

April 21, 1988

To Our Clients:

Poison Pills

In the Facet case the Delaware Chancery Court refused a raider's request to enjoin use of a pill with a 20% flip-in by a target that was actively seeking a white knight. This is another case where while not passing on the validity of a flip-in the court accepted it and did not express doubt about legality.

In the Irving Bank case a lower New York state court invalidated an amendment that provided that the pill could not be redeemed by a new board elected by less than two-thirds of the shares.

M. Lipton

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