# Contents

List of Figures                                           xiii  
List of Tables                                           xv  
Table of Cases                                           xix  
List of Contributors                                     xxiii  

1. Introduction                                           1  
  William W. Bratton and Joseph A. McCahery  

## Part I The Disempowered Shareholder

2. The Evolution of Shareholder Activism in the United States  39  
  Stuart L. Gillan and Laura T. Starks  

3. The Myth of the Shareholder Franchise                    72  
  Lucian A. Bebchuk  

4. Shareholder Activism through Proxy Proposals:  
The European Perspective                                 105  
  Peter Cziraki, Luc Renneboog, and Peter G. Szilagyi  

## Part II Hedge Fund Activism

A. Patterns and Policy Questions—Dark Sides and Light Sides

5. Hedge Funds in Corporate Governance and Corporate Control  151  
  Marcel Kahan and Edward B. Rock  

6. The Rise and Fall (?) of Shareholder Activism by Hedge Funds  206  
  John Armour and Brian Cheffins  

B. Ownership Stakes, Operating Results, and Financial Returns

7. Returns to Shareholder Activism: Evidence from a Clinical  
   Study of the Hermes UK Focus Fund                       223  
   Marco Becht, Julian Franks, Colin Mayer, and Stefano Rossi  

8. Hedge Fund Activism, Corporate Governance, and Firm Performance 261  
ALON BRAV, WEI JIANG, FRANK PARTNOY, AND RANDALL S. THOMAS

9. Entrepreneurial Shareholder Activism: Hedge Funds and Other Private Investors 305  
APRIL KLEIN AND EMANUEL ZUR

C. Strategic Holding versus Collective Interest: Empty Voting and Bankruptcy Reorganization

10. Debt, Equity, and Hybrid Decoupling: Governance and Systemic Risk Implications 349  
HENRY T. C. HU AND BERNARD S. BLACK

11. Antibankruptcy 400  
DOUGLAS G. BAIRD AND ROBERT K. RASMUSSEN

12. Hedge Funds and Chapter 11 441  
WEI JIANG, KAI LI, AND WEI WANG

PART III PRIVATE EQUITY AND CORPORATE GOVERNANCE

A. Structure and Motivation

13. Leveraged Buyouts and Private Equity 491  
STEVEN N. KAPLAN AND PER STRÖMBERG

B. How has Private Equity Performed?

14. Performance of Buyout Funds Revisited 519  
LUDOVIC PHALIPPOU

PART IV THE REGULATORY FRAMEWORK

A. Structural Treatment of Hedge Funds and Private Equity: Investor Protection and Systemic Risk

15. Hedge Fund Regulation and Governance 549  
DOUGLAS CUMMING, NA DAI, AND SOFIA A. JOHAN
16. The Limits of EU Hedge Fund Regulation  
DAN AWREY

17. Recasting Private Equity Funds after the Financial Crisis: The End of ‘Two and Twenty’ and the Emergence of Co-Investments and Separate Accounts  
JOSEPH A. MCCAHERY AND ERIK P. M. VERMEULEN

B. Regulation and the Costs and Benefits of Shareholder Activism

18. The Law and Economics of Blockholder Disclosure  
LUCIAN A. BEBCHUK AND ROBERT J. JACKSON, JR

19. The Destructive Ambiguity of Federal Proxy Access  
JILL E. FISCH

C. Law Reform: The Burden of Persuasion

20. Hedge Fund Activism: What Do We Know and Not Know?  
JOHN C. COFFEE, JR

21. The Case against Shareholder Empowerment  
WILLIAM W. BRATTON AND MICHAEL L. WACHTER

Index