

The Dual Class Structure of Listel Companies in the United States

Yanhong LI

In a dual class structure firm, the investor who purchases 10,000 shares may have the same voting rights as the holder of only 1,000 shares. Voting and cash flow rights can be different based on the class of shares held. Because of the structure's separation of economic interests and voting rights, the dual class structure has consistently garnered criticism.

In the first chapter, I review the history of the dual class structure in the United States and its continued survival amidst changes in the takeover environment. Next, I summarize the extant empirical literatures in the second chapter. In the last chapter, I examine the theoretics dealing with the problems of dual class structure in 1980 and recent.