

## Accepted Manuscript

Title: Do Firms Get What They Pay For? A Second Thought on Over-Allotment Option in IPOs

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- The over-allotment option costs about 1.5 percent of the total proceeds to the IPO firm.
- The OAO does not reduce underwriting fees.
- The OAO does not reduce IPO underpricing.
- The OAO does not increase aftermarket stabilization.
- We bring into question the tangible benefits of the OAO to the issuing firm's perspective.

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