of other.

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