Contents

Preface	Vi
Acknowledgments	X
PART ONE	
The Arbitrage Process	1
CHAPTER 1 Introduction to Merger Arbitrage	3
CHAPTER 2 The Mechanics of Merger Arbitrage	18
CHAPTER 3 The Role of Merger Arbitrage in a Diversified Portfolio	50
CHAPTER 4 Incorporating Risk into the Arbitrage Decision	103
PART TWO	
Pitfalls of Merger Arbitrage	141
CHAPTER 5 Sources of Risk and Return	143
CHAPTER 6 Deal Structures: Mergers and Tender Offers	188
CHAPTER 7 Financing	217

VI CONTENTS

CHAPTER 8 Legal Aspects	250
CHAPTER 9 Management Incentives	293
CHAPTER 10 Buyouts by Private Equity	328
CHAPTER 11 Minority Squeeze-Outs	341
PART THREE	
Investing in Merger Arbitrage	361
PART THREE Investing in Merger Arbitrage CHAPTER 12 Government Involvement CHAPTER 12	363
CHAPTER 13 Four Ways to Fight Abuse of Shareholders in Mergers	409
CHAPTER 14 Investing in Arbitrage Notes	435
Notes	475
About the Author	483
Exercises	485
Index	497