
Finance 514F -- Empirical Corporate Finance Course Syllabus – Fall 2018

Course Logistics:

Day and Time: Tu 1:00-4:00, Sept. 4 – Oct. 30 (we may not use all of these classes)

Location: G120

Instructor:

Professor G. William Schwert
CS3-211B

585-275-2470
schwert@schwert.ssb.rochester.edu
billschwert@gmail.com

Course Information

This course is a continuation of the class that began in May 2018. We will have approximately one class meeting per week.

The reading assignments will be announced in class and will more or less follow the sequence given below. I have included additional references, *which are not required*, for students who want more information on particular topics. These are not on reserve, but copies of these journals are available in the Management Library (and they are available electronically through the Management Library).

Relation to Other Finance Courses

I assume that you have completed the AEC 520 course, “Causal Inference,” which covered many of the econometric techniques that are popular in the modern empirical corporate finance literature. While we will discuss the particular tools used by authors in their empirical analysis, our emphasis will be on the economic analysis of the data, rather than the techniques. If you have not taken this course (or its equivalent), you will probably find yourself deeply mired in the econometric literature on panel regression, instrumental variables, differences-in-differences, matching techniques, regression discontinuity, selection models, structural models, and so forth.

Expectations of Student Performance

My expectations are that students will come to class prepared by having read the necessary material. The lectures will not rehash the readings. Rather, we will discuss different perspectives on the arguments presented in the readings. I will hand out notes to accompany some of the lectures. The handouts will be available on the class web page (see below). In addition, every student will be responsible for leading the

discussion of one paper.

Grading

All Ph.D. students will be required to write a paper proposal that is due by October 30, 2018 (worth 20% of the course grade). The topic of the paper proposal can be anything related to the course. My expectation is that you will have a potential topic and a proposed plan of attack to help you learn more about the topic you choose. My hope is that some of these projects might develop into summer papers or even dissertation topics.

You will also be asked to write two “referee’s reports” on particular papers that I will assign (each worth 20% of the course grade). Finally, you must lead the discussion of one paper related to the course (worth 20% of the course grade). Of course, I will be available to help you plan your discussion, and I will supplement what you say in class. You should find a topic that interests you and volunteer early. Class participation will be 20% of the course grade, so it is important to be an active participant in the discussion, beyond the paper where you will be the discussion leader. There will be no exams.

Course Information on the World Wide Web (WWW)

Most of the materials for this course will be on the [home page for this course](#). For example, I plan to post copies of the slides used in the classroom presentations as Adobe Acrobat files (so they can be viewed and printed from the WWW).

Academic Integrity

Simon’s Code of Academic Integrity (see Section 2 of the Student Handbook) states: “Every Simon student is expected to be completely honest in all academic matters. Simon students will not in any way misrepresent their academic work or attempt to advance their academic position through fraudulent or unauthorized means. No Simon student will be involved knowingly with another student’s violation of this standard of honest behavior.”

In addition to refraining from obvious forms of cheating and plagiarism:

- On assignments, do not copy or paraphrase work from each other, from students who have taken the class previously, from materials of mine distributed in a previous class, or from outside sources. Any written work should be entirely your own (or your team’s, as applicable).
- Do not obtain advice, notes, solutions, or other material from students who took the class previously in ways that would give you an unfair advantage or would undermine the learning experience for you and the class (such as, notes from past case discussions). Similarly, do not use others’ case analyses posted on-line.
- Use quotation marks when quoting any text directly. Changing a few words of a sentence or longer section does not make the work your own. Independently written texts rarely have even five consecutive words in common.

Most forms of disallowed shortcuts are easy to detect and will be referred to the school's Academic Integrity Committee. If something is going on in your professional or personal life that prevents you from finishing assigned work in a timely manner, get in touch with me before the deadline (and get in touch with Student Services as appropriate). Finally, to help prevent other students from violating academic integrity, do not pass on notes or give advice on assignments to any students who are taking the course in a later quarter or are taking it at the same time in a different section. Please refer to the Student Handbook for any questions regarding the Code of Academic Integrity.

Professionalism

Treat class sessions like business meetings. Unprofessional behavior has a negative impact on your participation grade. Specifically,

- Make every effort to attend each class.
- You are expected to be in your seat and ready for class at the beginning of each class.

Should extenuating circumstances require you to leave early, please let the professor know before the start of class and sit in back so you can leave with as little disruption as possible.

- You are allowed to use laptops and tablets during lecture, but they should only be used for coursework related activities and not for email, social media, or other activities not directly related to the course. Cell phones must be turned off or silenced during class. No photography of any kind is allowed.

Course Outline and Schedule

Topics and Readings

Required readings are indicated with an asterisk "*" Additional journal articles, **which are not required**, are included for students who want more information on particular topics. These are not on reserve in the library, although copies of the *Journal of Financial Economics*, the *Journal of Finance*, and the *Review of Financial Studies* are available in the Management Library (and available online through these links if you are logged into the UR network).

VIII. Interfirm Tender Offers, Mergers and Corporate Control

*[Schwert, G. William](#), "Markup Pricing in Mergers and Acquisitions," *Journal of Financial Economics*, 41 (June 1996) 153-192.

*[Schwert, G. William](#), "Hostility in Takeovers: In the Eyes of the Beholder," *Journal of Finance*, 55 (December 2000) 2599-2640.

- [Betton, Sandra, B. Espen Eckbo, Rex Thompson, Karin S. Thorburn](#), “Merger Negotiations with Stock Market Feedback,” *Journal of Finance*, 69 (August 2014) 1705-1745.
- [Moeller, Sara B., Frederik P. Schlingemann and René M. Stulz](#), “Firm Size and the Gains from Acquisitions” *Journal of Financial Economics*, 73 (August 2004) 201-228.
- [Maksimovic, Vojislav, Gordon Phillips, N.R. Prabhala](#), “Post-merger restructuring and the boundaries of the firm,” *Journal of Financial Economics*, 102 (November 2011) 317-343.
- [Safieddine, Assem and Sheridan Titman](#), “Leverage and Corporate Performance: Evidence from Unsuccessful Takeovers,” *Journal of Finance*, 54 (April 1999) 547-580.
- [Morellec, Erwan, Alexei Zhdanov](#), “Financing and takeovers,” *Journal of Financial Economics*, 87 (March 2008) 556-581.
- [Duchin, Ran, Breno Schmidt](#), “Riding the merger wave: Uncertainty, reduced monitoring, and bad acquisitions,” *Journal of Financial Economics*, 107 (January 2013) 69-88.
- Ahern, Kenneth R., “Bargaining power and industry dependence in mergers,” *Journal of Financial Economics*, 103 (March 2012) 530-550.
- Aktas, Nihat, Eric de Bodt, Richard Roll, “Learning from repetitive acquisitions: Evidence from the time between deals,” *Journal of Financial Economics*, (2013).
- Aktas, Nihat, Eric de Bodt, Richard Roll, “Negotiations under the threat of an auction,” *Journal of Financial Economics*, 98 (November 2010) 241-255.
- Asquith, Paul and E. Han Kim, “The Impact of Merger Bids on the Participating Firm’s Security Holders,” *Journal of Finance*, 37 (December 1982) 1209-1228.
- Baker, Malcolm, Joshua Coval, Jeremy C. Stein, “Corporate financing decisions when investors take the path of least resistance,” *Journal of Financial Economics*, 84 (May 2007) 266-298.
- Baker, Malcolm, Xin Pan, Jeffrey Wurgler, “The effect of reference point prices on mergers and acquisitions,” *Journal of Financial Economics*, 106 (October 2012) 49-71.
- Baker, Malcolm and Savaoglu, Serkan, “Limited Arbitrage in Mergers and Acquisitions” *Journal of Financial Economics*, 64 (April 2002) 91-115.
- Bates, Thomas W., Michael L. Lemmon and James S. Linck, “Shareholder wealth effects and bid negotiation in freeze-out deals: Are minority shareholders left out in the cold?” *Journal of Financial Economics*, 81 (September 2006) 681-708.
- Benson, David, Rosemarie H. Ziedonis, “Corporate venture capital and the returns to acquiring portfolio companies,” *Journal of Financial Economics*, 98 (December 2010) 478-499.

- Betton, Sandra, B. Espen Eckbo, Karin S. Thorburn, "Merger negotiations and the toehold puzzle," *Journal of Financial Economics*, 91 (February 2009) 158-178.
- Bhagat, Sanjai, James Brickley, and U. Loewenstein, "The Pricing Effects of Interfirm Cash Tender Offers," *Journal of Finance*, 42 (September 1987) 965-986.
- Bhagat, Sanjai, Ming Dong, David Hirshleifer, and Robert Noah, "Do Tender Offers Create Value? New Methods and Evidence," *Journal of Financial Economics*, 76 (April 2005) 3-60.
- Bharadwaj, Anu, and Shivdasani, Anil, "Valuation effects of bank financing in acquisitions," *Journal of Financial Economics*, 67 (January 2003) 113-148.
- Bhattacharyya, Sugato, Amrita Nain, "Horizontal acquisitions and buying power: A product market analysis," *Journal of Financial Economics*, 99 (January 2011) 97-115.
- Bodnaruk, Andriy, Massimo Massa, and Andrei Simonov, "Investment Banks as Insiders and the Market for Corporate Control," *Review of Financial Studies*, 22 (2009) 4989-5026.
- Boone, Audra L., J. Harold Mulherin, "Do auctions induce a winner's curse? New evidence from the corporate takeover market," *Journal of Financial Economics*, 89 (July 2008) 1-13.
- Bradley, Michael, A. Desai, and E. Han Kim, "The Rationale Behind Interfirm Tender Offers: Information or Synergy?" *Journal of Financial Economics*, 11 (April 1983) 183-206.
- Bradley, Michael, A. Desai, and E. Han Kim, "Synergistic Gains from Corporate Acquisitions and Their Division Between the Stockholders of Target and Acquiring Firms," *Journal of Financial Economics*, 21 (May 1988) 3-40.
- Brown, David T. and Michael D. Ryngaert, "The Mode of Acquisition in Takeovers: Taxes and Asymmetric Information," *Journal of Finance*, 46 (June 1991) 653-669.
- Burch, Timothy R., "Locking Out Rival Bidders: The Use of Lockup Options in Corporate Mergers," *Journal of Financial Economics*, 60 (April 2001) 103-141.
- Chang, Saeyoung, "Takeovers of Privately Held Targets, Methods of Payment, and Bidder Returns," *Journal of Finance*, 53 (April 1998) 773-784.
- Chen, Xia, Jarrad Harford and Kai Li, "Monitoring: Which institutions matter?" *Journal of Financial Economics*, 86 (November 2007) 279-305.
- Cooney, John W., Thomas Moeller, Mike Stegemoller, "The underpricing of private targets," *Journal of Financial Economics*, 93 (July 2009) 51-66.
- Crabbe, Leland, "Event Risk: An Analysis of Losses to Bondholders and "Super Poison Put" Bond Covenants," *Journal of Finance*, 46 (June 1991) 689-706.

- DeAngelo, Harry and DeAngelo, Linda, "Ancient Redwoods and the Politics of Finance: The Hostile Takeover of the Pacific Lumber Company," *Journal of Financial Economics*, 47 (January 1998) 3-53.
- Denis, David J. and Jan M. Serrano, "Active Investors and Management Turnover Following Unsuccessful Control Contests," *Journal of Financial Economics*, 40 (February 1996) 239-266.
- Dittmar, Amy K., Robert F. Dittmar, "The timing of financing decisions: An examination of the correlation in financing waves," *Journal of Financial Economics*, 90 (October 2008) 59-83.
- Dodd, Peter, "Merger Proposals, Management Discretion, and Stockholder Wealth," *Journal of Financial Economics*, 8 (June 1980) 105-137.
- Doidge, Craig, G. Andrew Karolyi and Rene M. Stulz, "Why do countries matter so much for corporate governance?" *Journal of Financial Economics*, 86 (October 2007) 1-39.
- Fallick, Bruce C. and Kevin A. Hassett, "Unionization and Acquisitions," *Journal of Business*, 69 (January 1996) 51-73.
- Ferreira, Miguel A., Massimo Massa, and Pedro Matos, "Shareholders at the Gate? Institutional Investors and Cross-Border Mergers and Acquisitions," *Review of Financial Studies*, 23 (2010) 601-644.
- Franks, Julian, Robert Harris, and Sheridan Titman, "The Postmerger Share-Price Performance of Acquiring Firms," *Journal of Financial Economics*, 29 (March 1991) 81-96.
- Fu, Fangjian, Leming Lin, Micah S. Officer, "Acquisitions driven by stock overvaluation: Are they good deals?," *Journal of Financial Economics*, (2013) .
- Garfinkel, Jon A., Kristine Watson Hankins, "The role of risk management in mergers and merger waves," *Journal of Financial Economics*, 101 (September 2011) 515-532.
- Gaspar, José-Miguel, Massimo Massa and Pedro Matos, "Shareholder Investment Horizons and the Market for Corporate Control," *Journal of Financial Economics*, 76 (April 2005) 135-165.
- Goldman, Eitan and Jun Qian, "Optimal Toeholds in Takeover Contests," *Journal of Financial Economics*, 77 (August 2005) 321-346.
- Grinstein, Yaniv and Paul Hribar, "CEO Compensation and Incentives: Evidence from M&A Bonuses" *Journal of Financial Economics*, 73 (July 2004) 119-143.

- Harford, Jarrad, "Corporate Cash Reserves and Acquisitions," *Journal of Finance*, 54 (December 1999) 1969-1997.
- Harford, Jarrad, "What Drives Merger Waves?" *Journal of Financial Economics*, 77 (September 2005) 529-560.
- Harford, Jarrad, Mark Humphery-Jenner, Ronan Powell, "The sources of value destruction in acquisitions by entrenched managers," *Journal of Financial Economics*, 106 (November 2012) 247-261.
- Harford, Jarrad, Dirk Jenter, Kai Li, "Institutional cross-holdings and their effect on acquisition decisions," *Journal of Financial Economics*, 99 (January 2011) 27-39.
- Hayn, Carla, "Tax Attributes as Determinants of Shareholder Gains in Corporate Acquisitions," *Journal of Financial Economics*, 23 (June 1989) 121-153.
- Heitzman, Shane, "Equity grants to target CEOs during deal negotiations," *Journal of Financial Economics*, 102 (November 2011) 251-271.
- Heitzman, Shane and Sandy Klasa, "Private information arrival, trading activity, and price formation: Evidence from nonpublic merger negotiations"
- Holderness, Clifford G. and Dennis P. Sheehan, "Raiders or Saviors?: The Evidence on Six Controversial Investors," *Journal of Financial Economics*, 14 (December 1985) 555-579.
- Houston, Joel F., James, Christopher M., and Ryngaert, Michael D., "Where Do Merger Gains Come From? Bank Mergers from the Perspective of Insiders and Outsiders," *Journal of Financial Economics*, 60 (May 2001) 285-331.
- Hsieh, Jim and Ralph A. Walkling, "Determinants and Implications of Arbitrage Holdings in Acquisitions," *Journal of Financial Economics*, 77 (September 2005) 605-648.
- Jarrell, Gregg A., James A. Brickley, and Jeffrey M. Netter, "The Market for Corporate Control: The Empirical Evidence Since 1980," *Journal of Economic Perspectives*, 2 (1988) 49-68.
- Jensen, Michael C., "Agency Costs of Free Cash Flow, Corporate Finance, and Takeovers," *American Economic Review*, 76 (May 1986) 323-329.
- Jensen, Michael C. and Richard S. Ruback, "The Market for Corporate Control: The Scientific Evidence," *Journal of Financial Economics*, 11 (April 1983) 5-50.
- Jensen, Michael C. and Jerold W. Warner, "The Distribution of Power Among Corporate Managers, Shareholders, and Directors," *Journal of Financial Economics*, 20 (January 1988) 3-24.

- Kisgen, Darren J., Jun Qian, Weihong Song, "Are fairness opinions fair? The case of mergers and acquisitions," *Journal of Financial Economics*, 91 (February 2009) 179-207.
- Lambrecht, Bart M., "The Timing and Terms of Mergers Motivated by Economies of Scale," *Journal of Financial Economics*, 72 (April 2004) 41-62.
- Lang, Larry H. P., René M. Stulz, and Ralph A. Walkling, "Managerial Performance, Tobin's q , and the Gains from Successful Tender Offers," *Journal of Financial Economics*, 24 (September 1989) 137-154.
- Lang, Larry H. P., René M. Stulz, and Ralph A. Walkling, "A Test of the Free Cash Flow Hypothesis: The Case of Bidder Returns," *Journal of Financial Economics*, 29 (October 1991) 315-335.
- La Porta, Rafael, Florencio Lopez-de-Silanes, and Andrei Shleifer, "Corporate Ownership Around the World," *Journal of Finance*, 54 (April 1999) 471-517.
- Li, Xiaoyang, "Productivity, restructuring, and the gains from takeovers," *Journal of Financial Economics*, (2013).
- Lin, Chen, Micah S. Officer, Hong Zou, "Directors' and officers' liability insurance and acquisition outcomes," *Journal of Financial Economics*, 102 (December 2011) 507-525.
- Lys, Thomas and Linda Vincent, "An Analysis of Value Destruction in AT&T's Acquisition of NCR," *Journal of Financial Economics*, 39 (October 1995) 353-378.
- Maquieira, Carlos P., William L. Megginson, and Lance Nail, "Wealth creation versus wealth redistributions in pure stock-for-stock mergers," *Journal of Financial Economics*, 47 (April 1998) 3-33.
- Malmendier, Ulrike, and Geoffrey Tate, "Who makes acquisitions? CEO overconfidence and the market's reaction," *Journal of Financial Economics*, 89 (July 2008) 20-43.
- Matvos, Gregor, and Michael Ostrovsky, "Cross-ownership, returns, and voting in mergers," *Journal of Financial Economics*, 89 (September 2008) 391-403.
- McLaughlin, Robyn M., "Investment-Banking Contracts in Tender Offers," *Journal of Financial Economics*, 28 (November 1990) 209-232.
- Mikkelson, Wayne H. and Richard S. Ruback, "An Empirical Analysis of the Interfirm Equity Investment Process," *Journal of Financial Economics*, 14 (December 1985) 523-553.
- Mitchell, Mark, and Todd Pulvino, "Characteristics of Risk and Return in Risk Arbitrage," *Journal of Finance*, 56 (December 2001) 2135-2175.

- Mitchell, Mark, Todd Pulvino, and Erik Stafford, "Limited Arbitrage in Equity Markets," *Journal of Finance*, 57 (April 2002) 551-584.
- Mitchell, Mark, Todd Pulvino, and Erik Stafford, "Price Pressure around Mergers," *Journal of Finance*, 59 (February 2004) 31-63.
- Mitchell, Mark, and Todd Pulvino, "Arbitrage crashes and the speed of capital," *Journal of Financial Economics*, 104 (June 2012) 469-490.
- Moeller, Sara B., Frederik P. Schlingemann, and René M. Stulz, "How Do Diversity of Opinion and Information Asymmetry Affect Acquirer Returns?" *Review of Financial Studies*, 20 (2007) 2047-2078.
- Moeller, Thomas, "Let's Make a Deal! How Shareholder Control Impacts Merger Payoffs," *Journal of Financial Economics*, 76 (April 2005) 167-190.
- Morellec, Erwan and Alexei Zhdanov, "The Dynamics of Mergers and Acquisitions," *Journal of Financial Economics*, 77 (September 2005) 649-672.
- Netter, Jeffrey, Mike Stegemoller, and M. Babajide Wintoki, "Implications of Data Screens on Merger and Acquisition Analysis: A Large Sample Study of Mergers and Acquisitions from 1992 to 2009," *Review of Financial Studies*, 24 (2011) 2316-2357.
- Officer, Micah S., "Termination fees in mergers and acquisitions," *Journal of Financial Economics*, 69 (2003) 431-467.
- Officer, Micah S., "Collars and Renegotiation in Mergers and Acquisitions," *Journal of Finance*, 59 (December 2004) 2719-2743.
- Officer, Micah S., "The price of corporate liquidity: Acquisition discounts for unlisted targets," *Journal of Financial Economics*, 83 (March 2007) 571-598.
- Rhodes-Kropf, Matthew, David T. Robinson, and S. Viswanathan, "Valuation Waves and Merger Activity: The Empirical Evidence," *Journal of Financial Economics*, 77 (September 2005) 561-603.
- Rossi, Stefano and Paolo F. Volpin, "Cross-country Determinants of Mergers and Acquisitions," *Journal of Financial Economics*, 74 (November 2004) 277-304.
- Ruback, Richard S., "The Conoco Takeover and Stockholder Returns," *Sloan Management Review*, 23 (Winter 1982) 13-32.
- Ruback, Richard S., "The Cities Service Takeover: A Case Study," *Journal of Finance*, 38 (May 1983) 319-330.

Shleifer, Andrei, Robert W. Vishny, "Stock market driven acquisitions," *Journal of Financial Economics*, 70 (December 2003) 295-311.

IX. Going Private/Leveraged Buyouts

[Kaplan, Steven N.](#), "The Effects of Management Buyouts on Operating Performance and Value," *Journal of Financial Economics*, 24 (October 1989) 217-254.

[Bharath, Sreedhar T., and Amy K. Dittmar](#), "Why Do Firms Use Private Equity to Opt Out of Public Markets?" *Review of Financial Studies*, 23 (2010) 1771-1818.

[Phalippou, Ludovic, and Oliver Gottschalg](#), "The Performance of Private Equity Funds," *Review of Financial Studies*, 22 (2009) 1747-1776.

[Bernstein, Shai](#). "Does going public affect innovation?" *Journal of Finance*, 70 (2015) 1365-1403.

Acharya, Viral V., Timothy C. Johnson, "More insiders, more insider trading: Evidence from private-equity buyouts," *Journal of Financial Economics*, 98 (December 2010) 500-523.

Asquith, Paul and Thierry W. Wizman, "Event Risk, Covenants, and Bondholder Returns in Leveraged Buyouts," *Journal of Financial Economics*, 27 (September 1990) 195-213.

Baker, George P. and Karen H. Wruck, "Lessons from a Middle Market LBO: The Case of the O. M. Scott," (*DC*, 567-579).

Cotter, James F. and Peck, Sarah W., "The Structure of Debt and Active Equity Investors: The Case of the Buyout Specialist," *Journal of Financial Economics*, 59 (January 2001) 101-147.

DeAngelo, Harry, Linda DeAngelo, and Edward M. Rice, "Going Private: Minority Freezeouts and Stockholder Wealth," *Journal of Law and Economics*, 27 (October 1984) 367-401.

DeAngelo, Harry, Linda DeAngelo and Stuart C. Gilson, "The Collapse of First Executive Corporation: Junk Bonds, Adverse Publicity, and the "Run on the Bank" Phenomenon," *Journal of Financial Economics*, 36 (December 1994) 287-336.

Demiroglu, Cem, Christopher M. James, "The role of private equity group reputation in LBO financing," *Journal of Financial Economics*, 96 (May 2010) 306-330.

Denis, David J. and Diane K. Denis, "Causes of Financial Distress Following Leveraged Recapitalizations," *Journal of Financial Economics*, 27 (February 1995) 129-157.

Healy, Paul M. and Krishna G. Palepu, "The Challenges of Investor Communication: The Case of CUC International, Inc.," *Journal of Financial Economics*, 38 (June 1995) 111-140.

Ivashina, Victoria, and Anna Kovner, "The Private Equity Advantage: Leveraged Buyout Firms and Relationship Banking," *Review of Financial Studies*, 24 (2011) 2462-2498.

- Jensen, Michael C., "Eclipse of the Public Corporation," *Harvard Business Review*, (September-October 1989) 61-74.
- Kaplan, Steven N., "The Staying Power of Leveraged Buyouts," *Journal of Financial Economics*, 29 (October 1991) 287-313.
- Kaplan, Steven N. and Richard S. Ruback, "The Valuation of Cash Flow Forecasts: An Empirical Analysis," *Journal of Finance*, 50 (September 1995) 1059-1093.
- Lehn, Kenneth, Jeffrey Netter and Annette B. Poulsen, "Consolidating Corporate Control: Dual-Class Recapitalizations versus Leveraged Buyouts," *Journal of Financial Economics*, 27 (September 1990) 557-580.
- Lichtenberg, Frank R. and Donald Siegel, "The Effects of Leveraged Buyouts on Productivity and Related Aspects of Firm Behavior," *Journal of Financial Economics*, 27 (September 1990) 165-194.
- Marais, Laurentius, Katherine Schipper, and Abbie Smith, "Wealth Effects of Going Private for Senior Securities," *Journal of Financial Economics*, 23 (June 1989) 155-191.
- Mehran, Hamid, and Stavros Peristiani, "Financial Visibility and the Decision to Go Private," *Review of Financial Studies*, 23 (2010) 519-547.
- Muscarella, Chris J. and Michael R. Vetsuypens, "Efficiency and Organizational Structure: A Study of Reverse LBOs," *Journal of Finance*, 45 (December 1990) 1389-1413.
- Officer, Micah S., Oguzhan Ozbas, Berk A. Sensoy, "Club deals in leveraged buyouts," *Journal of Financial Economics*, 98 (November 2010) 214-240.

X. Defensive Tactics

- *[Comment, Robert and G. William Schwert](#), "Poison or Placebo? Evidence on the Deterrence and Wealth Effects of Modern Antitakeover Measures," *Journal of Financial Economics*, 39 (September 1995) 3-43.
- [Garvey, Gerald T. and Gordon Hanka](#), "Capital structure and corporate control: The effect of antitakeover statutes on firm leverage," *Journal of Finance*, 54 (April 1999) 519-546.
- Bebchuk, Lucian A., and Alma Cohen, "The Costs of Entrenched Boards," *Journal of Financial Economics*, 78 (November 2005) 409-433.
- Bhagat, Sanjai and R. H. Jefferis, "Voting Power in the Proxy Process: The Case of Antitakeover Charter Amendments," *Journal of Financial Economics*, 30 (November 1991) 193-225.

- Bradley, Michael and Lee M. Wakeman, "The Wealth Effects of Targeted Share Repurchases," *Journal of Financial Economics*, 11 (April 1983) 301-328.
- Brickley, James A., Jeffrey L. Coles, and Rory L. Terry, "Outside Directors and the Adoption of Poison Pills," *Journal of Financial Economics*, 35 (June 1994) 371-390.
- Brickley, James A., Ronald C. Lease, and Clifford W. Smith, "Corporate Voting: Evidence from Charter Amendment Proposals," *Journal of Corporate Finance*, 1 (March 1994) 5-31.
- Cook, Douglas O. and John C. Easterwood, "Poison Put Bonds: An Analysis of Their Economic Role," *Journal of Finance*, 49 (December 1994) 1905-1920.
- Cotter, James F. and Marc Zenner, "How Managerial Wealth Affects the Tender Offer Process," *Journal of Financial Economics*, 35 (February 1994) 63-97.
- Dann, Larry Y. and Harry DeAngelo, "Standstill Agreements, Privately Negotiated Stock Repurchases, and the Market for Corporate Control," *Journal of Financial Economics*, 11 (April 1983) 275-300.
- Dann, Larry and Harry DeAngelo, "Corporate Financial Policy and Corporate Control: A Study of Defensive Adjustments in Asset and Ownership Structure," *Journal of Financial Economics*, 20 (January 1988) 87-127.
- DeAngelo, Harry and Edward M. Rice, "Antitakeover Charter Amendments and Stockholder Wealth," *Journal of Financial Economics*, 11 (April 1983) 329-359.
- Denis, David J., "Defensive Changes in Corporate Payout Policy: Share Repurchases and Special Dividends," *Journal of Finance*, 45 (December 1990) 1433-1456.
- Gordon, Lilli A. and John Pound, "ESOPs and Corporate Control," *Journal of Financial Economics*, 27 (September 1990) 525-555.
- Jarrell, Gregg A. and Annette B. Poulsen, "Shark Repellents and Stock Prices: The Effects of Antitakeover Amendments Since 1980," *Journal of Financial Economics*, 19 (September 1987) 127-168.
- Kamma, S., J. Weintrop, and Peggy Weir, "Investors' Perceptions of the Delaware Supreme Court Decision in UNOCAL v. Mesa," *Journal of Financial Economics*, 20 (January 1988) 419-430.
- Karpoff, Jonathan M. and Paul H. Malatesta, "The Wealth Effects of Second-generation State Takeover Legislation," *Journal of Financial Economics*, 25 (December 1989) 291-322.

Linn, Scott and John J. McConnell, "An Empirical Investigation of the Impact of 'Antitakeover' Amendments on Common Stock Prices," *Journal of Financial Economics*, 11 (April 1983) 361-399.

Malatesta, Paul H. and Ralph A. Walkling, "Poison Pill Securities: Stockholder Wealth, Profitability, and Ownership Structure," *Journal of Financial Economics*, 20 (January 1988) 347-376.

Rauh, Joshua D., "Own company stock in defined contribution pension plans: A takeover defense?" *Journal of Financial Economics*, 81 (August 2006) 379-410.

Ryngaert, Michael, "The Effect of Poison Pill Securities on Shareholder Wealth," *Journal of Financial Economics*, 20 (January 1988) 377-417.

XI. Antitrust Law and Regulation of the Market for Corporate Control

[Mitchell, Mark L. and Jeffrey M. Netter](#), "Triggering the 1987 Stock Market Crash: Antitakeover Provisions in the Proposed House Ways and Means Tax Bill," *Journal of Financial Economics*, 24 (September 1989) 37-68.

Bittlingmayer, George, Thomas W Hazlett, "DOS Kapital: Has antitrust action against Microsoft created value in the computer industry?" *Journal of Financial Economics*, 55 (March 2000) 329-359.

Daines, Robert, "Does Delaware Law Improve Firm Value?" *Journal of Financial Economics*, 62 (December 2001) 525-558.

Eckbo, B. Espen, "Horizontal Mergers, Collusion, and Stockholder Wealth," *Journal of Financial Economics*, 11 (April 1983) 241-273.

Eckbo, B. Espen and Herwig Langohr, "Information Disclosure, Method of Payment, and Takeover Premiums: Public and Private Tender Offers in France," *Journal of Financial Economics*, 24 (October 1989) 363-403.

Fee, C. Edward and Shawn Thomas, "Sources of Gains in Horizontal Mergers: Evidence from Customer, Supplier, and Rival Firms," *Journal of Financial Economics*, 74 (December 2004) 423-460.

Franks, Julian R. and Robert S. Harris, "Shareholder Wealth Effects of Corporate Takeovers: The U. K. Experience 1955-1985," *Journal of Financial Economics*, 23 (August 1989) 225-249.

Jarrell, Gregg A. and Michael Bradley, "The Economic Effects of Federal and State Regulation of Cash Tender Offers," *Journal of Law and Economics*, 23 (October 1980) 371-407.

Meulbroek, Lisa K., "An Empirical Analysis of Illegal Insider Trading," *Journal of Finance*, 47 (December 1992) 1661-1699.

Shahrur, Husayn, "Industry Structure and Horizontal Takeovers: Analysis of Wealth Effects on Rivals, Suppliers, and Corporate Customers," *Journal of Financial Economics*, 76 (April 2005) 61-98.

Stillman, Robert, "Examining Antitrust Policy Towards Horizontal Mergers," *Journal of Financial Economics*, 11 (April 1983) 224-240.

XII. Proxy Fights

Brickley, James A., Ronald C. Lease, and Clifford W. Smith, "Ownership Structure and Voting on Antitakeover Amendments," *Journal of Financial Economics*, 20 (January 1988) 267-291.

DeAngelo, Harry and Linda DeAngelo, "Proxy Contests and the Governance of Publicly Held Corporations," *Journal of Financial Economics*, 23 (June 1989) 29-59.

Dodd, Peter and Jerold B. Warner, "On Corporate Governance: The Impact of Proxy Contests," *Journal of Financial Economics*, 11 (April 1983) 401-438.

Gillan, Stuart L. and Starks, Laura T., "Corporate Governance Proposals and Shareholder Activism: The Role of Institutional Investors," *Journal of Financial Economics*, 57 (August 2000) 275-305.

Mulherin, J. Harold and Annette B. Poulsen, "Proxy contests and corporate change: implications for shareholder wealth," *Journal of Financial Economics*, 47 (March 1998) 279-313.

Pound, John, "Proxy Contests and the Efficiency of Shareholder Oversight," *Journal of Financial Economics*, 20 (January 1988) 237-265.

Pound, John, "Proxy Voting and the SEC: Investor Protection versus Market Efficiency," *Journal of Financial Economics*, 29 (October 1991) 241-285.

XIII. The Value of Corporate Control

[Barclay, Michael J. and Clifford G. Holderness](#), "Private Benefits from Control of Public Corporations," *Journal of Financial Economics*, 25 (December 1989) 371-395.

- [Doidge, Craig](#), “U.S. Cross-Listings and the Private Benefits of Control: Evidence from Dual-Class Firms,” *Journal of Financial Economics*, 72 (June 2004) 519-533.
- Albuquerque, Rui, Enrique Schroth, “Quantifying private benefits of control from a structural model of block trades,” *Journal of Financial Economics*, 96 (April 2010) 33-55.
- Barclay, Michael J. and Clifford G. Holderness, “Negotiated Block Trades and Corporate Control,” *Journal of Finance*, 46 (July 1991) 861-878.
- DeAngelo, Harry and Linda DeAngelo, “Managerial Ownership of Voting Rights: A Study of Public Corporations with Dual Classes of Common Stock,” *Journal of Financial Economics*, 14 (March 1985) 33-69.
- Edmans, Alex, and Gustavo Manso, “Governance Through Trading and Intervention: A Theory of Multiple Blockholders,” *Review of Financial Studies*, 24 (2011) 2395-2428.
- Jarrell, Gregg A. and Annette B. Poulsen, “Dual-class Recapitalizations as Antitakeover Mechanisms: The Recent Evidence,” *Journal of Financial Economics*, 20 (January 1988) 129-152.
- Lease, Ronald C., John J. McConnell, and Wayne H. Mikkelson, “The Market Value of Control in Publicly Traded Corporations,” *Journal of Financial Economics*, 11 (April 1983) 439-471.
- Martin, Kenneth J. and John J. McConnell, “Corporate Performance, Corporate Takeovers, and Management Performance,” *Journal of Finance*, 46 (June 1991) 671-687.
- Meeker, L. and O. Joy, “Price Premiums for Controlling Shares of Closely Held Bank Stock,” *Journal of Business*, 53 (1980) 297-314.
- Mikkelson, Wayne H. and M. Megan Partch, “Managers’ Voting Rights and Corporate Control,” *Journal of Financial Economics*, 25 (December 1989) 263-290.
- Mørck, R., Andrei Shleifer, and Robert W. Vishny, “Management Ownership and Market Valuation: An Empirical Analysis,” *Journal of Financial Economics*, 20 (January 1988) 293-315.
- Nenova, Tatiana, “The value of corporate voting rights and control: A cross-country analysis,” *Journal of Financial Economics*, 68 (June 2003) 325-351.
- Stulz, René M., “Managerial Control of Voting Rights: Financing Policies and the Market for Corporate Control,” *Journal of Financial Economics*, 20 (January 1988) 25-54.
- Stulz, René M., “Managerial Discretion and Optimal Financing Policies,” *Journal of Financial Economics*, 26 (July 1990) 3-27.

XIV. Divestitures and Spin-offs

- [Schipper, Katherine and Abbie Smith](#), “A Comparison of Equity Carve-outs and Seasoned Equity Offerings,” *Journal of Financial Economics*, 15 (January 1986) 153-186.
- Ahn, Seoungpil and David J. Denis, “Internal Capital Markets and Investment Policy: Evidence from Corporate Spinoffs,” *Journal of Financial Economics*, 71 (March 2004) 489-516.
- Allen, Jeffrey W, “Capital markets and corporate structure: the equity carve-outs of Thermo Electron,” *Journal of Financial Economics*, 48 (1 April 1998) 99-124.
- Bayar, Onur, Thomas J. Chemmanur, Mark H. Liu, “A theory of equity carve-outs and negative stub values under heterogeneous beliefs,” *Journal of Financial Economics*, 100 (June 2011) 616-638.
- Comment, Robert and Gregg A. Jarrell, “Corporate Focus and Stock Returns,” *Journal of Financial Economics*, 37 (January 1995) 67-87.
- Chemmanur, Thomas J. and An Yan, “A Theory of Corporate Spin-offs,” *Journal of Financial Economics*, 72 (May 2004) 259-290.
- Daley, Lane, Mehrotra, Vikas, and Sivakumar, Ranjini, “Corporate Focus and Value Creation: Evidence from Spinoffs,” *Journal of Financial Economics*, 45 (August 1997) 257-281.
- Desai, Hemang and Prem C. Jain, “Firm Performance and Focus: Long-Run Stock Market Performance Following Spinoffs,” *Journal of Financial Economics*, 54 (October 1999) 75-101.
- Hite, Galen L. and J. E. Owers, “Security Price Reactions Around Corporate Spin-off Announcements,” *Journal of Financial Economics*, 11 (December 1983) 409-436.
- Jain, Bharat A., Omesh Kini, Jaideep Shenoy, “Vertical divestitures through equity carve-outs and spin-offs: A product markets perspective,” *Journal of Financial Economics*, 100 (June 2011) 594-615.
- Krishnaswami, Sudha, and Subramaniam, Venkat, “Information Asymmetry, Valuation, and the Corporate Spin-Off Decision,” *Journal of Financial Economics*, 53 (July 1999) 73-112.
- Lang, Larry, Annette Poulsen, and René M. Stulz, “Asset Sales, Firm Performance, and the Agency Costs of Managerial Discretion,” *Journal of Financial Economics*, 37 (January 1995) 3-37.
- Schipper, Katherine and Abbie Smith, “Effects of Recontracting on Shareholder Wealth: The Case of Voluntary Spin-offs,” *Journal of Financial Economics*, 11 (December 1983) 437-467.

Schlingemann, Frederik P., Stulz, René M., and Walkling, Ralph A., “Divestitures and the Liquidity of the Market for Corporate Assets,” *Journal of Financial Economics*, 64 (April 2002) 117-144.

Slovin, Myron B., Marie E. Sushka, and Steven R. Ferraro, “A Comparison of the Information Conveyed by Equity Carve-outs, Spin-offs, and Asset Sell-offs,” *Journal of Financial Economics*, 37 (January 1995) 89-104.