

Wary of Icahn, Nuance Swallows Poison Pill

Andrew Berg

Nuance Communications, the voice recognition company behind Apple's Siri virtual assistant, today announced a "poison pill" contingency plan that will allow investors to buy shares at a discounted price.

Nuance says the plan is designed to reduce the likelihood of a hostile takeover but also maintained that the plan was not adopted in response to any current effort to acquire control of Nuance. However, it's hard to ignore the fact that billionaire Carl Icahn now owns a 16 percent share in Nuance and has recently been buying up shares of Apple as well.

Under the terms of the new plan, stockholders of record at the close of business on August 29, 2013 will be given one right for each share of Nuance common stock held on that date. The rights will not be exercisable initially and will trade with the shares of Nuance common stock. However, should the rights become exercisable, each right will entitle stockholders to buy one one-thousandth of a share of a new series of participating preferred stock at an exercise price of \$87.00 per right.

The rights will be exercisable only if a person or group acquires 20 percent or more of Nuance's common stock in a transaction not approved by Nuance's board. In that instance, each right will entitle its holder to purchase, at the exercise price, a number of shares of Nuance's common stock having a then-current market value of twice the exercise price.

Given other conditions, such as Nuance merging into another company, each right will entitle its holder to purchase, for the exercise price, a number of shares of common stock of the person engaging in the transaction having a then-current market value of twice the exercise price.

The rights plan will expire a year from today on August 19, 2014.

Source URL (retrieved on 12/05/2013 - 10:15am):

<http://www.wirelessweek.com/news/2013/08/wary-icahn-nuance-swallows-poison-pill>