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To Our Clients:

Takeovers

Recent experiences show that some of the major money center banks will make blind takeover loan commitments without reserving the right to cancel the commitment if the target turns out to be a client of the bank. While the case law is mixed, if the bank does not have confidential information about the target or if there is a Chinese Wall or other insulation by the bank of confidential information about the target, it is doubtful that the target can get an injunction against the loan or the tender offer. Accordingly, a company that deals with a major bank and furnishes it with confidential information should give consideration to requiring the bank to formally agree that it will reserve the right to elect to cancel an blind takeover loan commitment in any commitments it issues and if the company turns out to be the target, upon the company's request the bank will cancel the commitment.

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