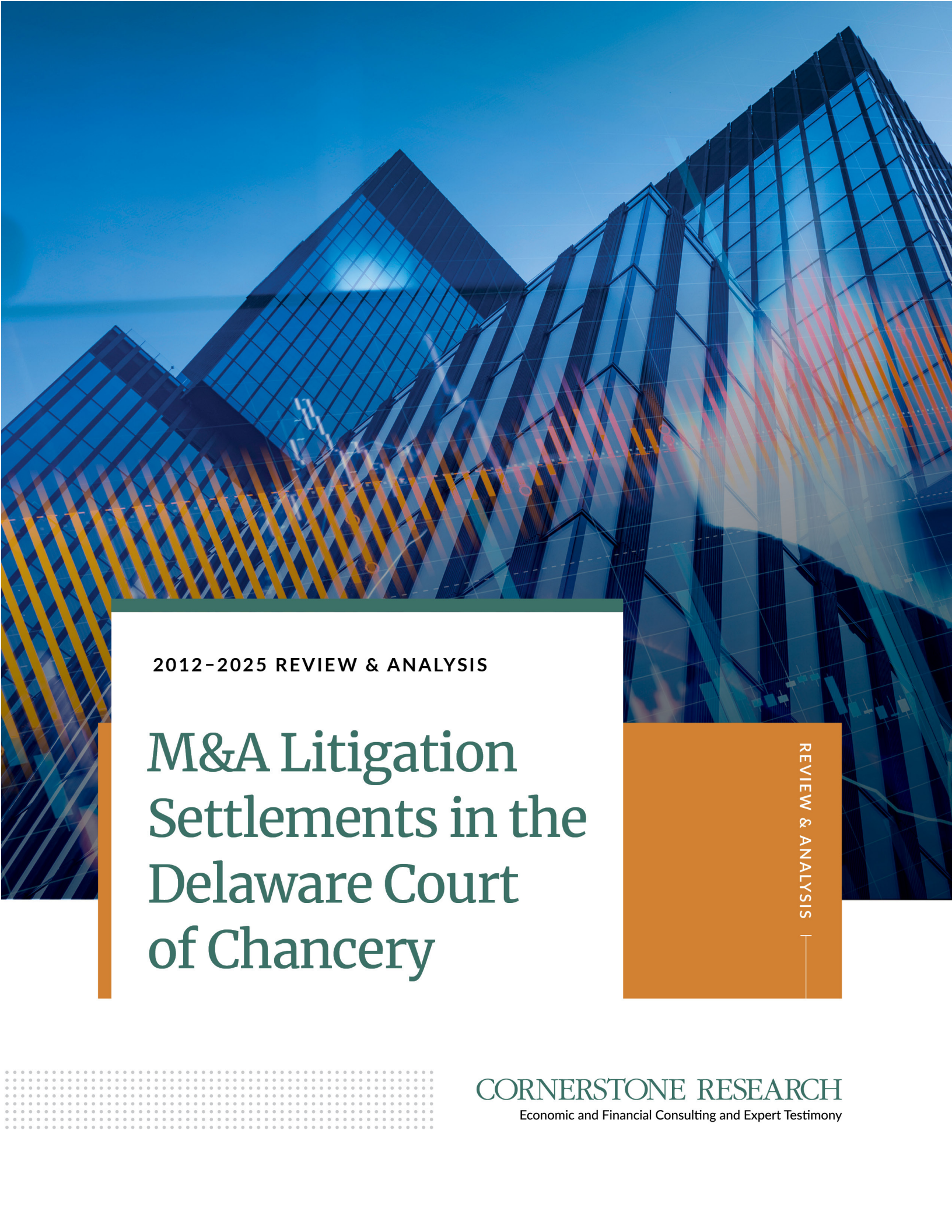




2012-2025 REVIEW & ANALYSIS

M&A Litigation Settlements in the Delaware Court of Chancery

REVIEW & ANALYSIS



CORNERSTONE RESEARCH

Economic and Financial Consulting and Expert Testimony

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Executive Summary

Many merger and acquisition (M&A) transactions involving companies incorporated in Delaware have been subject to litigation brought in the Delaware Court of Chancery by stockholders of the acquirer or target.

This report analyzes settlements in M&A-related litigation in the Delaware Court of Chancery between 2012 and 2025. The analysis is based on a hand-collected sample of 143 such settlements with a known monetary settlement amount.

NUMBER AND AGGREGATE TOTAL AMOUNT OF SETTLEMENTS

While the number of cases settled in 2025 (25) was the highest during the analysis period, the aggregate total settlement amount of M&A-related litigation in the Delaware Court of Chancery declined to \$326.6 million in 2025 from the peak of \$734.8 million (adjusted for inflation) in 2023. [\(page 3\)](#)

The majority of 2025 settlements were cases involving mergers with special purpose acquisition companies (SPACs). In 2025, 17 of the 25 settlements involved SPAC mergers, representing 53% of the aggregate total settlement amount. [\(page 3\)](#)

The median settlement amount of \$10 million and the median settlement amount as a percentage of transaction value of 0.5% in 2025 were the lowest compared to the previous five years (when the median settlement amount was

\$22.6 million and the median settlement amount as a percentage of transaction value was 1.6%). The median settlement amount as a percentage of damages claimed by plaintiffs in 2025 of 24% was in the range of 12%–33% observed in the 2020–2024 period and above the corresponding average level. See Appendix 2 for additional details regarding damages claimed by plaintiffs, referred to herein as “Claimed Damages.” [\(page 4\)](#).

All 2025 settlement amounts were below \$50 million, and 80% were below \$20 million. In comparison, only 42% of settlements in 2020–2024 were below \$20 million. [\(page 5\)](#)

CLAIMED DAMAGES AND TRANSACTION VALUE

The average Claimed Damages amount in 2025 was \$61.2 million, substantially lower compared to \$514.6 million in 2024, \$309.7 million in 2023, and \$674.3 million in 2022. This was in part driven by settlements of SPAC-related litigation. In 2025, 15 of the 21 settlements with available Claimed Damages were related to SPAC transactions, which had an average Claimed Damages amount of \$48.5 million. The average Claimed Damages for non-SPAC transactions was \$92.9 million (lower than the average for 2020–2024 of \$542.6 million). [\(page 6\)](#)

As a percentage of Claimed Damages, 2025 settlements were higher than in the 2020–2024 period. In 2025, 81% of settlement amounts exceeded 15% of Claimed Damages, whereas in 2020–2024 48% of settlements exceeded 15%. The average (median) settlement amount as a percentage of Claimed Damages was 24.6% (14.4%) during 2020–2024 and 29.8% (24.5%) in 2025. [\(page 7\)](#)

The analysis in this report also shows that there is a positive and statistically significant correlation between settlement amounts and Claimed Damages. Of the variation in settlement amounts during the analysis period, 71% can be explained by differences in Claimed Damages, as measured by R^2 . In addition, cases with higher Claimed Damages generally settle for a smaller percentage of Claimed Damages. The transaction value also exhibited a statistically significant and positive correlation with settlement outcomes (with the statistical relationship being weaker than between Claimed Damages and settlement outcomes). (pages 8–10)

ALLEGATIONS

The 2025 settlements had different characteristics compared to the rest of the analysis period. In 2025, 72% of settlements involved plaintiffs representing stockholders of the acquirer, as opposed to only 29% in 2020–2024. This increase was largely driven by cases involving SPACs with stockholders of publicly traded acquirers as plaintiffs. Of the cases settled in 2025, 96% involved an allegedly controlled firm (either acquirer or target, in which plaintiffs were minority stockholders) and 84% involved allegations of misrepresentations in the proxy. (pages 11–13)

LITIGATION DURATION

Compared to cases that lasted less than three years or more than four years, cases that spanned between three and four years had higher median settlement amounts and the highest Claimed Damages. Cases with a duration of less than two years had the highest median settlement amount as a percentage of Claimed Damages (27%), but their Claimed Damages were generally smaller, resulting in lower absolute settlement amounts. (page 14)

PLAINTIFF COUNSEL FEES

Median and average plaintiffs' counsel fees in 2025 were the lowest within the analysis period. This decline was in part driven by the decline in settlement amounts in 2025 relative to prior years. The percentage of the settlement amount that plaintiffs' counsel received in fees also declined in 2025. In 2025, plaintiffs' counsel fees were below 20% of the settlement amount in 12 of 24 settlements. The corresponding percentage was 29% (21 of 73) in 2020–2024. (page 15)

Aggregate Total and Median Settlement Amount

While the 25 settlements identified in 2025 represented the highest number of settlements during the analysis period of 2012–2025, the aggregate total settlement amount in 2025 of \$326.6 million declined from its peak value of \$734.8 million (inflation-adjusted) in 2023.

In 2025, 17 of the 25 settlements were associated with litigations related to mergers of SPACs with private targets (de-SPAC transactions). Those settlements represented 68% of the 2025 settlements and 53% of the 2025 aggregate total settlement amount.

The average and median settlement amounts in 2025 were the lowest during the analysis period, in part driven by relatively low settlement amounts in SPAC-related litigations. The average

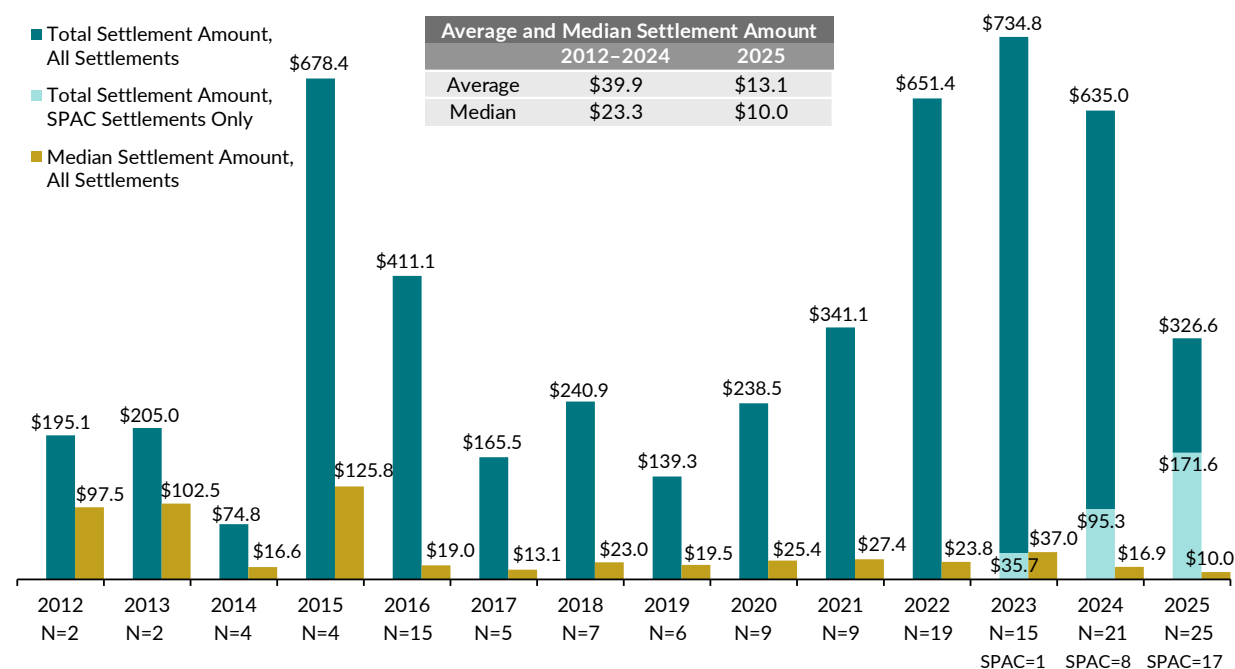
(median) settlement amount in SPAC litigations settled in 2025 was \$10.1 million (\$8.8 million), consistent with the average (median) settlement amount for SPAC litigations settled in 2024 of \$11.9 million (\$11.0 million) (inflation-adjusted).

In non-SPAC litigations settled in 2025, the average (median) settlement amount was \$19.4 million (\$14.6 million), compared to average (median) settlement amounts in non-SPAC litigations settled in 2024 of \$41.5 million (\$24.1 million).

\$326 million

2025 aggregate total settlement amount

Figure 1: Number of Settlements, Aggregate Total Settlement Amount, and Median Settlement Amount 2012–2025
(Dollars in millions)



Note: This chart is based on 143 settlements of M&A litigation in the Delaware Court of Chancery that settled in 2012–2025 with a known monetary amount. N denotes the total count of settlements for the respective year, while SPAC denotes the count of SPAC settlements. No settlement prior to 2023 is classified as associated with a SPAC. The dollar figure above each bar denotes the aggregate total or median settlement amount for the respective year. Settlement amount is adjusted for inflation; 2025 dollar-equivalent figures are used for this analysis.

Median Settlement Amount

The 2025 median settlement amount of \$10.0 million was the lowest compared to the previous five years. This was driven in part by a relatively large number of settlements of SPAC cases.

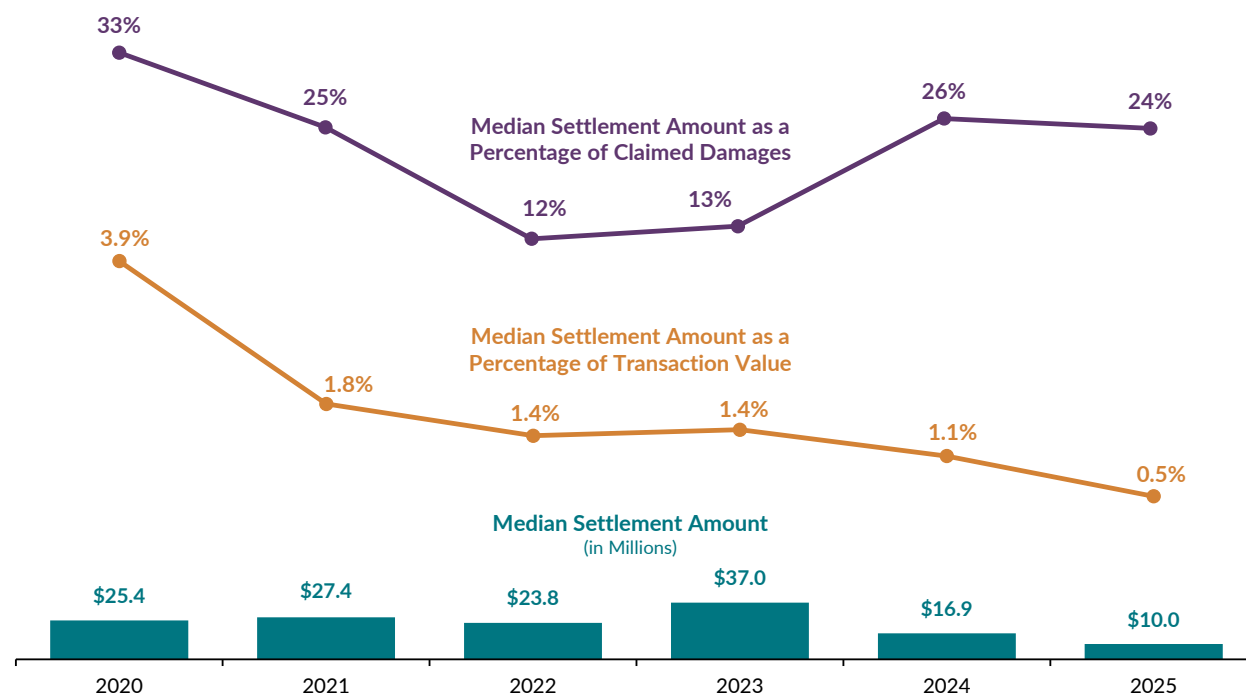
The median settlement amount, expressed as a percentage of transaction value, continued its downward trajectory from 2020. The 2025 median settlement amount as a percentage of transaction value of 0.5% was the lowest compared with median settlement percentages of 1.1%–3.9% in the prior five years.

\$10 million

2025 median settlement amount

The 2025 median settlement amount as a percentage of Claimed Damages of 24.5% is close to the corresponding figure of 25.6% in 2024 and within the range of 12%–33% in 2020–2024.

Figure 2: Median Settlement Amount, Median Settlement Amount as a Percentage of Transaction Value, and Median Settlement Amount as a Percentage of Claimed Damages Amount 2020–2025



Note: This chart is based on 98 settlements of M&A litigation in the Delaware Court of Chancery that settled in 2020–2025 with a known monetary amount. Of these 98 settlements, 67 have a known Claimed Damages amount and 91 have a transaction value reported by FactSet. The dollar figure above each bar denotes the median settlement amount for the respective year. From 2023 to 2025, there are 1, 8, and 17 SPAC settlements with a median settlement amount of \$35.7 million, \$11 million, and \$8.8 million, respectively. Settlement amount, Claimed Damages, and transaction value are adjusted for inflation; 2025 dollar-equivalent figures are used for this analysis.

Settlement Amount Distribution

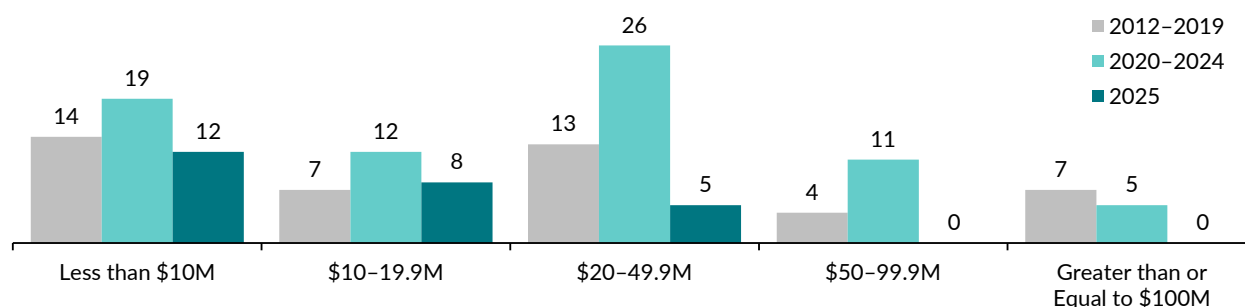
A comparison of settlement amount distributions in 2025 and prior years during the analysis period, shown in Figure 3, confirms that 2025 settlements were comparatively smaller.

In 2025, the largest number of settlements (12) were below \$10 million, and no settlement exceeded \$50 million. In comparison, the largest number of settlements (26) in 2020–2024 were

in the \$20 million–\$49.9 million range, and 16 settlements exceeded \$50 million.

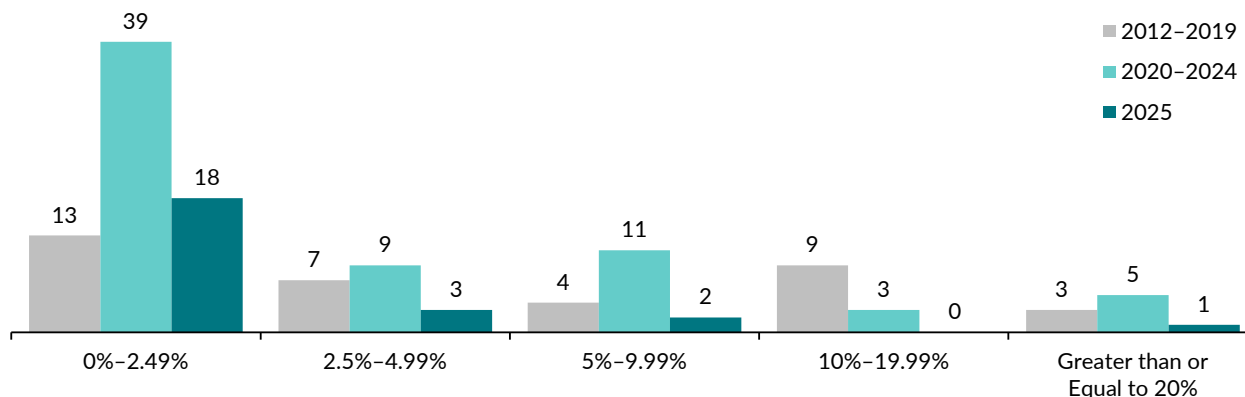
When measured as a percentage of transaction value, shown in Figure 4, 18 of 24 settlements in 2025 were below 2.5% of transaction value. This corresponded to a higher fraction in 2025 than in 2020–2024 (39 of 67).

Figure 3: Distribution of Settlement Amounts
2012–2025



Note: This chart is based on 143 settlements of M&A litigation in the Delaware Court of Chancery that settled in 2012–2025 with a known monetary amount. The figure above each bar shows the number of settlements in the respective period with the settlement amount in the indicated value range. Settlement amount is adjusted for inflation; 2025 dollar-equivalent figures are used for this analysis.

Figure 4: Distribution of Settlement Amounts as a Percentage of Transaction Value
2012–2025



Note: This chart is based on 127 settlements of M&A litigation in the Delaware Court of Chancery that settled in 2012–2025 with both a known monetary amount and a transaction value reported by *FactSet*, which reflects the value of equity purchased in each M&A transaction (see also the description in Appendix 1). The figure above each bar shows the number of settlements in the respective period with the settlement amount as a percentage of transaction value in the indicated value range. Settlement amount and transaction value are adjusted for inflation; 2025 dollar-equivalent figures are used for this analysis.

Aggregate Total Claimed Damages Amount

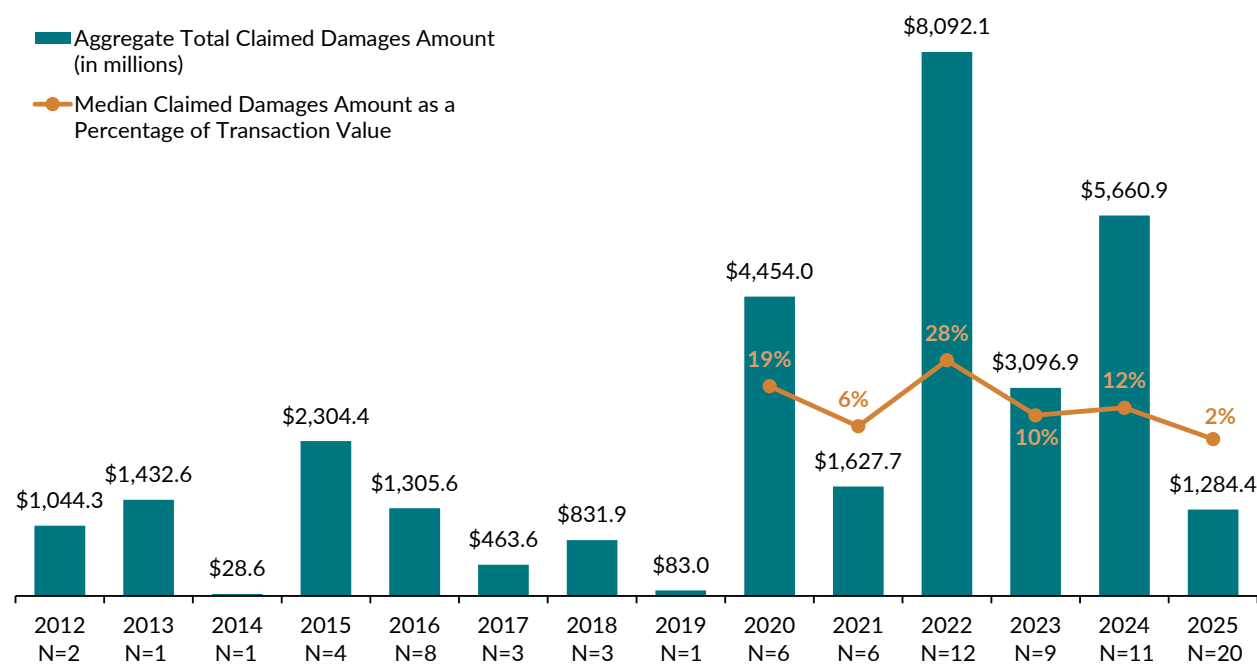
The aggregate total Claimed Damages amount of \$1,284 million in 2025 (identified for 21 of the 25 litigations settled in 2025) was the lowest during 2020–2025. At the same time, the number of settlements for which Claimed Damages were identified was higher than in earlier years (21 of 25 in 2025 compared to 46 of 73 in 2024).

The average Claimed Damages amount in 2025 was \$61.2 million, substantially lower compared to \$498.5 million in 2020–2024. The 2025 median Claimed Damages as a percentage of transaction value of 1.9% was also much lower,

compared with such percentages in the 6.1%–27.9% range during 2020–2024.

The relatively low Claimed Damages amounts, both when expressed as a percentage of transaction value and in absolute terms, were driven in part by settlements of SPAC-related cases, which tend to have smaller Claimed Damages. In 2025, 15 of the 21 settlements with available Claimed Damages were related to SPAC transactions, with an average Claimed Damages amount of \$48.5 million. The six non-SPAC-related settlements had an average Claimed Damages amount of \$92.9 million.

Figure 5: Aggregate Total Claimed Damages Amount and Median Claimed Damages as a Percentage of Transaction Value 2012–2025



Note: This chart is based on 91 settlements of M&A litigation in the Delaware Court of Chancery that settled in 2012–2025 with a known monetary amount and Claimed Damages amount. Of these 91 settlements, 87 have a transaction value reported by *FactSet*. The dollar figure above each bar denotes the aggregate total Claimed Damages amount for the respective year. N denotes the count of settlements with available Claimed Damages and transaction value for the respective year. The median Claimed Damages amount as a percentage of transaction value is not shown for years prior to 2020 due to having relatively fewer datapoints. There are four SPAC settlements in 2024 with an aggregate total Claimed Damages amount of \$142.7 million and 15 SPAC settlements in 2025 with an aggregate total Claimed Damages amount of \$726.9 million. Claimed Damages and transaction value are adjusted for inflation; 2025 dollar-equivalent figures are used for this analysis.

Settlement Amount as a Percentage of Claimed Damages

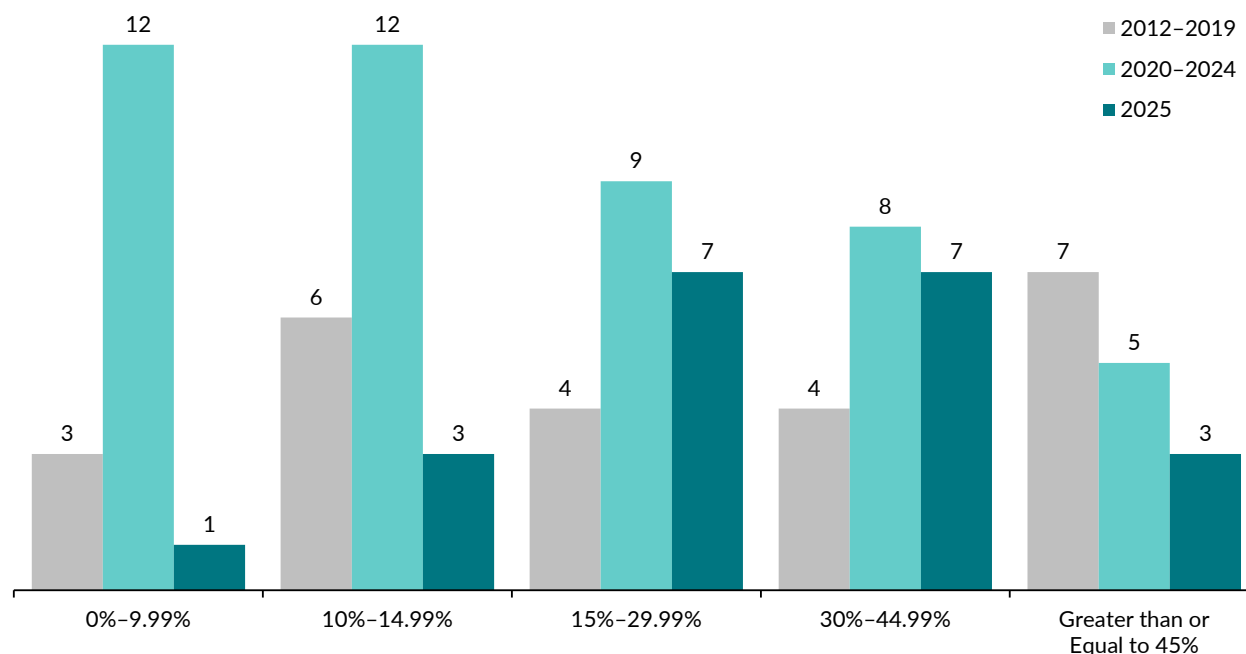
As shown in Figure 6, 2025 settlements were large relative to the Claimed Damages. In 2025, 17 of 21 settlements (81%) with available Claimed Damages amounts had settlement amounts equal to at least 15% of Claimed Damages. In comparison, only 48% of settlements in 2020–2024 exceeded 15% of Claimed Damages.

This pattern can be explained in part by Claimed Damages amounts in 2025 being substantially lower than in earlier years.

Litigations with lower Claimed Damages tend to settle for a larger percentage of Claimed Damages. The average (median) settlement amount as a percentage of Claimed Damages was 24.6% (14.4%) during 2020–2024 and 29.8% (24.5%) in 2025.

Settlements in 2025 tended to be a higher percentage of Claimed Damages in part because litigations with lower Claimed Damages tended to settle for a higher fraction of Claimed Damages.

Figure 6: Distribution of Settlement Amounts as a Percentage of Claimed Damages 2012–2025



Note: This chart is based on 91 settled M&A litigations in the Delaware Court of Chancery that settled in 2012–2025 with a known monetary amount and Claimed Damages amount. The figure above each bar shows the number of settlements in the respective period with the settlement amount as a percentage of Claimed Damages in the indicated value range. Settlement amount and Claimed Damages are adjusted for inflation; 2025 dollar-equivalent figures are used for this analysis.

Settlement Amounts and Claimed Damages

There is a positive and statistically significant correlation (characterized by a regression coefficient of 0.64) between the natural logarithm of the settlement amount and the Claimed Damages amount in the sample. The positive correlation implies that larger Claimed Damages are associated with larger settlements. A coefficient of 0.64 implies that a 10% increase in Claimed Damages is associated with a 6.4% increase in settlement amount.

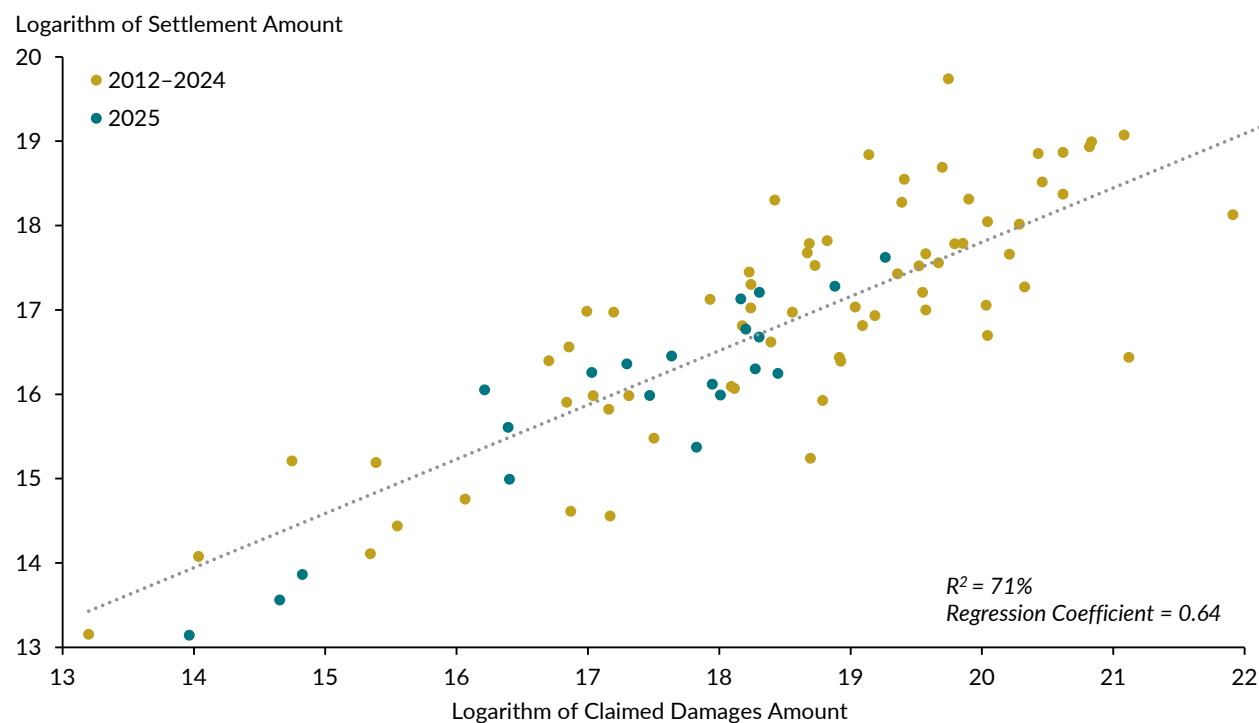
The Claimed Damages amount explains 71% of the variation in settlement amounts (as measured by adjusted R^2 of the regression).

71%

Variation in settlement amounts in logarithmic terms that can be explained by Claimed Damages amount

Because the estimated regression coefficient is below 1, the estimated relationship implies that the settlement amount as a fraction of Claimed Damages is, on average, lower for larger Claimed Damages, which is further discussed on page 9.

Figure 7: Logarithm of Settlement Amount Compared to Logarithm of Claimed Damages Amount 2012–2025



Note: This chart is based on 91 settled M&A litigations in the Delaware Court of Chancery that settled in 2012–2025 with a known monetary amount and Claimed Damages amount. The dashed line represents the linear regression line implied by the data. Settlement amount and Claimed Damages are adjusted for inflation; 2025 dollar-equivalent figures are used for this analysis.

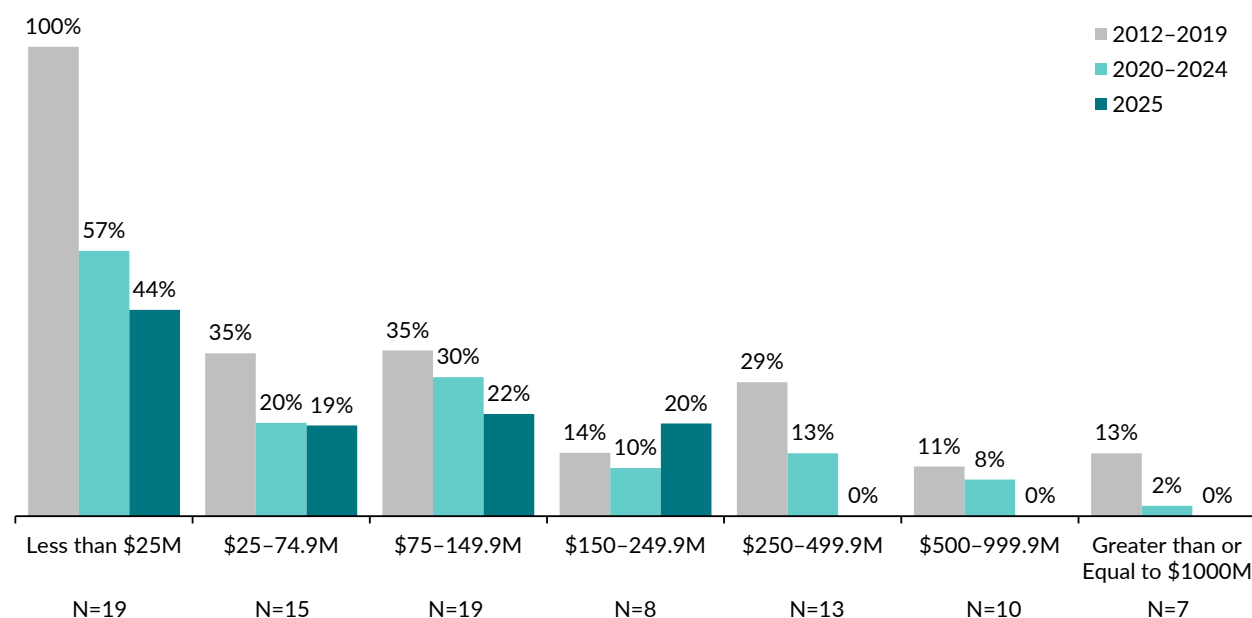
Median Settlement Amount Percentage by Claimed Damages Range

The median settlement amount as a percentage of the Claimed Damages amount was lower as Claimed Damages increased throughout the analysis period. In other words, litigations with higher Claimed Damages tended to settle for a smaller percentage of Claimed Damages.

Litigations with relatively smaller Claimed Damages of less than \$25 million settled for

44.0% in 2025 and 56.6% in 2020–2024, at the median. Litigations with Claimed Damages in the range of \$150 million–\$249 million settled for 19.8% in 2025 and 10.3% in 2020–2024, at the median, whereas litigations with the highest Claimed Damages of over \$1 billion settled for 2.2% in 2020–2024 at the median (no such litigations settled in 2025).

Figure 8: Median Settlement Amount as a Percentage of Claimed Damages Amount by Damages Ranges 2012–2025



Note: This chart is based on 91 settled M&A litigations in the Delaware Court of Chancery that settled in 2012–2025 with a known monetary amount and Claimed Damages amount. The figure above each bar shows median settlement amount as a percentage of Claimed Damages amount in the respective period with Claimed Damages amounts in the indicated value range. N denotes the count of settlements with known Claimed Damages amounts in the indicated value range. Settlement amount and Claimed Damages are adjusted for inflation; 2025 dollar-equivalent figures are used for this analysis.

Settlement Amounts and Transaction Value

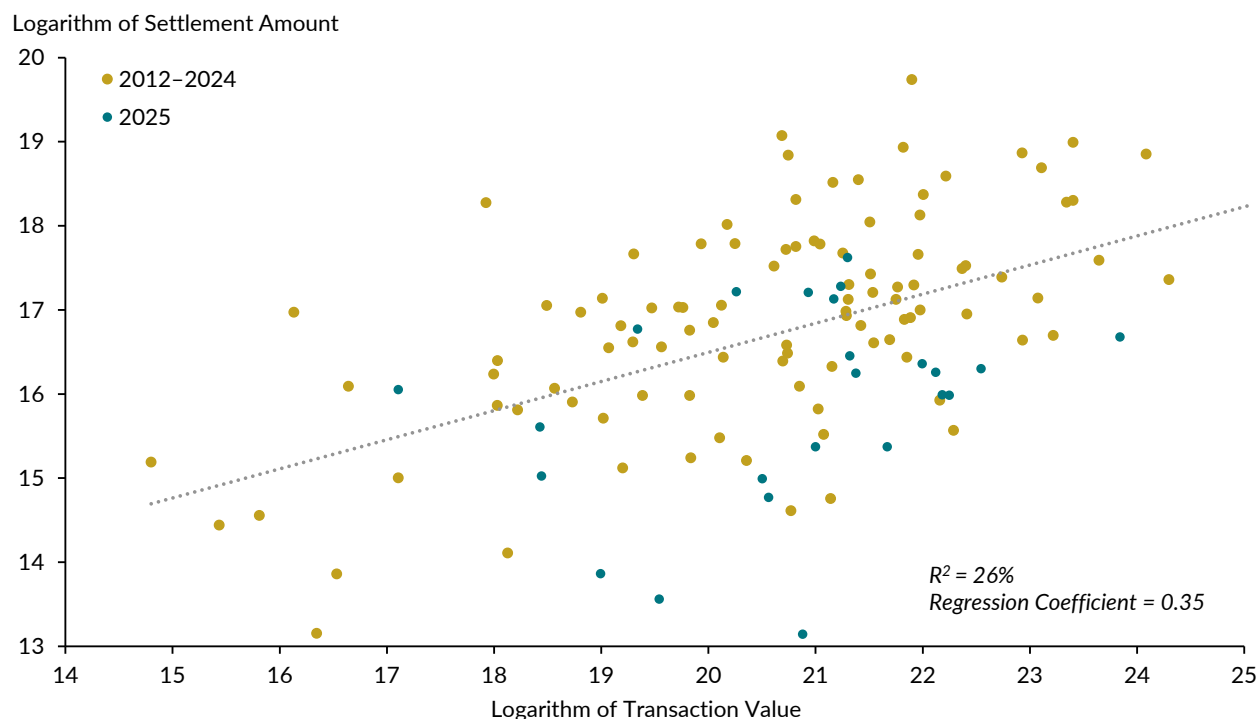
Because transaction value amounts span a wide range, this analysis is based on the natural logarithm of transaction values and natural logarithm of settlement amounts.

There is a positive and statistically significant correlation (characterized by a regression coefficient of 0.35) between the settlement amount and the associated transaction value in the sample. Positive correlation implies that larger transaction values are associated with larger settlements.

As measured by adjusted R^2 of the regression, the transaction value explains 26% of the variation in settlement amounts (40% restricted to non-SPAC cases). Compared to Claimed Damages, transaction value can explain a lower percentage of variation in settlement amounts.

In a multivariate regression analysis of settlement amounts with both Claimed Damages and transaction values as explanatory variables, only the coefficient for Claimed Damages is statistically significant.

Figure 9: Logarithm of Settlement Amount Compared to Logarithm of Transaction Value 2012–2025



Note: This chart is based on 126 settled M&A litigations in the Delaware Court of Chancery that settled in 2012–2025 with a known monetary amount and a transaction value reported by FactSet. Of these 126 settlements, one transaction with a logarithm transaction value below 14 is not shown and not analyzed. The analysis uses the natural logarithm of each transaction value and settlement amount. The dashed line represents the linear regression line implied by the data. Settlement amount and transaction value are adjusted for inflation; 2025 dollar-equivalent figures are used for this analysis.

Stockholder Characteristics

The 2025 settlements had different lawsuit characteristics relative to the rest of the analysis period. Figure 10 shows that 68% of settlements in 2025 involved plaintiffs who were stockholders of the acquirer, the majority of which were SPAC stockholders. In comparison, the fraction of acquirer stockholder plaintiffs was only 29% in 2020–2024, of which 12% were SPAC stockholders.

Figure 10: Plaintiffs Are Acquirer Company Stockholders
2012–2025

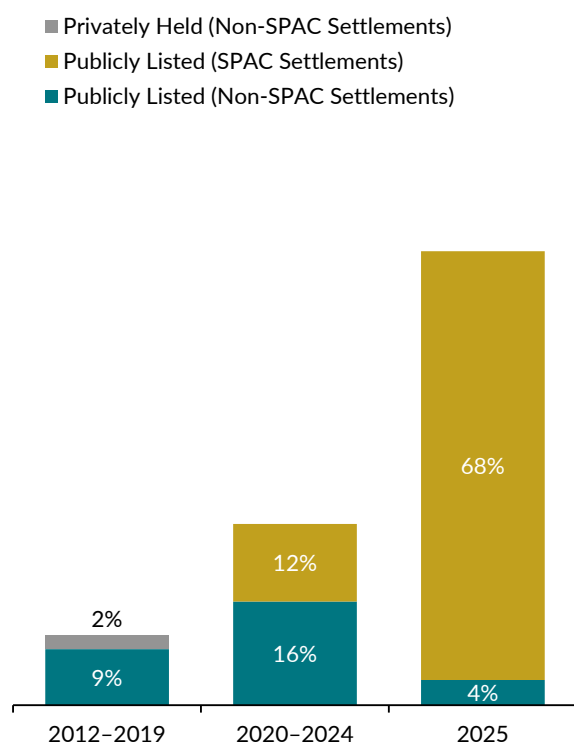
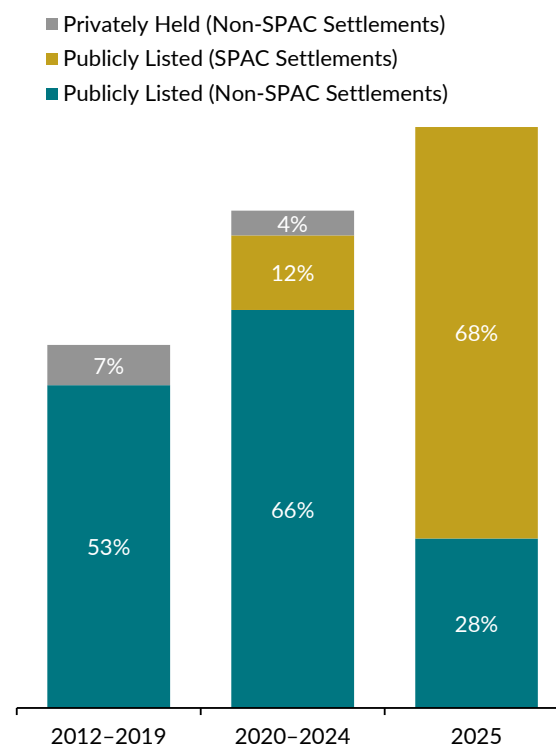


Figure 11 shows that in 96% of litigations settled in 2025, plaintiffs alleged that the company in which they owned stock was controlled (either target or acquirer). This fraction of allegedly controlled firms was higher than the corresponding fraction of 82% in 2020–2024.

In all SPAC litigation, plaintiffs explicitly alleged that SPAC sponsors controlled the SPAC.

Figure 11: Alleged Controlling Shareholder Defendant
2012–2025



Note: These charts are based on 143 settlements of M&A litigation in the Delaware Court of Chancery that settled in 2012–2025 with a known monetary amount. Figure 10 is based on a review of litigation complaints. Public status of the target/acquirer company was determined through independent research. Additional variable descriptions are provided in Appendix 2. Figure 10 shows the listing status (public or private) of the *acquirer*. Figure 11 is based on a review of litigation complaints. Allegations of controlling stockholders are as alleged in the complaints (see also Appendix 2). Public status of the target company was determined through independent research. Figure 11 shows the listing status (public or private) of the acquirer or target, depending on whether the plaintiffs are acquirer or target shareholders, respectively.

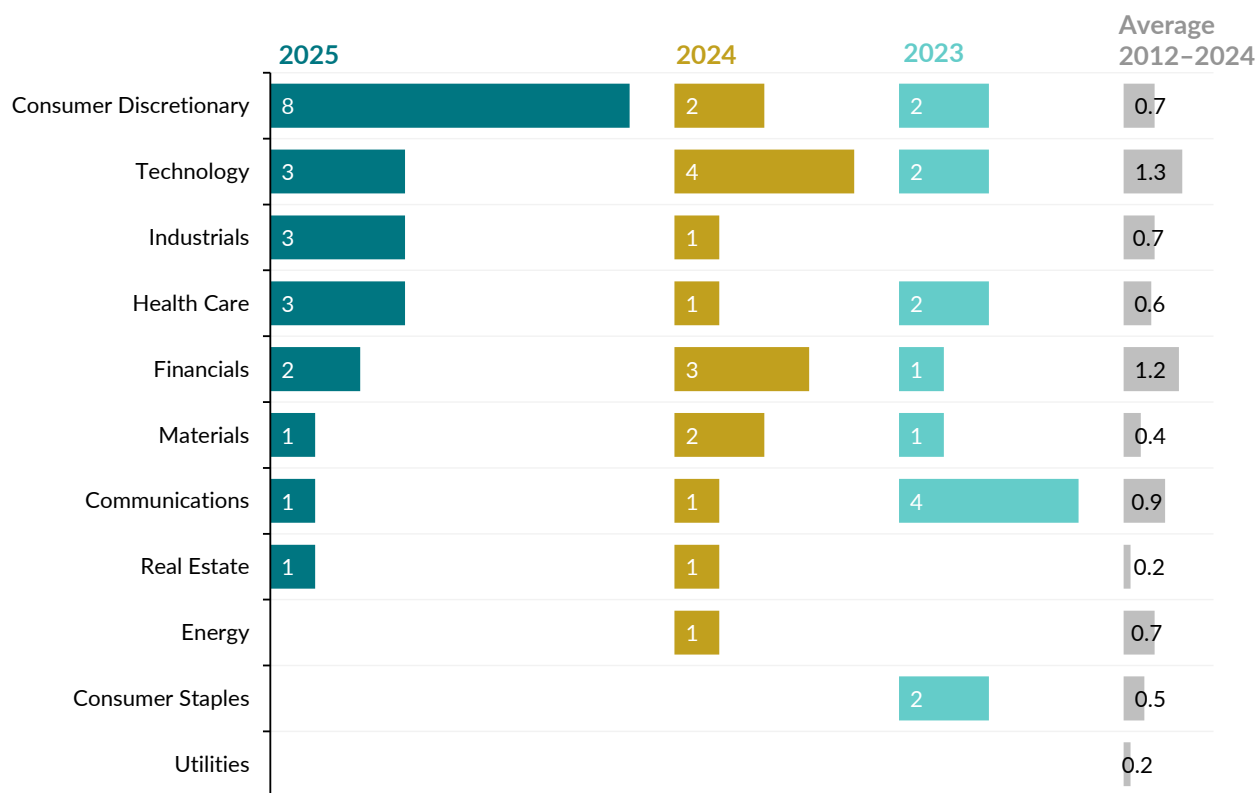
Industry Comparison

Target companies associated with 2025 settlements were most frequently in the Consumer Discretionary industry (eight settlements). In comparison, there were two settlements associated with targets in that industry in each of 2023 and 2024.

In 2025, there were three settlements associated with targets in each of the Health Care, Industrials, and Technology industries. There was one settlement with a target in the Communications industry in 2025; the corresponding figure was one and four in 2024 and 2023, respectively.

The number of settlements in the Consumer Discretionary sector increased to eight in 2025 compared to two in each of 2023 and 2024.

Figure 12: Number of Settlements by Target Company Industry (BICS)
2012–2025



Note: This chart is based on 117 settlements of M&A litigation in the Delaware Court of Chancery that settled in 2012–2025 with a known monetary amount and an available Bloomberg Industry Classification Standards (BICS) designation reported by Bloomberg.

Allegations of Misrepresentations in the Proxy and Against Financial Advisors

Figure 13 shows that 84% of litigations settled in 2025 involved allegations of misrepresentations in the proxy for the corresponding M&A transaction. In all SPAC-related litigations, plaintiffs alleged that defendants included misrepresentations in the transaction proxy, which caused stockholders to approve the transaction.

Figure 13: Alleged Misrepresentations in Proxy 2012–2025

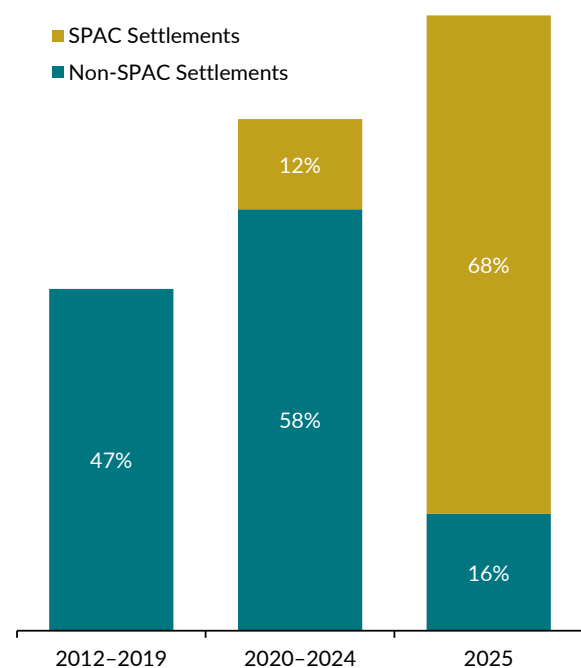
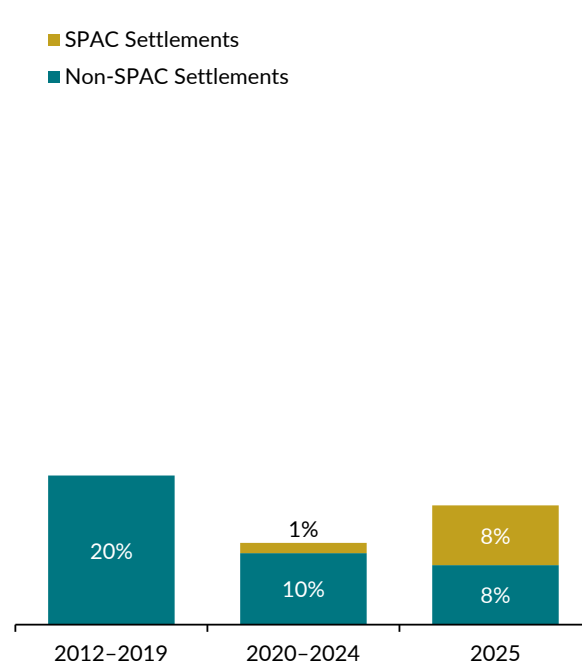


Figure 14 shows that 16% of 2025 settlements involved financial advisors for the transaction as defendants. This percentage is higher than the corresponding percentage in 2020–2024 (11%). Two of the 17 SPAC-related litigations settled in 2025 involved a financial advisor to the transaction as a named defendant.

Figure 14: Financial Advisor Defendant 2012–2025



Note: These charts are based on 143 settlements in M&A litigation in the Delaware Court of Chancery that settled in 2012–2025 with a known monetary amount. Figure 13 is based on a review of litigation complaints. Allegations of misrepresentations in the proxy are as alleged in the complaints (see Appendix 2 for data definitions). Figure 14 is based on a review of litigation complaints. The presence of a financial advisor defendant is as alleged in the complaints (see Appendix 2).

Settlement Amount and Litigation Duration

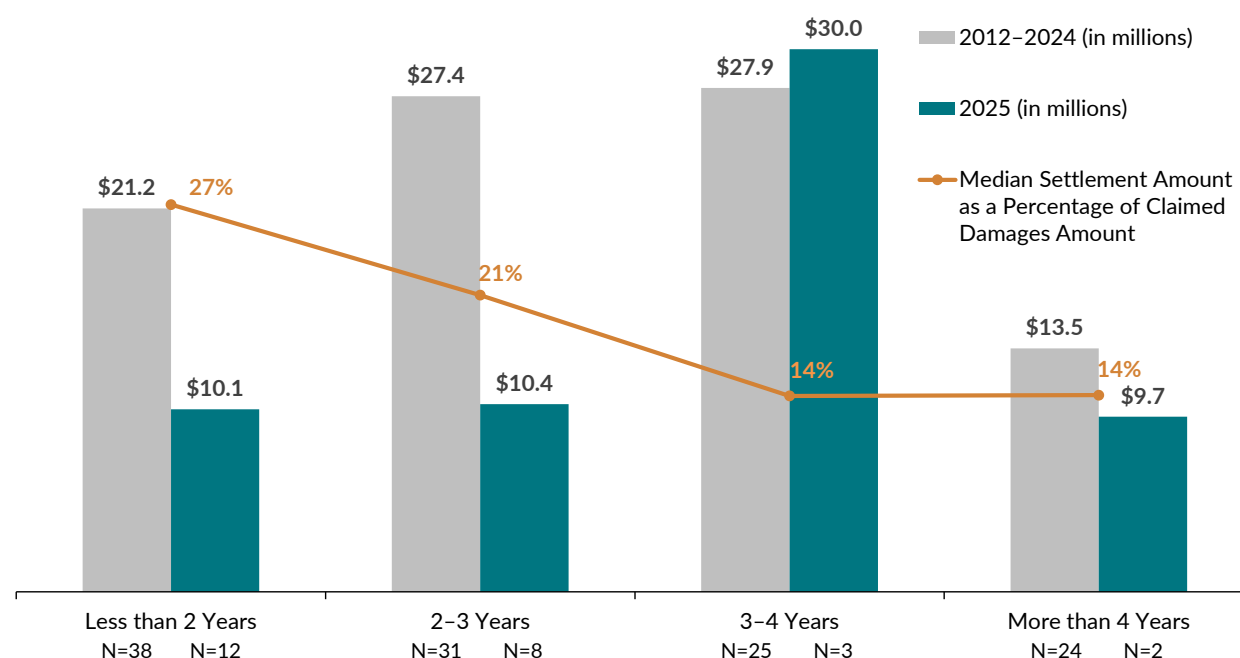
The litigation duration is measured as the time from the filing of the first public complaint to the court order approving the settlement. Overall, in the analysis period, litigations of shorter duration settled for a higher percentage of Claimed Damages.

Cases lasting less than two years had the highest settlement as a percentage of Claimed Damages, despite relatively smaller absolute values of settlement amounts. This is because their Claimed Damages tended to be smaller as well.

Cases that lasted between three and four years had the largest median settlement amounts in 2012–2024, consistent with those litigations being generally associated with the highest Claimed Damages.

Cases settled in 2025 had approximately the same median settlement amount across all litigation duration ranges, apart from the three-to-four-year range.

Figure 15: Median Settlement Amount and Median Settlement as a Percentage of Claimed Damages Amount by Litigation Duration 2012–2025



Note: The median settlement amounts are based on 143 settlements of M&A litigation in the Delaware Court of Chancery that settled in 2012–2025 with a known monetary amount. The median settlement amount as a percentage of Claimed Damages amount is based on a subset of 91 settlements that have a known Claimed Damages amount. The dollar figure above each bar denotes the median settlement amount for the respective duration. Settlement amount and Claimed Damages are adjusted for inflation; 2025 dollar-equivalent figures are used for this analysis.

Plaintiff Counsel Fees

Average and median plaintiffs' counsel fees in 2025 were \$2.8 million and \$1.9 million, respectively, notably smaller than the average and median fees in 2012–2024 of \$9.9 million and \$4.7 million, respectively. The highest plaintiffs' counsel fee paid in a 2025 settlement was \$9.7 million.

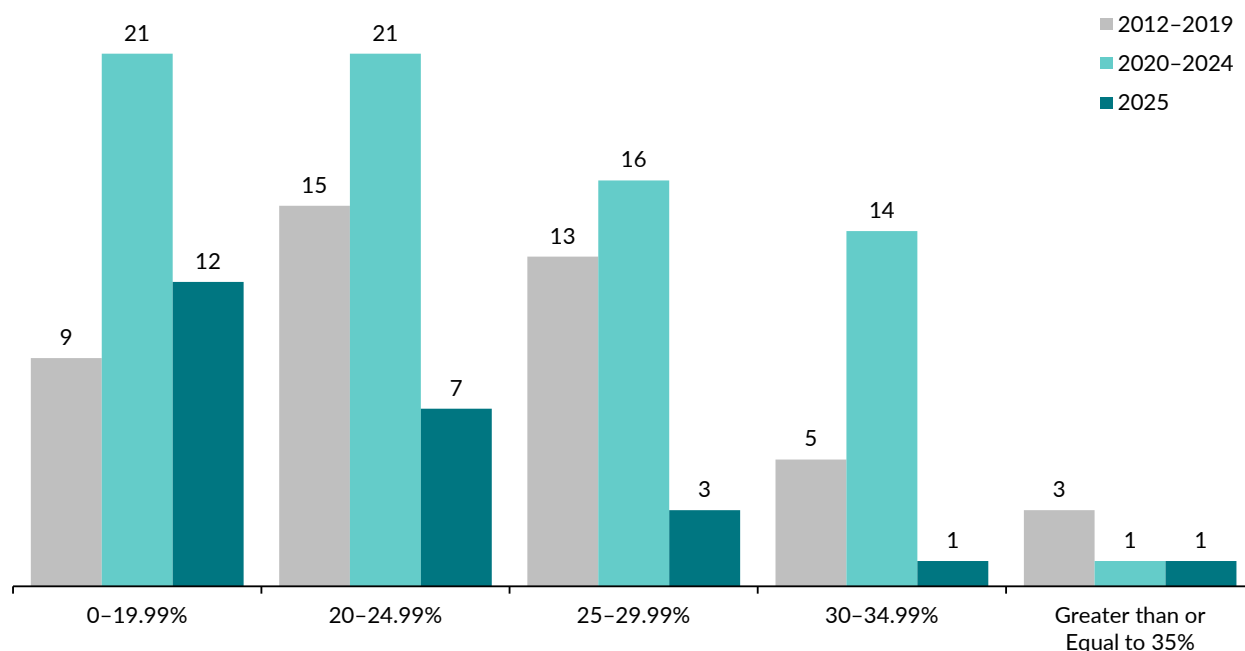
The decline in plaintiffs' counsel fees is in part driven by the decline in settlement amounts in 2025 relative to prior years discussed above. Another factor potentially explaining lower fees is the decline in the percentage of settlement amount that plaintiffs' counsel received in fees shown in Figure 16. In 2025, in 50% of settlements (12 of 24) with plaintiffs' counsel fee information available, plaintiffs' counsel fees were below 20% of the settlement amount. The corresponding percentage was 29% (21 of 73) in 2020–2024.

\$2.8 million

2025 average plaintiffs' counsel fees

SPAC settlements tend to have lower plaintiffs' counsel fees as a percentage of the settlement amount. In 2025, in 63% of SPAC settlements (10 of 16) with a known counsel fee amount, plaintiffs' counsel fees were below 20% of the settlement amount. The corresponding percentage was 25% (2 of 8) for non-SPAC settlements.

Figure 16: Plaintiff Counsel Fees as a Percentage of Settlement Amount
2012–2025



Note: This chart is based on 142 settlements of M&A litigation in the Delaware Court of Chancery that settled in 2012–2025 with a known monetary and plaintiffs' counsel fee amount. Each bar shows the number of settlements in the respective period with counsel fees as a percentage of settlement amount in the indicated range. Settlement amount and plaintiffs' counsel fees are adjusted for inflation; 2025 dollar-equivalent figures are used for this analysis.

Counsel Fees Awarded and Duration of Litigation

The relationship between litigation duration and plaintiffs' counsel fees as a percentage of the settlement amount is positive and statistically significant at the 1% level.

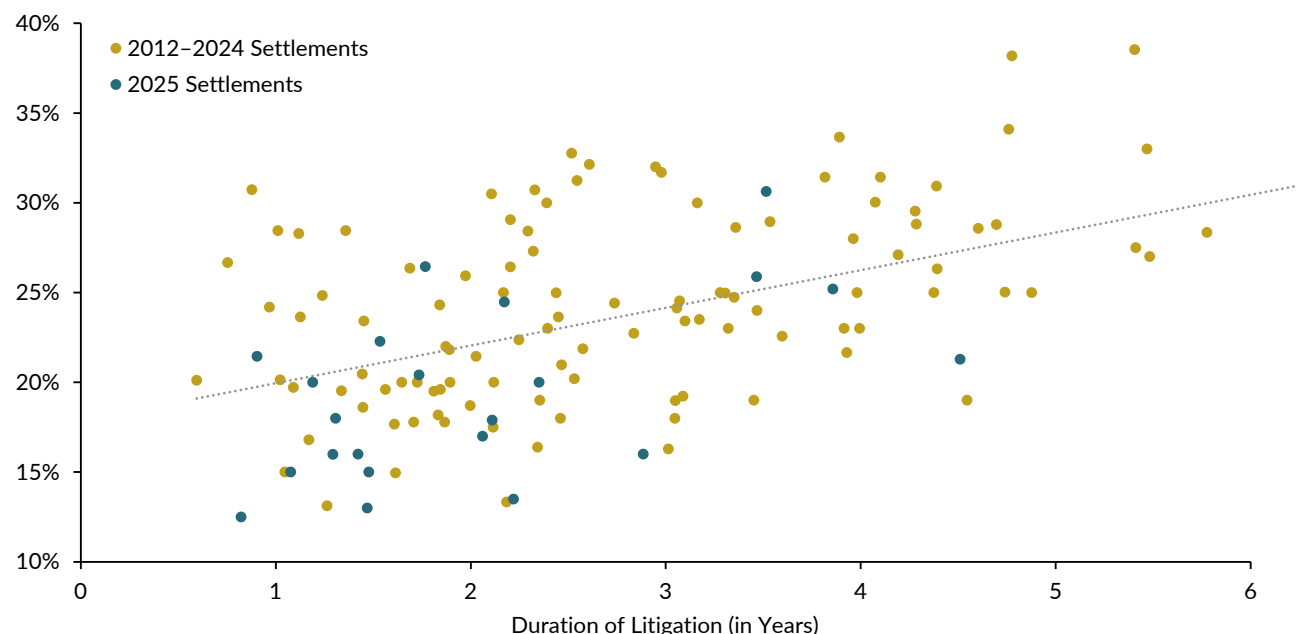
On average, an additional year of litigation is associated with an increase in plaintiffs' counsel fee percentage of 2.1 percentage points, and 24% of the variation of plaintiffs' counsel fees relative to the settlement amount is explained by

the duration of litigation. For a \$35 million settlement (the average settlement value in 2012–2025), a 2.1 percentage point increase in fee percentage implies a \$735,000 increase in fees.

As shown in Figure 17, 2025 settlements generally follow a pattern similar to that of 2012–2024 settlements.

Figure 17: Plaintiff Counsel Fees as a Percentage of Settlement Amount and Litigation Duration 2012–2025

Plaintiffs' Counsel Fees as a Percentage of Settlement Amount



Note: This chart is based on 142 settlements of M&A litigation in the Delaware Court of Chancery that settled in 2012–2025 with a known monetary and plaintiffs' counsel fee amount. Of these 142 settlements, two cases lasting longer than 2,500 days, two cases with counsel fees that were 50% or more of the settlement amount, and four cases with counsel fees that were less than 10% of the settlement amount are not shown and not analyzed. Settlement amount and plaintiffs' counsel fees are adjusted for inflation; 2025 dollar-equivalent figures are used for this analysis.

Research Sample and Data Sources

Settlements of M&A transactions analyzed include either transactions involving purchases of all outstanding common shares of a target company (or all assets and liabilities of a target company) by an outside entity, or a buyout of remaining non-owned shares by an insider (controller, management, or existing stockholder). Settlements of transactions primarily focused on capitalization, such as conversions of classes of shares or issuance of new shares, are excluded from the sample.

The sample of M&A settlements was compiled by identifying settlements reported by Law360.com between 2012 and 2025,¹ and was augmented with searches of the Delaware Court of Chancery dockets using Lex Machina for documents filed in 2012–2025 containing phrases similar to “stipulation of settlement.”² While an attempt was made to capture as many publicly identifiable settlements as possible, the research sample may be incomplete.

The following filters were applied to the search results to construct the final sample:

- The sample is restricted to merger, acquisition, take-private, or buyout of minority stockholders transactions. Transactions primarily focused on capitalization, such as conversions of share classes or issuance of new shares, are excluded from the sample.
- The sample is restricted to class action lawsuits involving stockholders or derivative

actions on behalf of the target or acquirer company. Plaintiffs typically allege breaches of fiduciary duties by the board of directors, officers, and/or the controlling stockholders. In some cases, plaintiffs also allege unjust enrichment by officers or controlling stockholders. Other types of M&A-related disputes—for example, allegations of fraud by the acquirer, breaches of contract, or earnout disputes—were excluded. Appraisal litigations were also excluded. In instances where both target and acquirer stockholders initiated litigation, each litigation is separately included in the sample to the extent a settlement was identified.

- The sample is restricted to lawsuits in the Delaware Court of Chancery and did not consider potentially related matters, such as, federal securities class actions. Global settlements filed in other venues are excluded from the sample.
- The sample is restricted to settlements with a publicly disclosed monetary settlement amount. Disclosure-only settlements with no monetary component are excluded.

Settlement amounts considered in this analysis include amounts approved by the Delaware Court of Chancery as resolving the corresponding litigation in the Chancery Court. The analysis excludes any settlement amount in related litigations in other courts, for example, related federal securities class actions.

Endnotes

- ¹ Specifically, the article title or the leading paragraph was searched for words that start with “settl” and at least one of: “merger,” “acquisition,” “sale,” or “tender.”
- ² Specifically, the search included documents containing the words “stipulation” and “settlement” within five words of each other.

Appendices

Appendix 1: Descriptions of Transaction Value and Industry Classification from *FactSet* and *Bloomberg*

Variable	Description from <i>FactSet/Bloomberg</i>
Transaction Value	"[Base equity value, which refers to the] total value of cash and all other forms of payment made to the Target – commonly cash and/or stock, though the calculation can include other methods of payment (e.g., notes, convertible debt, preferred stock, etc.) if disclosed and calculable. In transactions where multiple forms of payment are being made (e.g., cash and stock), the individual consideration components are calculated separately and then summed to arrive at the total Base Equity Value (e.g., cash component + stock component).... This value considers the terms of the transaction at announcement."
Target Company BICS Designation	"The Bloomberg Industry Classification System (BICS) [is] a proprietary, market-based industry classification system that creates groupings of issues with similar activities. BICS classifies companies by primary source of bottom up revenue allowing for comprehensive granularity."

Appendix 2: Descriptions of Litigation and Settlement Characteristics Collected from Court Filings

Variable	Methodology
Alleged Misrepresentation in Proxy	Indicates whether the complaint mentions “proxy” in the context of the proxy being misleading to investors or omitting some information.
Alleged Controlling Stockholder Defendant	Indicates whether the complaint alleges actions by a controlling stockholder.
Presumed Entire Fairness Standard	Indicates whether the complaint references “entire fairness,” “controlling shareholder,” or “controlling stockholder.”
Financial Advisor Defendant	Indicates whether the complaint names a financial advisor in the transaction as a defendant.
Litigation Duration	The time from the filing of the first public complaint to the court order approving the settlement.
Motion to Dismiss Ruling	Indicates whether there was a court ruling on a motion to dismiss prior to the settlement agreement.
Plaintiffs Represent Target Stockholders	Indicates whether plaintiffs represent stockholders of the target company.
Plaintiffs’ Counsel Fees	The fees and expenses awarded to plaintiffs’ counsel in the court order approving the settlement.
Settlement Amount	The settlement amount stated in the stipulation of settlement or the court order approving the settlement.
Claimed Damages	Based on the highest damages claimed by plaintiffs as potentially recoverable in their brief in support of the proposed settlement, or other court filings. When plaintiffs stated, e.g., “almost \$500 million,” the stated value, e.g., \$500 million, is used. Damages described by Plaintiffs as, e.g., “highly unlikely” or “not credible,” are not used.

Appendix 3: Average and Median Settlement Amounts Based on Litigation Characteristics

Variable	Median Settlement Amount (in millions)		Average Settlement Amount (in millions)	
	Yes	No / Unknown	Yes	No / Unknown
Alleged Misrepresentation in Proxy	\$17.5	\$22.3	\$33.4	\$38.7
Below-Median Litigation Duration	\$16.9	\$23.6	\$38.2	\$32.3
Alleged Controlling Stockholder Defendant	\$15.9	\$27.6	\$34.0	\$39.5
Financial Advisor Defendant	\$23.8	\$16.9	\$46.8	\$33.2
Motion to Dismiss Denied	\$24.4	\$15.9	\$34.6	\$35.8
Plaintiffs Represent Target Stockholders	\$20.8	\$15.0	\$34.7	\$36.3

Note: See Appendix 2 for a description of litigation and settlement characteristic variables.

Appendix 4: Distribution of Values of Select Transaction and Settlement Characteristics

	Number of Settlements with Non-Missing Values	Statistics					
		Average	10th Percentile	25th Percentile	Median	75th Percentile	90th Percentile
Transaction Characteristics							
Transaction Value (in millions)	127	\$3,520	\$68	\$274	\$1,232	\$3,142	\$8,114
Settlement Characteristics							
Settlement Amount (in millions)	143	\$35	\$2	\$8	\$19	\$41	\$90
Settlement Amount as Percentage of Transaction Value	127	33%	0%	1%	2%	7%	16%
Claimed Damages (in millions)	91	\$348	\$9	\$31	\$103	\$332	\$767
Settlement Amount as Percentage of Claimed Damages	91	30%	7%	12%	20%	38%	74%
Plaintiffs' Counsel Fees (in millions)	142	\$9	\$1	\$2	\$4	\$10	\$25
Plaintiffs' Counsel Fees as Percentage of Settlement Amount	142	25%	16%	19%	23%	28%	31%

Note: See Appendix 1 for a description of transaction characteristics variables and Appendix 2 for a description of settlement characteristics variables.

About the Authors

Frank Schneider

*Senior Vice President, Cohead of the Valuation, M&A, and Bankruptcy Practice,
Cornerstone Research*

Frank Schneider specializes in addressing complex financial and economic issues that arise in litigation and regulatory investigations, such as disputes related to M&A transactions, securities, valuation, and financial institutions, as well as white collar issues. He has extensive experience assessing loss causation, damages, and valuation issues across a range of industries and financial instruments. Dr. Schneider coheads Cornerstone Research's Valuation, M&A, and Bankruptcy practice.

Paul Zurek

*Vice President, Cohead of the Valuation, M&A, and Bankruptcy Practice,
Cornerstone Research*

Paul Zurek is a financial economist specializing in securities, valuation, financial markets, risk management, and statistical analysis. He consults to clients at all stages of litigation across a range of industries. Dr. Zurek is an experienced expert witness and provides expert testimony in large, complex matters. He also teaches corporate finance at Stanford Law School. Dr. Zurek coheads Cornerstone Research's Valuation, M&A, and Bankruptcy practice.

Igor Salitskiy

*Principal,
Cornerstone Research*

Igor Salitskiy applies financial modeling techniques and statistical analyses to matters involving enterprise valuation, securities litigation, and alleged anticompetitive conduct. In matters involving M&A, Dr. Salitskiy has analyzed alleged breach of fiduciary duty issues and breach of contract disputes. He has substantial experience with matters in the Delaware Court of Chancery.

Brandon Shang

*Senior Manager,
Cornerstone Research*

Brandon Shang consults on matters related to financial institutions, market manipulation claims, securities, and valuation. Mr. Shang assesses price impact, loss causation, and damages issues across a variety of industries. He leads teams to provide client and expert support through all phases of the litigation process; he has also worked on regulatory investigation matters.

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The authors request that you reference Cornerstone Research in any reprint of the information or figures included in this report.

Please direct any questions to:

Frank Schneider

617.927.3071

fschneider@cornerstone.com

Paul Zurek

415.229.8225

pzurek@cornerstone.com

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