



# **Valuation of Shares of Companies with a Dual Class Structure**

**Gilbert E. Matthews, CFA**

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## WHAT'S HAPPENING

- An number of companies in U.S. markets are choosing to set up dual class structures and to issue low-vote shares when they go public
- This protects the control shareholders, usually the founders
- The companies have dual class equity structures in which the owners of high-vote shares retain voting control
- 15% of U.S. IPOs in 2015 had dual class structures, up from 12% in 2014 and just 1% in 2005.

*Notes re terminology in this presentation:*

- a. "dual class" includes companies with multiple classes*
- b. "low-vote" shares include non-voting shares*



## BENEFIT OF A DUAL CLASS STRUCTURE

- Dual class structures enable management to take a long-term view by insulating it from the pressures of meeting the market's quarterly expectations
- Founders reserve greater voting power to “driv[e] efficiencies, rather than constant innovation, ... and have market off [their] back[s].”

*Wall St Journal*, Aug. 17, 2015

*[W]hen management uses the dual class structure ..., the management group is freed to act in the long-term best interest of the firm.*

(Howell, 2014)\*

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\*See Bibliography at end of this presentation





## TECH COMPANIES HAVE LED THE WAY

- More than half of the 2015 dual class IPOs were for technology companies
- The trend began in 2004, when Google sold low-vote shares in its highly publicized IPO
- Several other prominent tech IPOs used a dual class structure, *e.g.*, Facebook and Zynga





## WHAT IS A DUAL CLASS STRUCTURE?

- “Dual class” companies have classes of common shares with unequal voting rights but equal or similar economic interests (entitlement to earnings)
- For U.S. companies, high-vote shares usually have 10 times the votes but the same economic interest as low-vote shares
  - In some cases, the superior class elects a majority of the board and the class sold to the public elects a minority of the board



## LEGAL LIMITS ON DUAL CLASS SHARES

- Some countries, *e.g.*, U.K. and Sweden, permit shares with multiple votes (usually with a maximum of 10 votes) but ban non-voting shares and shares with less than one vote
- Some, *e.g.*, Italy, permit non-voting shares but mandate a dividend preference for the non-voting shares
- Some limit the number of non-voting shares, *e.g.*, Germany and Italy, which limit non-voting shares to 50% of equity
- Some, *e.g.*, Switzerland, require one vote per share but permit shares with different par values, thus effectively permitting dual classes
- Some countries prohibit dual class shares, *e.g.*, Spain, Portugal, Belgium, Russia, South Korea, India



## FREQUENCY OF DUAL CLASSES

- In 2015, 8% of the S&P 500 and 9% of the Russell 3000 were dual class
  - In 2011, the percentages were 5% and 7%, respectively
- Percentage of European listed companies with dual class structures (2001-2):

Sweden	62%	U.K.	25%
Switzerland	52%	Germany	19%
Italy	43%	France	3%
- Current levels are lower in most European countries, primarily because of trend toward reclassification of dual class shares into a single class





## DUAL CLASS SHARES IN THE U.S. (1)

- The NYSE prohibited the listing of non-voting common shares from 1926 to 1985
  - It sometimes permitted low-vote shares, *e.g.*, Ford Motor
- In 1976 the AMEX permitted the listing of low-vote shares provided that they could elect at least 25% of the board and that the voting ratio was no worse than 10:1
- In the mid-1980s, high-vote shares began being used as an anti-takeover device
- After 1985 the NYSE permitted the listing of low-vote shares with the AMEX limitations
  - Several listed companies created high-vote shares through exchange offers or recapitalizations







## DUAL CLASS SHARES IN THE U.S. (2)

- Since 1994 the NYSE has permitted listing by companies that had dual class structures subject to the same limitations but only if they had that structure when they went public
- The NYSE prohibits listed companies from creating dual class shares or reducing the voting rights of existing shares
  - NASDAQ now has the same standard
- Prior dual class listings are grandfathered and are not retroactively subject to the limitations





## SOME MAJOR STOCK MARKETS WILL NOT LIST DUAL CLASS COMPANIES

- Some important stock markets, including London, Hong Kong and Singapore, do not permit dual class companies to be listed
  - The NYSE has welcomed dual class foreign companies that could not list at home, such as China's Ali Baba and England's Manchester United



# DOES DUAL CLASS STRUCTURE IMPACT MARKET VALUE OF PUBLICLY TRADED SHARES?

- Several academic studies have concluded that, based on market prices of publicly traded shares, companies with dual class structures are valued in the market at lower levels than comparable companies
- However, some studies dispute this conclusion
- In practice, market valuations of low-vote shares can be materially affected by the market's view of the quality and integrity of management
  - Warren Buffet's Class A shares of Berkshire Hathaway have 1,000 times the vote of the Class B shares





## MINORITY HIGH-VOTE SHARES OFTEN SELL AT A PREMIUM IN EUROPEAN MARKETS

- Minority shares in a high-vote class often sell at substantial premiums to low-vote shares in European and other markets
- At the macro level, these premiums can reflect factors such as the absence of, or limitations on, legal protection of low-vote shares and on the activity of the M&A market
- At the micro level, premiums can reflect factors such as the potential for the publicly traded shares to be swing votes, the market's view of the likelihood of an acquisition or recap, and the market's evaluation of management

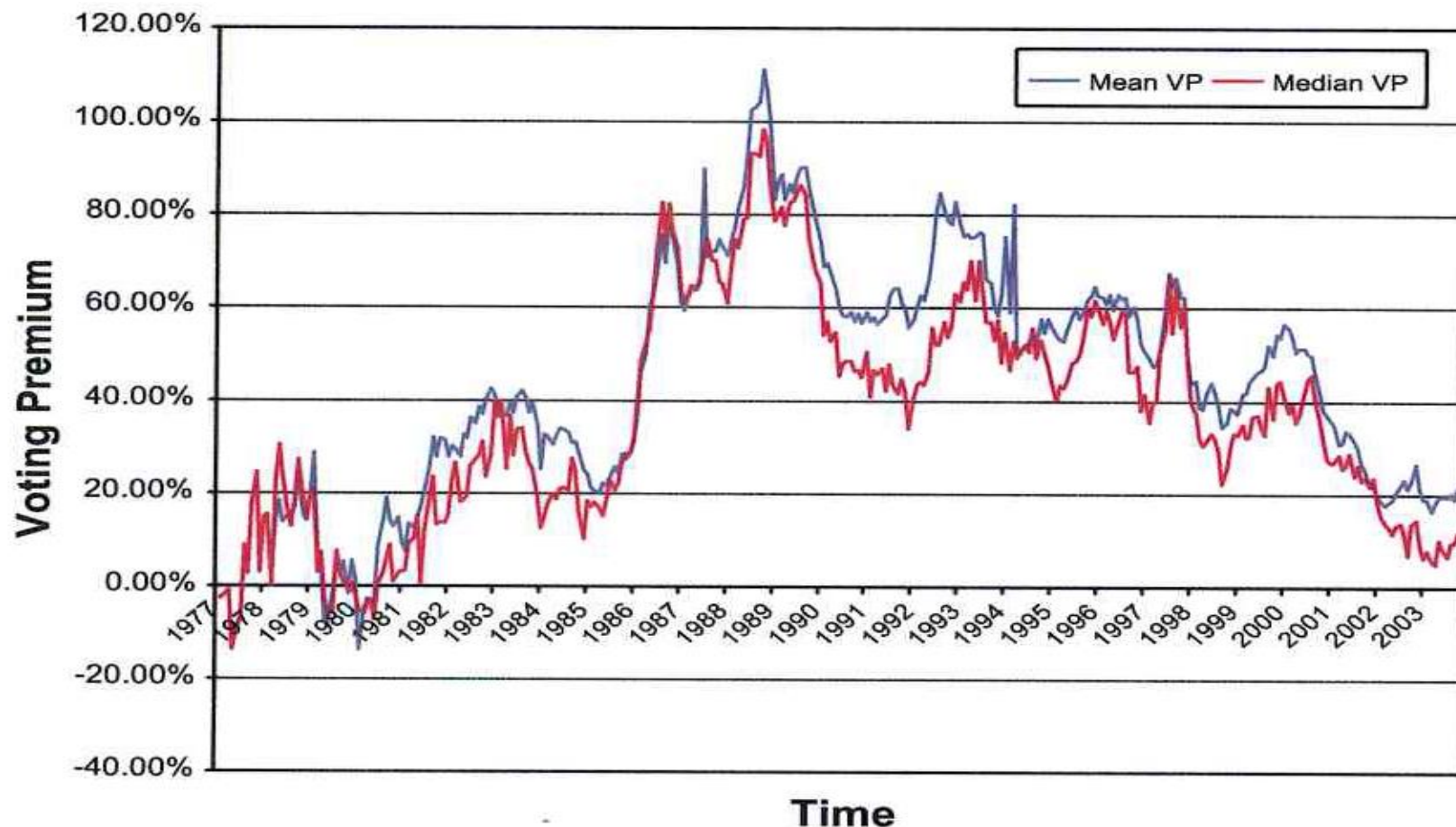


## THESE PREMIUMS CAN FLUCTUATE MATERIALLY BY MARKET AND OVER TIME

- In Germany, average premiums for high-vote shares were about 40% in the early 1990s – a decade later, average premiums were 10-15%
- Norwegian high-vote shares sold at average *discounts* of about 10% in the early 1990s – a decade later, average premiums were about 15%
- Average premiums for high-vote shares in Denmark were 35% in the early 1990's and 5% in the late 1990s
- Brazilian high-vote shares had average premiums of 10% in 1994, 30% in 1996, *minus* 10% in 2000, and 5% in 2004



## AN EXAMPLE: PREMIUMS FOR ITALIAN VOTING SHARES



Source: Caprio & Croci (2008)





# WHY HAVE PREMIUMS DECLINED IN ITALY?

- Premiums for high-vote shares in Italy have been in a secular decline since peaking in 1989
- This decline can be attributed to several factors
  1. Legal protection for minority shareholders has been improving
  2. There have been few battles for control, limiting the value of potential swing blocks
  3. Many Italian companies have unified their dual class structures, often on a one-for-one basis





# WHY DO VOTING RIGHTS HAVE VALUE IN THE MARKET?

*The main source of value for voting rights is the price a prospective buyer would be willing to pay above the security value of voting shares in order to gain control of the corporation and reap the ensuing private benefits. ...*

*The size of this voting premium will be related to both the probability that voting shares will be demanded by the buyer, and the amount of private benefits expected.*

Caprio & Croci, 2008





## FACTORS AFFECTING PREMIUMS OR DISCOUNTS FOR MINORITY HIGH-VOTE SHARES

- Potential premium (if any) in a unification or acquisition
- Likelihood (if any) of affecting control
- Liquidity – a function of the size of the float
- Limitations on transferability (for shares not publicly traded)
- Legal environment – voting premiums tend to be low in countries with good legal protections for minority shareholder and high in countries where legal protection is weaker



## VOTING PREMIUMS STUDIES IN THE U.S. MARKET

- In the U.S., the aggregate publicly traded high-vote shares in the float rarely can impact control because the control party normally owns a majority of the vote
- Several studies have attempted to determine the premium for high-vote shares by comparing market prices of high-vote and low-vote shares of the limited number of U.S. companies where both classes are publicly traded
- Basic flaw in these studies: If a company's publicly traded high-vote shares collectively cannot affect control, how can their market prices measure the value of control?



# CAN MINORITY SHARES IN A HIGH-VOTE CLASS BE LEFT IN THE COLD?

- Can the minority high-vote shareholders be excluded from a premium paid to the controller in an acquisition?
  - In many European countries, a party who buys a certain percentage of shares becomes legally obligated to bid the same amount for the remaining shares of the class – in that case, the answer is **“no”**
  - However, in the U.S. and in Canada, the answer sometimes is **“yes”**





## THE *RESORTS INTERNATIONAL* CASE

- The Delaware Court of Chancery – the primary venue for U.S. corporate litigation – decided in *Resorts International*\* that minority 100-vote shares were functionally and economically equivalent to the one-vote shares when corporate control was in the hands of a single shareholder
  - It ruled that minority high-vote shareholders were not entitled to a premium over the price paid to low-vote shareholders
    - The controller had received \$135 per share and all other shareholders of both classes received only \$36 per share
  - The Delaware Supreme Court upheld the decision, stating that the non-control high-vote shares had the same value as low-vote shares

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\* *In Re: Resorts International Shareholders Litigation*, 1988 Del. Ch. LEXIS 130 (Sept. 9, 1988); *aff'd*, 570 A.2d 259 (Del. 1990)





## DATA RE RELATIVE VALUE OF CLASSES

- To obtain data that can be useful in determining the relative value of high-vote and low-vote shares, we look at data available from corporate events in dual class companies
- Numerous U.S. corporations have combined high-vote and low-vote shares into a single class
  - These are called usually “recapitalizations” or “reclassifications” in the U.S. and “unifications” in Europe
  - The terms of these unifications provide useful data as to relative value in various countries
- Acquisitions and recaps of U.S. dual class companies provide useful data as to relative value in the U.S.



## REASONS FOR UNIFICATIONS

- Reasons – some country-specific and some general – why companies unify dual classes, *e.g.*:
  - to eliminate dividend preference
  - to comply with change in law
  - because of changed criteria for inclusion in indexes
    - the size of a class affects its inclusion in index funds and ETFs
  - to improve liquidity by having a single class
  - to improve pricing of new equity offerings
  - to eliminate perceived undervaluation
    - a recent study (Lauterbach & Pajuste, 2014) concluded that there is a correlation between media criticism and unifications



## UNIFICATIONS AND ACQUISITIONS IN U.S. (1)

- In about 85% of unifications and acquisitions of U.S. dual class companies in the past 30 years, both classes received the same consideration
- There are several reasons why the high-vote shares might not be able to receive a premium in an acquisition or unification
  1. A requirement under the by-laws that high-vote shares may not be transferred unless they are converted into one-vote shares
  2. A provision in the by-laws that high-vote shares will automatically be converted into low-vote shares if transferred to a party not in the control group



## UNIFICATIONS AND ACQUISITIONS IN U.S. (2)

3. A commitment by high-vote shareholders prior to an IPO that all shareholders would receive the same consideration in an acquisition
4. A by-laws provision that consent of the low-vote class was required for a merger
5. Prior to a 2001 change in GAAP, the ability to account for an acquisition as a pooling of interests
6. Control shareholder owns similar percentage of each class
7. High vote shares collectively own less than 50% of total vote







## A PROHIBITION AGAINST SELLING HIGH-VOTE SHARES AT A PREMIUM IS NOT ALWAYS EFFECTIVE

- Courts are usually reluctant to enjoin acquisitions by third parties who are paying a substantial premium for low-vote shares, even if the high-vote shares are receiving a higher price to which they may not be entitled
- Some cases where high-vote shareholders received a questionable premium have settled, *e.g.*, Delphi Financial, Affiliated Computer Services, Robert Mondavi Corp.
  - In the recent sale of DreamWorks Animation, Jeffrey Katzenberg received the same price per share as low-vote shareholders
  - However, he also received a potentially highly lucrative participation in future profits of certain operations
  - Litigation is in progress





# CANADIAN ACQUISITIONS AND UNIFICATIONS

- Premiums have been paid for high-vote shares in a small number of Canadian acquisitions
- Most Canadian unifications have given no premium to the high-vote shares
- However, in the unification of Magna International, the control shareholder received a huge premium – approximately C\$1 billion





## CANADA – MAGNA INTERNATIONAL

- Magna's control shareholder owned 0.6% of the equity but had 66% of vote
  - Litigation against the transaction was unsuccessful
  - The premium in excess of economic interest paid to Magna's control shareholder was 10%
  - Despite the overpayment and negative publicity, Magna shareholders benefitted from a higher stock price after the transaction





## GERMAN UNIFICATIONS

- A substantial majority of German unifications gave no premium to the voting shares
- There were 28 unifications of German dual class companies from 1995 through 2002 (Dittmann & Ulbrich, 2008)
  - 19 were on a share-for-share basis with no payment
  - 4 required non-voting shareholders to make a cash payment equal to a portion of the difference between the market prices of the voting and non-voting shares
  - 5 cancelled dividends that had accrued but were unpaid because of inadequate earnings



## ITALIAN UNIFICATIONS

- In 47 unifications in Italy (1974–2008), 34 were 1:1; in the other 13, non-voting shareholders either paid cash to convert or had an exchange ratio  $<1:1$  (Bigelli, Mehrorta and Rau, 2011)
  - In several cases of 1:1 unifications, control shareholders bought non-voting shares and sold high-vote shares (at premiums) prior to announcement (*Id.*)
- Most unifications since 2008 have been 1:1





## UNIFICATIONS IN ISRAEL

- A 1989 change in Tel Aviv Exchange's rules effectively forced dual-class companies that wanted to issue new shares to unify
- In 84 dual class unifications from 1990 to 2000, 55% compensated high-vote shareholders (Hauser & Lauterbach, 2004)
  - The mean compensation to high-vote shareholders was approximately 4%
  - On average, majority shareholders owned 86% of the high-vote shares and 63% of the low-vote shares
  - Almost all the majority shareholders retained control of their companies



## UNIFICATIONS IN OTHER COUNTRIES

- U.K. – a 1989 study showed that of 49 unifications, 45 paid special dividends to the high-vote shares (Ang & Megginson, 1989)
  - Prior to 1980, approximately half of U.K. listed companies were dual class
  
- Brazil – 25 of 30 reunifications from 2000 to 2008 were 1:1 (Bortolon & Câmara, 2014)
  - In 2007, approximately three-quarters of listed Brazilian companies were dual class





## HOW CAN WE EMPIRICALLY DETERMINE A REASONABLE PREMIUM FOR A HIGH-VOTE CLASS?

- There is historical data available as to premiums paid in acquisitions and in unifications/recapitalizations
  - The benefits of control and the legal standards differ by country, so that any analysis should be country-specific
- In the past 30 years, there has been an average of 1.1 transactions per year in the U.S. in which high-vote shares received a premium
- These transactions, although a small sample, provide relevant and useful data





## PREMIUM IN EXCESS OF ECONOMIC INTEREST

- The premium per share for control high-vote shares is a function of the percentage of the company's shares represented by that class
- It is illogical to posit that the voting premium per share is the same regardless of the percent of shares that are high-vote
  - If 100 shares had 75% of the vote, wouldn't those shares command a high premium?
- The relevant factor is the relationship between the aggregate amount of the premium paid to the high-vote shares **as a class** as a percentage of the aggregate equity value of the company (excluding the value of any dividend preference)
- We describe the aggregate premium for the high-vote class divided by the equity value of the company as the "premium in excess of economic interest"



## EXAMPLE OF HOW TO CALCULATE “PREMIUM IN EXCESS OF ECONOMIC INTEREST”

- A company with 50% high-vote shares and 50% low-vote shares with no dividend preference unifies its shares on a 1.2:1 basis
- The voting shares have a 50% economic interest before the unification and 54.5% after the unification
$$1.2 \times 50\% = 60\%; \quad 60\% / 110\% = 54.5\%$$
- Thus, the premium in excess of economic interest is 4.5%
  - If the non-voting shares have a dividend preference, the risk-adjusted present value of the preference is a prior charge and should be excluded from the economic interest that is shared pro rata by the two classes



## HUBBELL – THE MOST RECENT RECAP (1)

- Hubbell Incorporated is an electrical equipment manufacturer that has been listed on the NYSE for decades
- The 51 million Class B shares had one vote per share and were actively traded
- The 7.2 million Class A shares had 20 votes per share and were thinly traded (<1% of the volume of Class A)
  - The largest holders of Class A were two family trusts established in 1957 which together owned 48.7% of the class (6.4% economic interest) and of 36.0% of aggregate voting power
  - Class A had generally traded at a small discount to Class B



## HUBBELL – THE MOST RECENT RECAP (2)

- Hubbell announced in August 2015 that it would reclassify its shares into a single class
  - Class A shares: one share of common stock (\$99) plus \$28
  - Class B shares: one share of common stock
- Shareholders approved the reclassification in December 2015
- The premium over economic value received by the Class A shares was 3.0%

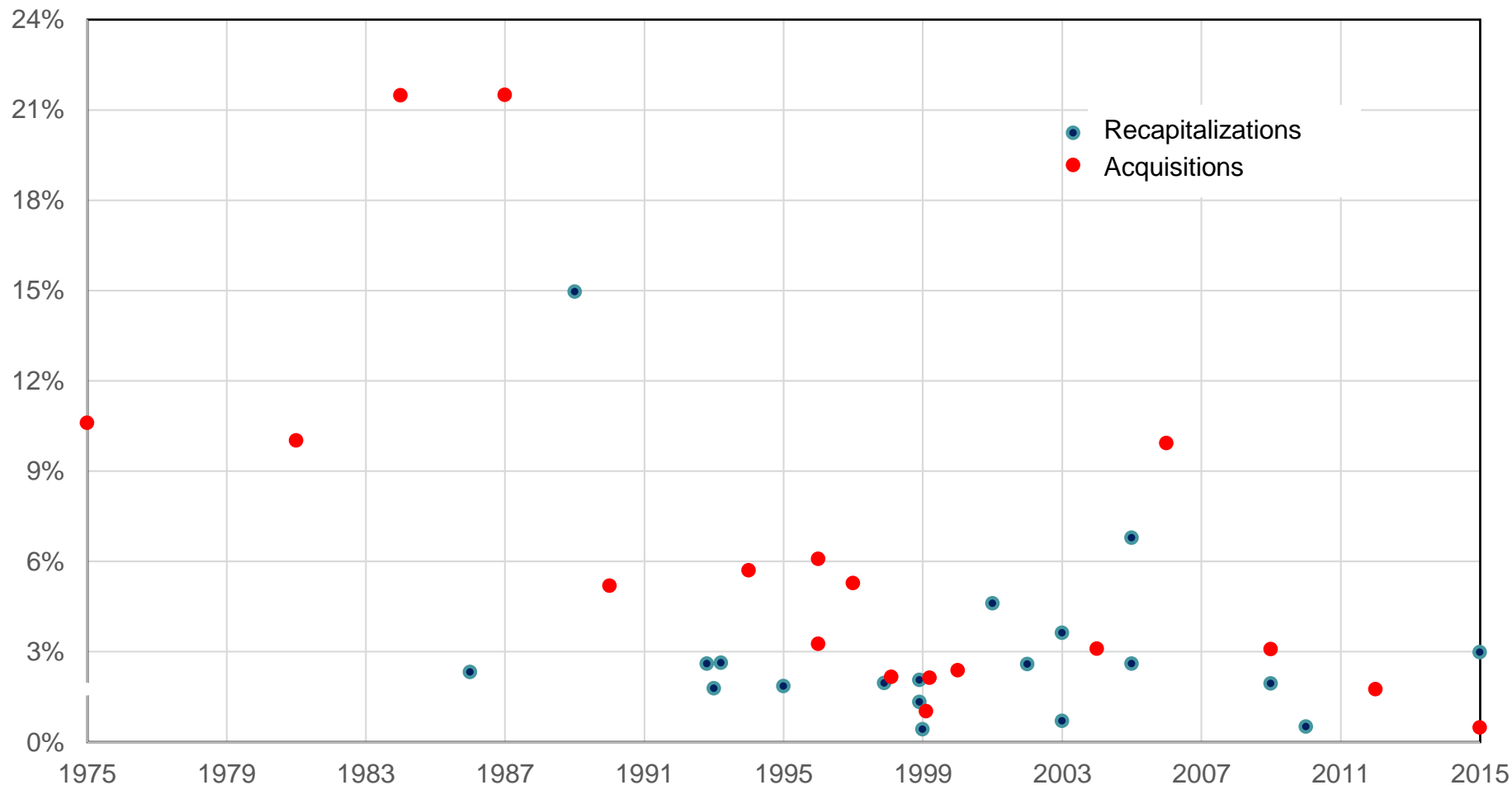


## STUDY OF U.S. TRANSACTIONS WHERE A PREMIUM WAS PAID

- We have reviewed all U.S. transactions since 1974 in which high-vote shares received more than low-vote shares
- For each transaction, we calculated the premium in excess of economic interest
- In the 1980's, extremely high premiums in excess of economic interest were paid for some high-vote shares
- Since 1990, these premiums have averaged about 3%
  - The median and mean premiums in acquisitions since 1990 are 3.1% and 3.7%
  - The median and mean premiums in unifications since 1990 are 2.1% and 2.4%



## PREMIUMS IN EXCESS OF ECONOMIC INTEREST RECEIVED BY U.S. HIGH-VOTE SHARES



## HOW TO APPLY “PREMIUM IN EXCESS OF ECONOMIC INTEREST” (1)

- Determine the value of low-vote class’s dividend preference, if any, and apply it to the low-vote class
- Determine the going-concern value of the company’s equity (net of any dividend preference)
- Then apply the appropriate “premium in excess of economic interest” to equity value net of the preference
- The premium is added to the high-vote class’s economic interest



## HOW TO APPLY “PREMIUM IN EXCESS OF ECONOMIC INTEREST” (2)

- The balance of the equity value is then divided pro rata between the two classes in proportion to the number of shares
- The value per share of each class is calculated by dividing the equity value attributed to each class by the number of shares in each class
  - Add the per share value of any dividend preference to the low-vote share value







## SIMPLOT – TAX COURT DECISION

- J.R. Simplot Co. had 141,289 non-voting shares and only 76½ voting shares (rounded)
- One family shareholder owned 22½ voting shares and three (including the decedent) each owned 18 voting shares
- The Tax Court stated that the premium for the voting rights “should be expressed in terms of a premium of the equity value”\*
  - It rejected the Estate’s position that the premium should be calculated on a per share basis

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\**Estate of Simplot*, 112 T.C. 130, 173 (1999)



## ***SIMPLOT – APPELLATE COURT DECISION***

- The Ninth Circuit opinion rejected the premium applied by the Tax Court because the decedent's block of shares was a minority of the class

*There was no basis for supposing that whatever value attached to complete control[,] a proportionate share of that value attached to each fraction of the whole.\**

- The decision did not address the Tax Court's application of a premium as a percent of equity value

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*\*Estate of Simplot, 249 F.3d 1191, 1195 (9<sup>th</sup> Cir. 2001)*



## DUAL CLASS – VALUATIONS FOR TAX PURPOSES

- The application of a premium to a high-vote class reduces the value of the low-vote class
- If the high-vote class is allocated a premium of ~3% of equity value, there is a proportionate reduction in the value of the low-vote class which can be applied prior to marketability and other applicable discounts





## FAIRNESS OPINIONS IN DUAL CLASS TRANSACTIONS

- In practice, fairness opinions in dual class transactions with premiums for high-vote shares seldom address the relative consideration received
  - At best, fairness opinions state that the consideration received is fair, from a financial point of view, to the low-vote shareholders
  - Some fairness opinions in recaps state that the consideration is fair to shareholders of both classes!



## COURTS HAVE BEEN CRITICAL OF DIRECTORS AND INVESTMENT BANKERS

- The Delaware courts have criticized directors who have not considered relative fairness to low-vote shares
- They have similarly criticized financial advisors for not addressing the issue in their fairness opinions



## THE *READER'S DIGEST* DECISION

- In 2002, Reader's Digest proposed a recap in which about half of the voting shares would be bought at premium and the balance would be exchanged for 1.24 shares of common

- The Delaware Supreme Court said:

*[T]he Special Committee never sought, nor did its financial advisor, Goldman Sachs, ever tender, an opinion as to whether the transaction was fair to the Class A shareholders. ... Given the obvious conflicting interests of the shareholder classes, the conceded absence of an evaluation of the fairness of the recapitalization on the Class A shareholders is significant.*

*Levco Alternative Fund, Ltd. v. Reader's Digest Association, Inc.*, 803 A.2d 428 (Del. 2002), 2002 Del. LEXIS 488 (Del. 2002) at \*5-\*6.



## THE *TELE-COMMUNICATIONS, INC.* DECISION <sup>(1)</sup>

- In 2005 Tele-Communications, Inc. (TCI) agreed to a transaction in which 10-vote shares (TCOMB) would receive 10% more in cash than the one-vote shares (TCOMA)

- The Court of Chancery wrote:

*DLJ failed to opine upon the fairness of the TCOMB premium to the TCOMA holders. ... The Levco Court mandated more than separate analyses that blindly ignore the preferences another class might be receiving... [T]he premium received by the TCOMA holders ... must be balanced with the fairness and magnitude of the 10% TCOMB premium.*

*In re Telecommunications, Inc. Shareholder Litigation*, 2005 Del. Ch. LEXIS 206 (Dec. 21, 2005) at \*54-\*55



## THE *TELE-COMMUNICATIONS, INC.* DECISION (2)

- The Court explained:

*DLJ opined “that, with respect to the holders of each series of [TCI] Common Stock ..., the Exchange Ratio relating to such series is fair to such holders from a financial point of view.” ... Notably, the DLJ opinion does not discuss the effect of the TCOMB premium upon the TCOMA holders, i.e., whether the TCOMB premium was fair to the TCOMA holders. Unfortunately for defendants, Levco appears to mandate exactly such an analysis: that the relative impact of a preference to one class be fair to the other class.*

*Id.* at \*52-\*53





## WHAT SHOULD AN OPINION-GIVER DO?

- It is puzzling that none of the small number of relevant fairness opinions re dual stock transactions in the past decade have addressed the relative fairness of the consideration to the low-vote class
  - Can a transaction be fair to low-vote shares if an excessive premium is paid to a high-vote class?
- Financial advisors engaged to render an opinion for a dual class stock transaction would be well advised to discuss the scope of the opinion with counsel





## DUAL CLASS – STATUTORY APPRAISAL

- In Delaware and in most other states, common shareholders seeking appraisal are entitled to “fair value,” *i.e.*, a pro rata share of the company’s equity with no discounts for minority interest or lack of marketability and *no premium for control*
- Thus, no premium can be applied to high-vote shares in statutory appraisal
  - The same standard applies in most minority oppression cases





## VALUE OF DIVIDEND PREFERENCE

- If the low-vote shares are entitled to a dividend preference, this preference has a positive impact on their value
- The market premium in many studies has been calculated based on the difference between the market prices of shares of each class, with no adjustment for any dividend preference
- To calculate the market premium accurately, the price of the low-vote shares should be appropriately adjusted for the risk-adjusted present value of any dividend preference



## VALUATION DEPENDS ON CONTEXT

- Valuation of high-vote shares depends on their ability to affect control and/or participate in benefits to controller
  1. Highest level –value in hands of controller
  2. Major shareholder with partial or shared control
  3. Potential swing vote with no single controller
  4. No current value to voting right but potential for participation in future premium
  5. Lowest level – no reasonable expectation of receiving higher price than low-vote shareholders
- Purpose of valuation can be relevant – *e.g.*, is the valuation for tax purposes or for a fairness opinion?



## LOYALTY SHARES

- “Loyalty shares” are shares with time-phased voting rights (tenure voting), *i.e.*, shares within a class are given multiple votes after being held in registered form by the same shareholder for a given period of time (usually two years)
- Loyalty shares are widely used in France (usually with 2 votes) but are rare elsewhere
  - The NYSE will not list companies with loyalty shares, but three companies are grandfathered





## VALUATION OF LOYALTY SHARES

- Loyalty shares are not a “class” of shares – they lose their extra votes upon transfer to a third party
  - Since the incremental vote is not transferable, the voting right has no incremental value
  - Loyalty shares owned by shareholders who are not part of the control group are worth no more than other minority shares



## FURTHER STUDIES ARE NEEDED

- Dual class valuations are country-specific
- Dual stock valuations must reflect the legal and social factors that affect the value of control
- To determine how a market values high-vote and low-vote shares, it would be helpful to study and analyze not only relevant stock market prices, but also the relative prices paid in acquisitions and unifications
  - Most available studies generally do not provide data that is useful to valuers
  - Some studies, *e.g.*, Dyck & Zingales (2004), look at premiums paid for control blocks, which could provide useful guidelines





## SANITY CHECK

- Valuations of high-vote and low-vote shares are a subset of valuations applying control premiums, minority discounts and marketability discounts
- Valuers should ask themselves whether their conclusions as to the value of specific shares are consistent with the conclusions they would have reached had the company not had more than one class of shares
- Valuers should ask themselves whether their conclusions reflect prices that are consistent with what a willing buyer might pay and a willing seller might accept







## CONCLUSION

- High-vote and low-vote shares should be valued as a class before calculating value per share
- Appropriate adjustments must be made for dividend preferences
- Minority high-vote shares that cannot influence control merit little or no premium over low-vote shares
- A valuation should be consistent with the underlying facts and circumstances
- Do not use rules of thumb
- Data used should be relevant to the transaction





*Your questions and comments are welcome*



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