

THE AMERICAN LAWYER

An ALM Publication

americanlawyer.com

JUNE 2013

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COLORFUL COLLOQUIALISMS

This spring, Latham & Watkins released the sixth in its series of “Book of Jargon” apps. The apps explain the terms and colloquialisms used by lawyers around the globe in specific practice areas, such as corporate finance, antitrust and restructuring, and project finance. “Every region has its own slang, so the dictionary helps to fill the gaps in lawyers’ knowledge,” says Mark Gerstein, global cochair of the firm’s M&A practice group. Here are a few of the 1,500 phrases in Latham’s new M&A app.



1 TEXAS SHOOT-OUT CLAUSE: A Texas shoot-out happens when parties with equal voting rights each send a sealed all-cash bid to an umpire stating the price at which each party is willing to buy out the other party. The sealed bids are opened together. The highest bid “wins,” and that bidder must then buy (and the “loser” must sell) the other half share in the business.



3 BEAR HUG: An offer by a bidder to buy a target company at a price usually meaningfully above the target’s current share price. It’s called a bear hug because the acquirer hopes the price is impossible or at least hard to resist.



5 OPEN KIMONO: A term used to describe the act of sharing all the previously undisclosed information about a company, structure, or situation.



2 FOOTsie: A slang term for the FTSE 100 share index of the London Stock Exchange’s leading companies by market capitalization.

4 TOMBSTONE: The name for an ad published to notify the world at large that an event has occurred of actual or presumed importance to the financial services industry.



6 SHARK REPELLENT: A name for any provision or structure that deters or precludes hostile bids or other types of hostile activities, such as market accumulations or proxy contests.

