

# The Information Provision in the Corporate Acquisition Process: Why Target Firms Obtain Multiple Fairness Opinions

Tingting Liu [+ Author & Article Information](#)*The Accounting Review* (2020) 95 (1): 287–310.<https://doi.org/10.2308/accr-52444>

Share ▾

Tools ▾

Cite ▾

## ABSTRACT

Using a hand-collected dataset for takeovers from 1996 to 2013, I examine why some target firms obtain a second fairness opinion and the associated wealth effects of doing so. I find that multiple opinions are more likely to be used in deals in which management/investment bank conflicts of interest are high—e.g., buyouts and stapled financing deals. In addition, the use of a second opinion has a significantly positive impact on target shareholders' wealth in these two types of deals. Fairness opinion valuation predominantly relies on accounting data, and the benefit of seeking a second opinion increases with a firm's earnings quality. Collectively, the results suggest that a second opinion is used to facilitate transactions.

**JEL Classifications:** G34; G24; J33.

**Keywords:** [mergers and acquisitions \(M&As\)](#), [fairness opinions](#), [target returns](#), [buyouts](#), [stapled financing](#), [earnings quality](#).

You do not currently have access to this content.

**Sign in**

Don't already have an account? [Register](#)

**Member Login**

[Skip to Main Content](#)

[Log in](#)

Pay-Per-View Access  
\$25.00

**AAA Members: Please log in for free access to content. Note, Teaching Notes are a full member benefit and are not available to student members.**

 [Buy This Article](#)



[View Metrics](#)

### **Citing Articles Via**

Web Of Science (18)

Google Scholar

CrossRef (33)

### **Email Alerts**

Article Activity Alert

Publish Ahead of Print Alert

New Issue Alert



[Skip to Main Content](#)

**Print ISSN:** 0001-4826 **Online ISSN:** 1558-7967

[Information for Authors](#)

[Authorship Policy](#)

[Plagiarism Policy](#)

[Data Integrity Policy](#)

[Citing Corrected Articles Policy](#)

[Minimizing Overlapping Decision Rights Policy](#)

[Prior Publication Policy](#)

