

July 8, 1980

To Our Clients

Takeovers

The SEC has taken the position that a professional arbitrageur that acquires 5% of the target of a takeover bid is not eligible to use Schedule 13G, but must report its holding on Schedule 13D. The SEC position is premised on the presumption that a professional arbitrageur's acquisitions made after a takeover bid has been announced are made in connection with a transaction having the effect of changing control of the target. Faith Colish, CCH Fed. Sec. L. Rep. ¶76,397 (1980).

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