

In response to the November 2004 NASD Notice to Members Request for Comment on:

Fairness Opinions Issued by Members, I am submitting the attached copy of a recently completed working paper entitled "Value of Fairness Opinions in US Mergers and Acquisitions, 1980-2002." This paper contains analysis of factors influencing the decisions of boards to seek fairness opinions in several thousand corporate control transactions over the indicated period. We find significant variation in fairness opinions associated with the value of the transaction, the structure of the transaction, the structure of the industry, the familiarity of the firms with each other's business, whether the other party to the transaction has obtained a fairness opinion and the types of other information obtained by both parties. On-going research with this data is presently addressing the characteristics of the providers (investment banks, etc.) of the fairness opinions whose identities are known.

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