

October 25, 1978

To Our Clients

Tender Offers

S-G Securities, Inc. v. Fuqua Investment Co., Civ. No. 78-2392-S (D. Mass. September 12, 1978) on an application for a temporary restraining order accepted the impact theory for application of the Williams Act and held that an open-market purchase program was a tender offer. Essentially, the court held that public announcement of intention to gain control by buying about 40% of the shares of the target followed by rapid accumulation of large blocks (20% within eight days) was a sufficient showing of possibility of establishing a Williams Act tender offer to warrant grant of a temporary restraining order.

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