

The Examiners: Marshall Huebner on the Rural/Metro Ruling

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What does the Delaware Chancery Court's [Rural/Metro ruling](#) mean for advisers to distressed companies? Did the court reach the right conclusion?

Rural/Metro provides a cautionary tale for financial advisers of both distressed and financially sound companies. Where, as with Rural/Metro, a sell-side financial adviser also provides (or seeks to provide) financing to bidders in the sale process, courts will review such adviser's recommendations skeptically and may impose significant liability on advisers that fail to act impartially or to adequately disclose a conflict of interest.

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