

The Role Of Executive Blockholder In A Completed Merger

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The paper studies the role of executive blockholders as takeover deterrents of their companies. An example is the 2008 acquisition offer by Microsoft for Yahoo! Inc. Co-founder and former CEO, Jerry Yang, rejected the offer despite Microsoft's attractive bid of 65% premium over the stock price at the time. The results reveal significant insider blockholder influence on the outcome of an acquisition or merger deal. We also complete our analysis by comparing three categories of target's attributes: executive, deal, and company-specific. The objective is to identify the attributes in each category that facilitate or hinder the completion of an acquisition.

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