



Recommended Reading: The Structure of Stockholder Litigation: When Do the Merits Matter?

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Reading Time : **1 min**

The AG Deal Diary team found that “[The Structure of Stockholder Litigation: When Do the Merits Matter?](#)” authored by Minor Myers (Assistant Professor at Brooklyn Law School) and Charles Korsmo (Assistant Professor at Case Western Reserve University School of Law) presents an interesting perspective.

The authors analyzed if the merits matter in stockholder litigation challenging mergers, by comparing class actions alleging fiduciary breach and those seeking stockholder appraisal. They found that the merits appear to matter very little in fiduciary duty class action litigation, where deal size is the strongest predictor of litigation. The authors attribute the difference in the incidence and intensity of fiduciary duty litigation (versus appraisal actions) to certain features of the structure of such litigation, such as a class comprised of all shareholders, lead plaintiffs with small holdings and plaintiffs’ attorneys who control the claims.

Categories

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