

June 5, 1989

To Our Clients:

A Showstopper Defense to a Foreign Takeover

The Exon-Florio Amendment can be a showstopper defense to a takeover by a foreign raider. Recent developments with respect to Exon-Florio suggest that companies review their operations to determine their "national security" profile and, where appropriate, prepare a preliminary draft memo to CFIUS demonstrating that a foreign takeover should be prohibited by CFIUS under Exon-Florio. It should be kept in mind that "national security" under Exon-Florio is not limited to defense companies.

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