

# Delaware Supreme Court Reverses Preliminary Injunction Requiring Go-Shop; Reaffirms “No Single Blueprint” to Satisfy Revlon Duties

December 21, 2014 | Client Update

On Friday, December 19, 2014, the Delaware Supreme Court reversed a preliminary injunction entered by the Delaware Court of Chancery which had (a) barred, for 30 days, a stockholder vote to approve the combination of C&J Energy Services, Inc. and a division of Nabors Industries Ltd., (b) required C&J to conduct a “go-shop” during that period and (c) preemptively declared that such “go-shop” did not constitute a breach of the “no-shop” or other deal-protection provisions in the Nabors/C&J merger agreement. In reversing the injunction, the Supreme Court held that the C&J board likely satisfied its *Revlon* duties (to the extent such duties applied), notwithstanding the lack of a pre-signing market check, given that “[w]hen a board exercises its judgment in good faith, tests the transaction through a viable passive market check, and gives its stockholders a fully informed, uncoerced opportunity to vote to accept the deal, [Delaware courts] cannot conclude that the board likely violated its *Revlon* duties.”

If you have any questions regarding the matters covered in this publication, please reach out to any of the lawyers listed below or your usual Davis Polk contact.

**George R. Bason, Jr.**  
+1 212 450 4340  
george.bason@davispolk.com

**Michael Davis**  
+1 212 450 4184  
michael.davis@davispolk.com

**Phillip R. Mills**  
+1 212 450 4618  
phillip.mills@davispolk.com

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