

July 18, 1977

To Our Clients

Takeovers

The July 15 decision in Babcock & Wilcox Co. v. United Technologies Corp., C 77-124A (N.D. Ohio) contains two significant holdings with respect to takeovers:

(1) it reaffirms that the target has standing to raise an antitrust defense against the raider, and

(2) on the basis that the shareholders' foremost concern is price and therefore little else is material within the Northway case, it rejects the argument that a raider cannot proceed without detailed disclosure of questionable payments.

M. Lipton