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## Fairness Opinions in Mergers and Acquisitions

*THE ART OF CAPITAL RESTRUCTURING: CREATING SHAREHOLDER VALUE THROUGH MERGERS AND ACQUISITIONS*, H. Kent Baker, Halil Kiymaz, eds., Wiley, 2011

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### Abstract

When evaluating a merger or acquisition proposal, boards frequently seek fairness opinions from their financial advisors. This fairness opinion ratifies the consideration being paid or received as "fair from a financial point of view" to shareholders. This chapter (Chapter 26 in "The Art of Capital Restructuring: Creating Shareholder Value through Mergers and Acquisitions", Baker and Kiymaz (eds.), Wiley 2011) describes how a Delaware Supreme Court ruling and Delaware corporate law combined to institutionalize fairness opinions and how the form and content of a fairness opinion results from concerns over limiting the liability associated with delivering the opinion. It then surveys the limited finance literature that examines whether fairness opinions provide value to shareholders or serve the interests of the board and management at the expense of shareholders. It also highlights the difficulties associated with conducting such empirical tests because of the way fairness opinions are sought and provided. It concludes with some conjectures about the potential value of fairness opinions, and raises questions for future research.

**Keywords:** Fairness Opinions, Mergers and Acquisitions, Investment Banking**JEL Classification:** G24, G34[Suggested Citation](#) >[Show Contact Information](#) >

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