

To Our Clients

State Takeover Laws

The SEC amicus brief on the appeal of the Sunshine Mining case to the Fifth Circuit makes a very strong argument in support of the District Court decision that the state takeover laws are unconstitutional. The position asserted in the SEC brief, like Judge Hill's District Court decision, would invalidate all the state takeover laws.

In view of the SEC position it appears likely that in the near future a raider, who feels that it stands no chance if delayed by state takeover laws, will not comply with the state takeover laws and bring a declaratory judgment action to hold them invalid as to its tender offer and concurrently make a "Saturday Night Special" tender offer.

M. Lipton