

To Our Clients

Takeovers

The decision in American General Corp. v. NLT Corp., CCH Fed. Sec. L. Rep. ¶ 98.808 (S.D. Tex. July 1, 1982) is another example of the courts refusing to intervene in a counter-tender offer situation. The court rejected American General's argument that the counter-tender offer was "manipulative" and refused to find any violations in a welter of charges of incomplete disclosure of future plans. The court also held that it is not necessary in a first-step partial cash tender offer to give full prospectus-type information with respect to a second-step securities merger.

In addition, the court found that the typical state insurance statute does not foreclose a raider from going to 9.9% even though it acknowledges that upon insurance commission approval it intends to go for full control.

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