

# **Unlocking the Stock Lockup in Mobil v. Marathon Oil, 1 Journal of Merger and Acquisition Analysis 37, (1990).**

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Target Corporations trying to fend off hostile tender offers increasingly have resorted to the sale of treasury stock to white knights. The sale of treasury (or authorized, but unissued) shares has been challenged in a number of court cases by target shareholders and by competing tender offerors as a stock "lock-up" that forecloses other bidders from making competing offers for the target. This paper analyzes the Sixth Circuit's decision in Mobil Corp v. Marathon Oil Co. in which the court struck down a stock lock agreement that Marathon Oil Company (Marathon Oil) entered into in 1981 with United States Steel Corporation (U.S. Steel or USS) to fend off a hostile tender offer by Mobil Corporation (Mobil).

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