

August 3, 1976

To Our Clients

Tender Offers - State Regulation

On August 2, 1976 the Ohio Division of Securities amended the Hearing Examiner's report in the Youngstown Steel Door Co. case (see memo of July 24, 1976) so as to permit the offer to go forward. Ohio abandoned the position that a partial tender offer is per se unfair and that no soliciting dealers fees could be paid. A minimum 30-day offer period was required and the requirement for prospectus-type disclosure was continued. The requirement for an investment banker's opinion as to fairness of the offer price was abandoned and Ohio apparently concluded that a premium over normal market price establishes fairness.

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