

Delaware Court of Chancery Awards \$1.26 Billion in Entire Fairness Case

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On October 14, 2011, the Delaware Court of Chancery entered a \$1.26 billion damages award in *In re Southern Peru Copper Corp. S'holder Derivative Litig.*, a derivative action challenging the fairness of a merger involving a controlling stockholder. This eye-popping award is a stark reminder of the Court's heightened focus on the conflicts associated with transactions involving controlling stockholders, and, as detailed below, it highlights the importance of ensuring adequate procedural protections in such transactions.

If you have any questions regarding the matters covered in this publication, please reach out to any of the lawyers listed below or your usual Davis Polk contact.

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