



## Fairness Opinions Valuation Services

**M&A, Restructurings & Board Advisory | Independent Opinions by Intelék**

When a significant transaction is proposed, Boards of Directors face immense pressure to act in the best interest of shareholders. Intelék's accredited appraisers deliver independent, rigorous Fairness Opinions built specifically to protect boards, validate deal terms, and withstand the scrutiny of institutional investors, opposing counsel, and regulatory authorities.

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# The Crucial Role of Fairness Opinions in Corporate Transactions

In the high-stakes environment of Mergers & Acquisitions and major corporate restructurings, the Board of Directors faces immense pressure to act in the best interest of shareholders. When a significant transaction is proposed, the question is not just whether the deal is strategic – but whether the **financial terms are fair**. A Fairness Opinion serves as a critical, independent bridge between a proposed transaction and the Board's fiduciary responsibility.

## Legal Liability Risk

An untested or subjective valuation can expose directors to significant legal liability, shareholder litigation, and reputational damage.

## Procedural Fairness

Courts and regulatory bodies look for "procedural fairness" – best demonstrated by an independent, accredited appraiser providing a rigorous "second look."

## The Solution

An accredited valuation specialist with deep corporate finance expertise is the single most important safeguard for sound board governance.

## Standards of Value in Fairness Opinions

The choice of Standard of Value in a Fairness Opinion is vital, as it defines the financial benchmark against which the transaction is measured. While "Fair Market Value" is common, Fairness Opinions often require a broader view of financial equity to ensure all shareholder classes are treated appropriately.

Fairness Opinions frequently require consideration of multiple standards depending on the jurisdiction and the structure of the transaction. It is critical to work with an appraiser who understands the nuances of these standards and can articulate how they apply to the **specific legal and financial context of the deal**.

# Key Standards & Considerations

## **Fair Market Value**

The price at which the asset would change hands between a hypothetical willing buyer and seller. This serves as the fundamental baseline for assessing whether the offer price falls within a "range of reasonableness."

## **Fair Value (Statutory vs. Financial Reporting)**

Depending on the jurisdiction and the nature of the transaction — such as a squeeze-out merger — specific statutory definitions of "Fair Value" may be required to ensure minority shareholders are treated equitably.

## **Relative Value**

In stock-for-stock transactions, the focus shifts to the exchange ratio. We analyze whether the relative values of both the acquirer and the target are fairly represented in the proposed swap.

## **Range of Reasonableness**

Rather than a single-point conclusion, a Fairness Opinion establishes a range of values — allowing the Board to see where the offer price sits within the broader financial landscape.



## Financial Analysis & Due Diligence

Providing a Fairness Opinion requires a higher level of scrutiny than a standard valuation. It involves a **"totality of the circumstances" approach** to ensure no financial stone is left unturned. We conduct a comprehensive review of the financial projections provided by management, testing the underlying assumptions for reasonableness.

❏ **⚠ Critical Standard:** Without an independent, qualified Fairness Opinion, Boards remain exposed to shareholder litigation and claims of breach of fiduciary duty — even when acting in good faith. A rigorous opinion is your procedural shield.

# Valuation Approaches in Fairness Opinions

We employ a **multi-method approach** to triangulate a defensible "Range of Fairness." Each methodology provides an independent lens on value, and convergence across methods strengthens the credibility of our conclusions.

Our three core approaches include the **Income Approach (Discounted Cash Flow)** — projecting future cash flows and discounting them to present value — the **Market Approach (Precedent Transactions)** — analyzing comparable deal multiples — and the **Market Approach (Guideline Public Company)** — benchmarking against publicly traded peers to reflect current market sentiment and sector-specific risk.



# Key Board Support Scenarios

Fairness Opinions are most valuable in situations where a **conflict of interest may be perceived** or where the transaction is exceptionally complex. InteleK provides the independent analytical foundation that Boards and Special Committees require to fulfill their fiduciary duty of care with confidence.

- Going-private and squeeze-out merger transactions
- Related-party and majority shareholder acquisitions
- Hostile takeover bids and defensive maneuvers
- Multi-class share structure allocations

**2–4 Wks**

**Delivery Timeline**

Typical opinion turnaround

**3**

**Core Methodologies**

Triangulated for a range of fairness

**Fixed**

**Fee Structure**

No success-fee conflicts

# Sensitivity Analysis & Financial Due Diligence

A rigorous Fairness Opinion goes beyond a standard valuation — it stress-tests every key assumption to ensure the range of value is defensible under a variety of scenarios.

## Sensitivity Analysis

Evaluating how changes in key variables — such as terminal growth rates or discount rates — impact the valuation range and where the deal price falls within it.

## Review of Projections

Assessing whether management's forecasts are overly optimistic or conservative, and adjusting for any non-recurring items or normalization factors.

## Financing Terms

Analyzing the impact of the deal's capital structure and financing costs on the long-term value for remaining shareholders.

# Key Considerations for Complex Transactions

1

## **Conflict of Interest & Related-Party Transactions**

When a company is being sold to a majority shareholder or affiliate, an independent Fairness Opinion from InteleK confirms the deal was negotiated at arm's length.

2

## **Multi-Class Share Structures**

In companies with multiple classes of stock, the allocation of the purchase price between different share tiers can be contentious. We provide granular analysis to ensure financially equitable distribution.

3

## **Hostile Takeovers & Defensive Maneuvers**

In the event of an unsolicited bid, the Board must decide whether to accept or implement defensive measures. Our opinion provides the data-driven foundation to recommend or reject a deal.

4

## **Special Committee Engagements**

When certain board members have a conflict of interest, a Special Committee of independent directors engages InteleK to ensure the process remains arm's-length and untainted by bias.

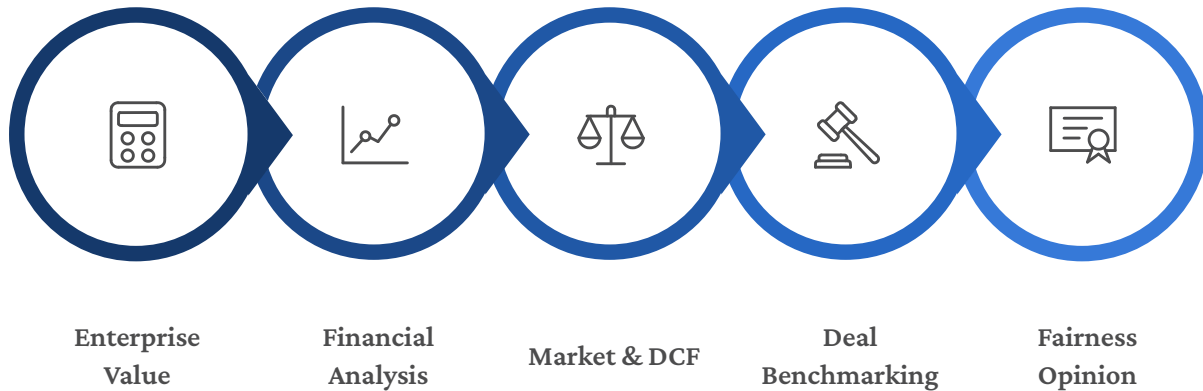
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## **Expert Testimony & Litigation Defense**

Should a transaction be challenged by dissenting shareholders, our accredited appraisers are prepared to defend our conclusions in court or arbitration with clear, articulate testimony.

# InteleK's Fairness Opinion Approach

Our accredited appraisers bring deep expertise in corporate finance, business valuation, and board advisory to every engagement. Every Fairness Opinion is built to withstand the scrutiny of institutional investors, opposing counsel, and regulatory authorities.



Our proven two-phase approach first establishes enterprise value through rigorous financial analysis, then benchmarks the proposed deal price against a defensible range of fairness — giving the Board the clarity and confidence required for sound corporate governance.



# What Sets IntelleK's Process Apart



## Strict Independence

Unlike investment banks that may receive a "success fee" upon deal closing, IntelleK provides an unbiased opinion for a fixed fee — ensuring our conclusions are never influenced by the outcome of the transaction.



## Range of Reasonableness

We don't just provide a single number — we provide a range of values, allowing the Board to see where the offer price sits within the broader financial landscape and make a fully informed decision.



## Rigorous Documentation

Our Fairness Opinion reports are meticulously detailed, providing the Board with a robust "defense file" that documents the thoroughness of their due diligence and protects against shareholder litigation.



## Timely Execution

We understand that deal timelines move fast. We integrate seamlessly with your legal and financial advisors to deliver timely insights without compromising on the depth of our analysis.



# Strategic Partnership With Your Advisory Team

InteleK doesn't work in isolation – we work **alongside your advisory team** to ensure the Fairness Opinion integrates seamlessly into the overall transaction process, board meeting schedule, and proxy statement requirements.

## → **Legal Counsel & M&A Attorneys**

We coordinate with legal counsel to ensure the Fairness Opinion supports the Merger Agreement, proxy statement, and any Special Committee documentation requirements.

## → **Investment Bankers & Financial Advisors**

Our reports are structured to complement the work of investment bankers – providing the independent "second look" that boards require to satisfy their procedural fairness obligations.

## → **Boards, Special Committees & Fiduciaries**

We act as a trusted advisor to the Board and Special Committees, providing the financial clarity needed to navigate the most difficult corporate decisions with confidence.

# Fairness Opinion Advisory Services FAQs

Expert insights into independent financial analysis, board fiduciary duties, and valuation reasonableness for major corporate transactions in 2026.

## What exactly is a Fairness Opinion?

A Fairness Opinion is an independent report provided by an accredited appraiser that concludes whether the financial terms of a transaction — such as a merger, acquisition, or buy-back — are "fair, from a financial point of view" to the shareholders, providing a data-driven "Range of Reasonableness."

## How is fairness assessed in a stock-for-stock merger?

In stock-for-stock deals, we focus on the "Exchange Ratio." We perform a valuation on both the acquirer and the target to determine if the proposed swap of shares reflects the underlying economic value of both entities fairly for both sets of shareholders.

## When should a Board request a Fairness Opinion?

Opinions are typically sought in "Going Private" deals, related-party transactions, hostile takeover bids, or when a significant minority group is involved. It is a critical tool for the Board to demonstrate they have fulfilled their fiduciary duty of care.

## What role does a "Special Committee" play?

In transactions where certain board members have a conflict of interest, a Special Committee of independent directors is formed. This committee typically engages the independent appraiser to provide the Fairness Opinion and ensure the process remains arm's-length and untainted by bias.

## How does an independent opinion differ from an Investment Bank's view?

Investment banks often have a "success fee" contingent on the deal closing, which can create a perceived conflict. IntelK provides independent opinions for a fixed fee, ensuring our analysis is objective and uninfluenced by whether the transaction successfully executes.

## Can a Fairness Opinion help defend against shareholder litigation?

Yes. While it doesn't prevent lawsuits, a robust, independent Fairness Opinion is powerful evidence in court. It demonstrates that the Board followed a thorough and diligent process, making it much harder for plaintiffs to prove a breach of fiduciary duty.

## What methodologies are used to determine "fairness"?

We use a combination of the Income Approach (Discounted Cash Flow), Market Approach (Precedent Transactions and Guideline Public Companies), and often a Relative Value analysis in stock-for-stock deals. We look for a convergence of value across these methods to establish a defensible range.

## What information is reviewed during the process?

We review internal management projections, historical financial audits, deal documents (like the Merger Agreement), industry research reports, and board minutes. We also interview key management to test the sensitivity and reliability of their future business forecasts.

## Does a Fairness Opinion guarantee the "best possible" price?

Not necessarily. A Fairness Opinion confirms the price is "fair" — within a reasonable range — not that it is the absolute maximum price achievable. It is a tool for risk mitigation and informed decision-making rather than a guarantee of a perfect price.

## How long does it take to issue a Fairness Opinion?

The timeline depends on the complexity of the deal and the availability of data, but most opinions are delivered within 2 to 4 weeks. We work closely with legal counsel to align our delivery with the proxy statement or board meeting schedule.

ABOUT US

# About IntelleK

## Business Valuations For Today.... & Tomorrow

Business Valuations are an "opinion of value" so finding the right professional valuer is key, an opinion with trust. Business Valuations need the combination of science (technology) and art (knowledge & experience).

IntelleK embraces the two worlds to deliver the most robust and efficient service to its clients, adapting to the ever changing environment of businesses and how to value them.

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OUR PURPOSE

## Transferring Business Valuation Knowledge to Business Owners

Most business owners don't know the value of the business, let alone where the value comes from, how to influence / increase it, or where the risk exposure is, which limits its potential.

[Contact Us](#)

