

## THE TAKEOVER PANEL

### **THE BRITISH CAR AUCTION GROUP LIMITED ("BCA")/ NATIONWIDE LEISURE LIMITED ("NATIONWIDE")**

On 10th March, 1977, the Panel heard an appeal by Nationwide against a ruling by the Panel executive that, in purchasing some shares in Nationwide, Mr. Herbert Dobson was not acting in concert with BCA and that consequently BCA's offer to the shareholders of Nationwide need not be increased to the highest price paid by Mr. Dobson for these shares.

On 5th January, 1977 BCA announced a bid for the ordinary shares of Nationwide, of which 6,289,203 were in issue, on the basis of one BCA share for every three Nationwide shares. This put a value of about 10p on a Nationwide share. The directors of Nationwide issued a statement on 18th January, 1977 unanimously advising shareholders to reject the offer as inadequate. Subsequently (on 29th January) Mr. Dobson, the Vice Chairman of Nationwide, and another substantial shareholder sold 1,152,980 shares to BCA in exchange for BCA shares on the same terms as the offer. On 17th February Mr. Dobson bought 500 shares in Nationwide from his daughter-in-law at 15p and on 22nd February he bought a further 1,000 shares from a friend at 20p. He subsequently accepted the BCA offer in respect of 1,000 of these shares.

It was argued for Nationwide that Mr. Dobson had shown himself to be in concert with BCA and thereby BCA had incurred an obligation to increase their offer under Rule 32 of the Code.

Mr. Dobson explained that his motive in buying shares in February, 1977 was to re-acquire a qualification holding as a director. He said that he had not discussed these purchases with BCA before they took place, and BCA confirmed this.

The Panel did not consider, on the facts adduced, that Mr. Dobson was acting in concert with BCA in his share transactions. Accordingly BCA had not incurred any obligation to increase the value of their offer.

10th March, 1977.