
<i>Martin Marietta Materials, Inc.</i> v. <i>Vulcan Materials Co.</i>: Delaware Chancery Court Delays Hostile Bid Due to Breaches of Confidentiality Agreements

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On May 4, 2012, the Delaware Court of Chancery temporarily enjoined Martin Marietta Materials, Inc. from pursuing a hostile bid against Vulcan Materials Co. because the court found that Martin Marietta had breached two confidentiality agreements, entered into between the parties when they were contemplating a friendly merger, by using confidential information to launch its hostile bid and formulate its terms and by disclosing confidential information in public filings and other communications with the press and investors. Although neither confidentiality agreement contained a standstill provision, the court, looking to extrinsic evidence to resolve ambiguities in the text of the agreements, held that the agreements prevented Martin Marietta from using and disclosing confidential information in pursuit of its hostile bid.

Attorney

- Geoffrey E. Liebmann