

June 28, 1983

To Our Clients:

Takeovers

In Weintraub v. Texasgulf, Inc., CCH ¶99,227 (S.D.N.Y., June 6, 1983), the court held that a target director who gained knowledge of an impending takeover bid in his capacity as a bank officer had no duty of disclosure to the target.

In Reece Corp. v. Walco National Corp., CCH ¶99,226 (S.D.N.Y., June 7, 1983), it was held that in a buy-back from a 10% holder allocation of part of the buy-back price to a no-raid pact would not be effective to reduce the buy-back price for 16(b) short-swing profits recovery purposes.

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