

Corporate & Financial Weekly Digest

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UK Takeover Panel Bans Three

On July 14, the UK Takeover Panel announced the decision of the Takeover Appeal Board to uphold the decision of the Hearing Committee of the Takeover Panel to ban Daniel Posen, Brian Myerson and Brian Padgett for three years from all dealings with any person registered with the Financial Services Authority.

The Appeal Board upheld the finding that in March 2009, 6.7 million shares of Principle Capital Investment Trust Plc (PCIT) were acquired by Messrs. Posen, Myerson and Padgett acting jointly as a “concert party.” In a deliberate attempt to circumvent the requirement under Rule 9 of the City Code on Takeovers and Mergers to make an offer to shareholders of PCIT generally, they purported to be acting separately rather than as a concert party. When the Takeover Panel investigated the transaction, in breach of their obligations to assist the Panel, Messrs. Posen, Myerson and Padgett attempted to conceal the circumstances relating to their acquisition of PCIT shares and to present a false picture.

This type of ban, known as “cold shouldering,” is the first imposed by the Takeover Panel since 1992. It is effectively a three-year ban on any UK financial services or mergers and acquisition activity for the three men concerned.

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