

**PROBLEM ON IMPLICATIONS OF VALUATION THEORY FOR CORPORATE LAW**

You are counsel to the Corporation Laws Committee of the State Legislature of the State of Confusion. The Committee is studying the advisability of amending the Confusion Business Corporation Act to eliminate the shareholders' right to dissent and appraisal as to holders of shares traded on a national stock exchange, quoted on the NASDAQ, or held of record by at least 2,000 persons. The Committee has asked you to prepare a memorandum discussing the relevant policy concerns. Your memorandum should discuss current practice in appraisal proceedings and detail the costs and benefits of the proposed amendment.