"Does Fed policy affect blockholder behavior in U.S. publicly traded firms?"

NUMBER OF REFERENCES	NUMBER OF FIGURES	NUMBER OF TABLES
34	**0**	**6**

businessperspectives.org

Halil D. Kaya (USA), Nancy L. Lumpkin-Sowers (USA)

Does Fed policy affect blockholder behavior in U.S. publicly traded firms?

Abstract

This paper documents the empirical relationship between ownership concentration and monetary policy to fill out the picture for when ownership concentration is likely to change within U.S. publicly traded firms. The sample is drawn from the Dlugosz et al. (2006) data set for firms between 1996 and 2001. The authors explore the patterns between the Federal Reserve's policy position and ownership concentration rather than asserting causal direction between the two. This empirical paper tests alternative theories on blockholder activism by examining whether "voice" or "exit" is more dominant under contractionary monetary policy. Using the series of same direction changes in the Federal Funds Rate to establish time periods as a proxy for monetary policy in the U.S., nonparametric tests show that there are more blockholders per firm, the sum of their blockholdings in percentage terms is higher, and the total percentage held by the blockholder in U.S. firms is greater under contractionary policy periods. This supports an active theory of blockholder behavior in corporate governance.

Introduction

Do general macroeconomic conditions affect ownership concentration in U.S. firms? Recent literature on corporate governance makes it clear that the presence of a large stockholder, where large includes any block holding with a 5% ownership stake, can influence firm decision making (Clifford and Lindsey, 2016; Edmans and Manso, 2011), but the catalyst for blockholder activism is less fully considered. Specifically, when the Federal Reserve tightens monetary policy, indicating a check on the heat in the economy, do blockholders view this as a signal to vote with their feet and sell their shares? Alternatively, do they bolster their positions in the company, taking advantage of lower prices in the market overall, thereby seeking a bigger role as an owner?

In theoretical terms, we are really testing whether the investor with blockholder status assumes an active monitoring role or a more passive one through exit. Our presumption is that the blockholder is likely to be a more informed investor and will recognize quickly the first signs of trouble in the economy. The blockholder's reaction to government policy signals is more open to debate, however. There seem to be considerable amounts of literature on both sides of this monitoring issue to support each alternative. On the one hand, Clifford and Lindsey (2016) show that certain types of blockholders will take a very active role in governing. They find that active blockholders are associated with firms that link CEO pay to performance more and that have stronger operating results. On the other hand, Edmans (2009) demonstrates that blockholders may be able to achieve the results they want from management effectively through the threat of exit. This may be enough to curb the agency problem in a number of situations. Thus, seeing whether the blockholder increases or decreases her ownership concentration based on signals on economic conditions from the government may help us to better understand whether the active or passive role is more dominant among U.S. publicly traded firms.

Patterns in the data employed in this study (Dlugosz et al., 2006) suggest to us that blockholders are assuming a more active position when the Federal Reserve places a check on an overheating economy. Using the series of same direction changes in the Federal Funds Rate to establish time periods as a proxy for monetary policy in the U.S., nonparametric tests show that there are more blockholders per firm, the sum of their blockholdings in percentage terms is higher, and the total percentage held by the blockholder in U.S. firms is greater under contractionary policy periods. This might suggest more active engagement among blockholders as economic conditions tighten.

The government is an important actor in our financial markets, because it often sets the foundation for expected business conditions. By identifying the patterns in block holdings given

changes in government policy, the small investor may better understand whether the blockholder is serving as an active monitor of a firm. This will make the corporate governance mechanism at work more clear, but it also may provide a signal of firm value. If the blockholder increases the holdings as tighter economic conditions are identified, then, this is likely to convey an active commitment to the prospects for the firm.

The paper proceeds as follows: section 1 summarizes the theoretical findings underpinning this empirical examination. Section 2 outlines three testable hypotheses that emerge from the theory. Section 3 examines the pattern of results in our data and the last section provides a synopsis of our findings and elaborates on the next steps in this investigation.

1. Literature review

Our problem here considers the role of the blockholder, whether it be passive or active, against the backdrop of changing market conditions, so that we are really drawing from what has emerged as three distinct areas of the literature on corporate governance.

1.1. Blockholders and government policy. At first, the literature investigated whether the presence of the blockholder was significant in U.S. corporations at all, particularly for insiders, and looked for its presence across different points in time (see the following for early contributions: Mikkelson and Partch, 1989; McConnell and Servaes, 1990; Holderness et al., 1999; La Porta et al., 1997, 1998, 1999, 2000, 2002). The underlying presumption was always that U.S. publicly traded firms were understood to be diffuse, while those outside the U.S. and England were believed to operate with much more insider concentration levels (for good examples, see: Becht and DeLong, 2005; Denis and McConnell, 2003, Franks et al., 2008, La Porta et al., 1999).

There is not a great deal in the literature that juxtaposes blockholder behavior against the backdrop of changing government policy or altered macroeconomic conditions. Morck, Wolfenzon and Yeung (2005) examine the connections between ownership concentration, resource allocation, and economic growth. The argue that, outside the United States and the United Kingdom, familial control through pyramids, firm crossholdings, and powerful voting rights leads to a situation where control rights do not correlate with invested capital. This leads to the classic agency problem, the misallocation of resources, and slower economic growth for the economy overall. Here the causation runs from control, which is greater than investment,

to slower growth. Government policy, however, is not explicitly identified as a causal factor that might impact ownership concentation and blockholder behavior.

1.2. Blockholder as passive monitor. More recent papers examine the idea of passive monitoring through exit or even just the threat of exit. The free rider problem and institutional barriers to shareholder activism can constrain a large shareholder from investing expensive resources in active ways (Edmans, 2009). When a blockholder is aware that the manager is engaging in very risky projects or holding back from value-enhancing activities within the firm, the best path might simply be to sell the holding rather than endure public scrutiny that would come from formal shareholder proposals or by making votes transparent. Admati and Pfleiderer (2009) explore this threat in something they call the "Wall Street Walk," finding that blockholder threats to sell their stake reduces agency costs where the project or activity would reduce shareholder value, but may increase agency costs in situations where the targeted activity, if done, would be value-enhancing. This builds on literature from Bhide (1993) and Coffee (1993), which both argue that such behavior hinders good corporate governance, but Palmiter (2002), in looking at mutual fund voting practices, recognized that the "threat to exit" was a mechanism of control. Block ownership behavior can move market prices after all and it might be easier for managers to hear the shareholder at the onset.

Edmans and Manso (2011) argue that firms that have a larger number of blockholders will see coordination problems naturally emerge between them and this means that control through trading behavior becomes an effective alternative to active monitoring of managerial efforts. Further, thinking through the choice of "voice" or "exit" as agency control mechanisms suggests not only substitution, but also complementarity, especially the more liquid the market (Edmans, Fang and Zur, 2013). Bharath, Jayarman and Nagar (2013) distinguish between the threat of exit and acutal exit, finding that the threat of exit is less strong when the market is less liquid.

1.3. Blockholder activism amid blockholder heterogeneity. In a literature review of investor activism, Denes et al. (2016) argue that shareholder activism works when it is associated with block ownership. Cronqvist and Fahlenbrach (2009) point out that not all blockholders are the same or have the same motivations. It is important to distinguish between the different types of blockholders, external versus internal, affiliated versus business pressure insensitive, recognizing that blockholder heterogeneity is likely to lead to different

behavioral motivations. Clifford and Lindsey (2016) concur that it is difficult to see a measurable impact due to the blockholder when considering all blockholders as a group. By separating blockholders into active and non-active types, they find that active blockholder types do have an effect on CEO compensation and firm performance. Activism is important for firm performance.

2. Hypotheses

There is room in the literature for investigating ownership concentration across time and across perceived market conditions within the United States. The way in which block ownership proportions change across expansionary and contractionary monetary policy conditions adds one more piece to the greater puzzle of what constitutes good corporate governance. The range of findings, as well as the lack of focus on *when* blockholder prevalence grows or recedes leaves the empirical question of its magnitude, given the economic environment, still unanswered.

There are three hypotheses that might explain blockholder motivation under changing monetary policy.

Hypothesis 1: Blockholders decrease their stake in the corporation by voting with their feet during contractionary policy times.

Under this hypothesis, the better informed blockholder will find it easiest to sell their stakes when it looks like the economy might slow down, and firm profits might be compromised. The informed blockholder is looking for greener pastures under this scenario.

Hypothesis 2: Blockholders increase their ownership stake as a means to control the expected downward slide in profitability when the Federal Reserve signals contractionary monetary policy.

Here, the role of the investor holding blocks of stock is much more active. An increase in control would indicate the need for the firm to tighten its corporate governance belt and provide a check for management as they move into leaner times.

Hypothesis 3: Blockholders do not change their concentration of ownership under changing monetary policy.

Either the blockholder does not react to changing monetary policy or cannot react to changes in monetary policy, because her role is a passive one. Perhaps the holding is part of an index strategy under this scenario.

It seems reasonable that any of these motivations might dominate blockholder reactions to a change in monetary policy. The choice becomes an empirical question that theory alone is not able to answer.

3. Empirical results

Dlugosz et al. (2006) create a standardized data set on blockholders in the United States between 1996 and 2001, by removing the classic mistakes and biases regularly found in the *Compact Disclosure* reports. We use the Dlugosz et al. (2006) dataset to identify the prevalence and percentage of blockholding among U.S. publicly traded firms. The sample includes 7,649 blockholder observations across 1,913 publicly traded US companies across a six year period.

To capture monetary policy conditions for the U.S. economy, we looked for changes in the Federal Funds Rate to create periods of expansionary and contractionary monetary policy. Table 1 shows five distinct periods of time for when the Federal Funds Rate was either decreasing or increasing. Starting in January 1996, we looked for the month when the Federal Funds Rate would change course, either moving up after a series of months when it had been falling or shifting down after a period where it had last increased.

Table 1. Series of consecutive, same-direction changes in the Fed Funds Rate

Series	Increasing/Decreasing	Month/Year of first rate change	Monthly observations in series
1	D	01/96	14
2	I	03/97	18
3	D	09/98	9
4	I	06/99	19
5	D	01/01	12

Our first monetary policy period is an expansionary one, lasting from January 1996 to March 1997, for a total period of 14 months. During this time, the Federal Funds Rate never increased. Then, in March 1997, the Federal Reserve increased the Rate and did not decrease it again until September 1998. This was a period of contraction. Through this process, we identified periods of expansion and contraction over six years. The number of months included in each period of time varies depending on the policy decision.

Table 2 shows our sample blockholder observations over the 1996-2001 period. Panel A shows the number of blockholders present among the 1,913 companies in our sample over the six-year time period, while Panel B breaks down the blockholding sample by percentage ownership over the five monetary policy periods established in Table 1 above.

Table 2. Sample firms

Panel A: Annual

	1996	1997	1998	1999	2000	2001	All
All	1,130	1,046	1,510	1,387	1,336	1,240	7,649

Panel B: Across monetary policy periods

	Exp. policy	Cont. policy	All	
All	3,662	3,987	7,649	
<5%	487	476	963	
5%-10%	481	471	952	
10%-15%	424	430	854	
15%-25%	739	901	1,640	
25%-50%	1,192	1,326	2,518	
>50%	339	383	722	

Panel A redistributes the 7,649 blockholder observations by year for the 1,913 firms in the six year sample. An even split of the observations would have been 1,274 per year, so you can see that the observations peaked in 1998 and fell away a bit from there. For Panel B, the first row shows the way that the sample of total ownership concentration is split between expansionary and contractionary policy periods. Approximately half of the firm-year observations are within each policy period as shown by the row title "All". The rows below that show the number of blockholder observations given the ownership concentration percentage within the firms. The third row shows the number of blockholder observations for firms with a total blockholder concentration between 5% and 10%. The last row shows the number of blockholder observations in firm observations where total block ownership exceeds 50%.

Table 3 shows the average number of owners with blockholdings exceeding 5% across expansionary and contractionary policy period. The first row in the table (denoted "All") provides the mean and median number of blockholders on a per firm basis across the expansionary and the contractionary monetary policy periods. You can see that the mean number of blockholders rises in the contractionary policy periods to 2.41 from the expansionary periods at 2.32, but the median number of blockholders remains constant at two blockholders per firm.

Table 3. Number of blockholders across monetary policy periods

	Exp. policy		Cont. policy		All	
	Mean	Med.	Mean	Med.	Mean	Med.
All	2.32	2.00	2.41	2.00	2.37	2.00
<5%	0.00	0.00	0.00	0.00	0.00	0.00
5%-10%	1.00	1.00	1.00	1.00	1.00	1.00
10%-15%	1.65	2.00	1.65	2.00	1.65	2.00
15%-25%	2.36	2.00	2.37	2.00	2.37	2.00
25%-50%	3.51	4.00	3.52	4.00	3.52	4.00
> 50%	4.11	4.00	4.20	4.00	4.16	4.00

The rows below "All" detail the average number of blockholders given a range of ownership concentration across expansionary and contractionary monetary policy period. By definition the average number of blockholders with a percentage ownership below 5% is zero. As the ownership concentration range increases, so do the mean and the median values. For firms with total block ownership between 5 and 10%, the average number of blockholders for that firm-year is one in both the expansionary and contractionary monetary policy periods. There is a similar pattern for firms with total block ownership between 10% and 15%. At higher levels of ownership concentration, however, the average number of blockholders is a little higher during contractionary periods. For instance, for firms with a total block ownership between 15% and 25%, the mean number of blockholders rises a bit from 2.36 blockholders during expansionary monetary policy periods to 2.37 under contractionary policy.

Table 4 shows that the average sum of blockholdings (%) by ownership concentration levels and across policy periods. For the entire sample, the average total blockholding percentage for firms during monetary policy expansion was 23.6% and during monetary policy contraction it was 24.34%. For firms with no block ownership, obviously, the sum total of blockholdings in percentage terms is zero.

Table 4. Sum of blockholdings (%) across monetary policy periods

	Exp. policy		Cont. policy		All	
	Mean	Med.	Mean	Med.	Mean	Med.
All	23.60	20.73	24.34	21.70	23.99	21.10
<5%	0.00	0.00	0.00	0.00	0.00	0.00
5%-10%	7.00	6.71	7.01	6.72	7.00	6.71
10%-15%	12.70	12.80	12.61	12.60	12.65	12.70
15%-25%	19.79	19.93	19.90	19.90	19.85	19.90
25%-50%	35.20	34.30	35.08	34.38	35.14	34.30
>50%	62.26	59.43	62.29	59.40	62.27	59.40

By looking at the details for each ownership range, it is clear that the mean sum of blockholding will lie within the ownership range as categorized.

Table 5 shows the average ownership percentage held by the blockholders across all firm observations. So, for all block ownership observations, the percentage held by the average blockholder was 12.63% under expansionary monetary policy and 12.89% under contractionary monetary policy.

Table 5. The percentage held by the blockholders across monetary policy periods

	Exp. policy		Cont. policy		All	
	Mean	Med.	Mean	Med.	Mean	Med.
All	12.63	10.13	12.89	10.30	12.77	10.21
<5%	0.04	0.00	0.06	0.00	0.05	0.00
5%-10%	7.00	6.71	7.01	6.72	7.00	6.71
10%-15%	8.96	8.20	8.88	8.20	8.92	8.20
15%-25%	10.86	10.11	10.88	10.20	10.87	10.17
25%-50%	16.20	13.70	16.06	13.60	16.13	13.70
>50%	34.64	29.60	34.28	28.40	34.45	29.05

Under the breakdown of total block ownership, in the range of no blockholders (< 5%), the average shareholder holds 0.04% in expansionary periods and 0.06% in contractionary periods. For the firms with total blockholder ownership between 5% and 10%, the average percentage holding in this group is 7% during expansionary monetary policy and 7.01% during contractionary. Where the total ownership of blockholders is >50%, the average blockholder only holds 34.64% during expansionary monetary policy and 34.28% under contractionary.

In Table 6, a Wilcoxon test is employed in order to compare the number of blockholders across monetary policy periods. For the sample overall (i.e., row 1), we see a higher concentration (at the 1.35% level) of blockholders per firm during the contractionary periods for monetary policy. A statistically significant difference of 2.41 blockholders in the contractionary period compared to 2.32 in the expansionary period demonstrates more blockholders when the Federal Reserve signals tougher economic times. Though a large change in the sample firms across the five-year period would create autocorrelation in the estimates, leading to an exaggeration in p-values, we found that there are not many firms going in and out of the sample. So, we concluded that this concern would not materially affect our results.

Table 6. Comparison of blockholders' investments across monetary policy periods

	Exp. policy	Cont. policy	Wilcoxon p-value
Number of blockholders	2.32	2.41	0.0135
Sum of blockholdings (%)	23.60	24.34	0.0331
Percentage held by the blockholders	12.63	12.89	0.0714

Also notable, for the whole sample, is that ownership concentration increases and is statistically significantly different (at 3.31% level) during the contractionary period, as compared to the expansionary monetary policy period. Blockholders owned 24.34% of their respective firms during contractionary monetary policy periods, but only 23.6% in the expansionary period.

Table 6 also compares the percentage held by the average blockholder across the expansionary and the contractionary periods. Our tests show that, over the entire sample, the blockholdings consisted of similar portions across monetary policy periods. The typical blockholder owned on average 12.89% of his firm in the contractionary period versus 12.63% in the expansionary period (at 7.14% p-value).

Conclusion

When the Federal Reserve signals that the economy is overheating by increasing the Federal Funds Rate, it is expected that large shareholders may begin to worry sooner than the average investor. Large shareholders have greater incentives to be aware of market conditions and trends and might be considered to be generally more informed investors.

We expected to find a discernable difference across policy periods in blockholder behavior, but we were less clear as to which monitoring role would have the strongest impact. One conjecture was that when the government signaled that the economy was overheating and went as far to raise the Federal Funds Rate in that belief, that large shareholders would exit the stock at a high point to find better investment opportunities.

Empirically, there are statistically significant signs that the blockholder takes on a bigger role when the Federal Reserve signals a contractionary policy. This suggests support for the blockholder as an active monitor, no matter his type. Blockholders increase their ownership stake, which also increases their control, perhaps as a means to prevent a slide in the firm's performance. This would be a defensive reaction to prevailing market indicators. At the same time, contractionary periods may also provide opportune times to increase ownership and control because the cost of doing so would be relatively lower when compared to expansionary policy periods. A deeper look here at blockholder type may help us to discern between these motivations.

References

1. Admati, Anat R., and Paul Pfleiderer. (2009). The "Wall Street Walk" and shareholder activism: Exit as a form of voice. *Review of Financial Studies, 22*(7), 2645-2685. Retreived from https://pdfs.semanticscholar.org/2856/0872d2b7548c9409cb61a7b6fdb068c922e5.pdf
2. Becht, Marco, and J. Bradford DeLong. (2005). Why has there been so little blockholdings in America? In *A History of Corporate Governance around the World: Family Business Groups to Professional Managers*, by

NBER edited by Randall K. Morck, 613-666. Chicago, IL: University of Chicago Press. Retrieved from http://www.nber.org/chapters/c10278.pdf

3. Bharath, Sreedhar T., Sudarshan Jayarman, and Venky Nagar. (2013). Exit as governance: An empirical analysis. *The Journal of Finance, 68*(6), 2515-2547. Retrieved from http://apps.olin.wustl.edu/workingpapers/pdf/2012-06-001.pdf

4. Bhide, Amar. (1993). The hidden costs of stock market liquidity. *Journal of financial economics, 34*(1), 31-51. Retrieved from https://www.researchgate.net/profile/Amar_Bhide/publication/222481087_The_Hidden_Cost_of_Stock_Market_Liquidity/links/0046353c68c3768c26000000/The-Hidden-Cost-of-Stock-Market-Liquidity.pdf

5. Black, Bernard S., Hasung Jang, and Woochan Kim. (2006). Does corporate governance predict firms' market values? Evidence from Korea. *Journal of Law, Economics, and Organization, 22*(2), 366-413. Retrieved from http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.468.6424&rep=rep1&type=pdf

6. Burkart, Mike, Denis Gromb, and Fausto Panunzi. (1997). Large shareholders, monitoring, and the value of the firm. *The Quarterly Journal of Economics, 112*(3), 693-728. Retrieved from https://academic.oup.com/qje/article-abstract/112/3/693/1926886/Large-Shareholders-Monitoring-and-the-Value-of-the

7. Clifford, C.P., and L.A. Lindsey. (2016). Blockholder Heterogeneity, Compensation Monitoring, and Firm Performance. *Journal of Financial and Quantitative Analysis, 51*(5). 1491-1520. Retrieved from https://www.cambridge.org/core/journals/journal-of-financial-and-quantitative-analysis/article/blockholder-heterogeneity-ceo-compensation-and-firm-performance/B0AF6B5AC4C01F9EBAC3011B55F47058

8. Coffee, John C. (1991). Liquidity versus control: The institutional investor as corporate monitor. *Columbia law review, 91*(6), 1277-1368. Retrieved from http://www.jstor.org/stable/1123064?seq=1#page_scan_tab_contents

9. Cronqvist, Henrik, and Rudgier Fahlenbrach. (2009). Large shareholders and corporate policies. *Review of Financial Studies, 22*(10), 3941-3976. Retrieved from https://8790b2f5-a-62cb3a1a-s-sites.googlegroups.com/site/henrikcronqvist/Research/CronqvistFahlenbrach09.pdf?attachauth=ANoY7co83e6ow2mmWz5hCvgx2z_iVvS3Z55gKRM-JVcC9PqEIn8K1RWcEkgHIJELCPVg6R8kArnwD32HwXxBRa8xSIJzz57XVOLDAi6KCz_XD-oFo56OPFOfX4FPaQ8jOQqqkR

10. Demsetz, Harold, and Kenneth Lehn. (1985). The structure of corporate ownership: causes and consequences. *Journal of Political Economy, 93*(6), 1155-1177. Retrieved from https://www.uts.edu.au/sites/default/files/ADG_Cons2015_Demsetz%20Lehn%20JPE%201985.pdf

11. Denes, Matthew R., Jonathan M. Karpoff, and Victoria B. McWilliams. (2016). Thirty years of shareholder activism: A survey of empirical research. *Journal of Corporate Finance,* corrected proof. Retrieved from https://activistinsight.com/research/Thirty%20Years%20of%20Shareholder%20Activism%20A%20Survey%20of%20Empirical%20Research_150915092753.pdf

12. Denis, David J., and Atulya Sarin. (1999). Ownership and board structure in publicly traded corporations. *Journal of Financial Economics, 52,* 187-223. Retrieved from https://www.researchgate.net/profile/Atulya_Sarin/publication/4978425_Ownership_and_Board_Structures_in_Publicly_Traded_Corporations/links/54b6b2620cf2e68eb27edf62/Ownership-and-Board-Structures-in-Publicly-Traded-Corporations.pdf

13. Denis, Diane K., and John J. McConnell. (2003). International Corporate Governance. *Journal of Financial and Quantitative Analysis, 38,* 1-36. Retrieved from http://docs.lib.purdue.edu/cgi/viewcontent.cgi?article=1016&context=ciberwp

14. Dlugosz, Jennifer, Rudiger Fahlenbrach, Paul Gompers, and Andrew Metrick. (2006). Large Blocks of Stock: Prevalence, Size, and Measurement. *Journal of Corporate Finance, 12*(3), 594-618. Retrieved from https://pdfs.semanticscholar.org/c742/41cbc899c4ed9be71fac20a3ea81cfbf8210.pdf

15. Edmans, Alex. (2009). Blockholder trading, market efficiency, and managerial myopia. *The Journal of Finance, 64*(6), 2481-2513. Retrieved from http://s3.amazonaws.com/academia.edu.documents/30545096/blockholders.pdf?AWSAccessKeyId=AKIAIWOWYYGZ2Y53UL3A&Expires=1492862340&Signature=aH1nOcFSQod81uFp3%2BGRt8reg1k%3D&response-content-disposition=inline%3B%20filename%3DBlockholder_Trading_Market_Effic

16. Edmans, Alex, and Gustavo Manso. (2011). Governance through trading and intervention: A theory of multiple blockholders. *Review of Financial Studies*, *24*(7), 2395-2428. Retrieved from https://dspace.mit.edu/bitstream/handle/1721.1/65940/Manso_Governance%20through.pdf%3Bjsessionid%3D692CADD1A1BA4D9E99720888A2C6ED4E?sequence%3D1

17. Edmans, Alex, Vivian W. Fang, and Emanuel Zur. (2013). The effect of liquidity on governance. *Review of Financial Studies,* 1443-1482. Retrieved from http://www.vivianfang.org/uploads/2/3/2/7/23272078/rev._financ._stud.-2013-edmans-1443-82.pdf

18. Franks, Julian, Colin P. Mayer, and Stefano Rossi. (2009). Ownership: Evolution and Regulation. *The Review of Financial Studies, 22*(10), 4009-4056. Retrieved from http://s3.amazonaws.com/academia.edu.documents/43380395/Ownership_Evolution_and_Regulation20160305-2527-3duswd.pdf?AWSAccessKeyId=AKIAIWOWYYGZ2Y53UL3A&Expires=1492862602&Signature=dHObkXpg%2BXNq4ssbHQzYCd2WzZA%3D&response-content-disposition=inline%3B%20f

19. Holderness, Clifford G. (2009). The Myth of Diffuse Ownership in the United States. *Review of Financial Studies, 22*(4), 1377-1408. Retrieved from https://www2.bc.edu/clifford-holderness/MythofDiffuseOwnershipRFS.pdf

20. Johnson, Simon, Peter Boone, Alastair Breach, and Eric Friedman. (2000). Corporate governance in the Asian financial crisis. *Journal of financial Economics, 58*(1), 141-186. Retrieved from https://deepblue.lib.umich.edu/bitstream/handle/2027.42/39681/wp297.pdf?sequence=3&isAllowed=y

21. Jones, Jeffrey S., Wayne Y. Lee, and Timothy J. Yeager. (2012). Opaque banks, price discovery, and financial instability. *Journal of Financial Intermediation, 21*(3), 383-408. Retreived from https://www.researchgate.net/ profile/Wayne_Lee7/publication/228125734_Opaque_Banks_Price_Discovery_and_Financial_Instability/links/0d eec5266f28e8b127000000.pdf

22. La Porta, Rafael, Florencio Lopez-De-Silanes, and Andrei Shleifer. (1999). Corporate ownership around the world. *The Journal of Finance, 54*(2), 471-517. Retrieved from https://www.edhec.edu/mailing/drd/flds/ corporateownershiparoundtheworld.pdf

23. La Porta, Rafael, Florencio Lopez-De-Silanes, Andrei Shleifer, and Robert W. Vishney. (2000). Investor protection and corporate governance. *Journal of Financial Economics, 58*(1), 3-27. Retreived from https://dash.harvard.edu/bitstream/handle/1/29408126/w7428.pdf

24. La Porta, Rafael, Florencio Lopez-De-Silanes, Andrei Shleifer, and Robert W. Vishney. (2002). Investor protection and corporate valuation. *Journal of Finance, 57,* 1147-1170. Retreived from http://federation.ens.fr/ydepot/semin/texte0506/LOP2006DRO4.pdf

25. La Porta, Rafael, Florencio Lopez-De-Silanes, Andrei Shleifer, and Robert W. Vishney. (1998). Law and Finance. *Journal of Political Economy, 106*(6), 1113-11. Retrieved from http://piketty.pse.ens.fr/fichiers/enseig/ ecoineg/articl/LaPortaetal1998.pdf

26. La Porta, Rafael, Florencio Lopez-De-Silanes, Andrei Shleifer, and Robert W. Vishney. (1997). Legal Determinants of External Finance. *Journal of Finance, 52*(3), 1131-1150. Retrieved from https://www.edhec. edu/mailing/drd/flds/legaldeterminantsofexternalfinance.pdf

27. La Porta, Rafael, Florencio Lopez-De-Silanes, Andrei Shleifer, and Robert W. Vishney. (1999). The Quality of Government. *Journal of Law, Economics, and Organization, 15*(1), 222-279. Retrieved from https://academic.oup.com/jleo/article-abstract/15/1/222/827397/The-quality-of-government

28. McConnell, John J., and Henri Servaes. (1990). Additional Evidence on Equity Ownership and Corporate Value. *Journal of Financial Economics, 27*(2), 595-612. Retrieved from https://www.researchgate.net/profile/ Henri_Servaes/publication/222446632_Additional_Evidence_on_Equity_Ownership_and_Corporate_Value/links/ 0deec517f999eb29c6000000/Additional-Evidence-on-Equity-Ownership-and-Corporate-Value.pdf

29. Mikkelson, Wayne E., and M. Megan Partch. (1989). Managers' voting rights nd corporate control. *Journal of Financial Economics, 25,* 263-290. Retrieved from http://www.sciencedirect.com/science/article/pii/ 0304405X89900846

30. Mitton, Todd. (2002). A cross-firm analysis of the impact of corporate governance on the East Asian financial crisis. *Journal of Financial Economics, 64*(2), 215-241. Retrieved from http://econ.tu.ac.th/class/archan/ Rangsun/MB%20663/MB%20663%20Readings/%E0%B9%93.%20%E0%B8%9A%E0%B8%A3%E0%B8%A3 %E0%B8%A9%E0%B8%B1%E0%B8%97%E0%B8%A0%E0%B8%B4%E0%B8%9A%E0%B8%B2%E0%B8 %A5/Corporate%20Governance%20and%201997%20Asian%20Crisis/Impact%20of%20Corp

31. Morck, Randall, Daniel Wolfenzon, and Bernard Yeung. (2005). Corporate governance, economic entrenchment and growth. *Journal of economic literature,* 43(3), 655-720. Retrieved from https://archive.nyu. edu/jspui/bitstream/2451/26135/2/4-21.pdf

32. Palmiter, Alan R. (2002). Mutual Fund Voting of Portfolio Shares: Why Not Disclose? *Cardozo Law Review,* 23, 1419-1491. Retrieved from https://www.researchgate.net/profile/Alan_Palmiter/publication/228136886_Mutual_ Fund_Voting_of_Portfolio_Shares_Why_Not_Disclose/links/00b49533efcb336df0000000.pdf

33. Shleifer, Andrei, and Robert W. Vishny. (1986). Large shareholders and corporate control. *Journal of Political Economy, 94*, 461-488. Retreived from http://piketty.pse.ens.fr/fichiers/enseig/ecoineg/articl/ShleiferVishy 1986.pdf

34. Zaharia, Ioana, and Constantin Zaharia. (2012). Corporate Governance and the Market Value of Firms. *Economics, Management, and Financial Markets, 4,* 227-232. Retrieved from https://www.ceeol.com/search/article-detail?id=15403