

[Download This Paper \(Delivery.cfm/SSRN_ID1136784_code939646.pdf?abstractid=1136784&mirid=1\)](https://papers.ssrn.com/sol3/Delivery.cfm/SSRN_ID1136784_code939646.pdf?abstractid=1136784&mirid=1)[Open PDF in Browser \(Delivery.cfm/SSRN_ID1136784_code939646.pdf?abstractid=1136784&mirid=1&type=2\)](https://papers.ssrn.com/sol3/Delivery.cfm/SSRN_ID1136784_code939646.pdf?abstractid=1136784&mirid=1&type=2)[Add Paper to My Library](#)Share:

Is There Power Behind the Dead Hand? An Empirical Investigation of Dead Hand Poison Pills

*[Penn State Legal Studies Research Paper No. 02-2008](#)**Corporate Ownership & Control, Vol. 6, Fall 2008*

27 Pages

Posted: 23 May 2008

Katherine Gleason (https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=440326)

Government of the United States of America - Office of Financial Research

Mark Klock (https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=188515)

Independent

Date Written: May 23, 2008

Abstract

Dead hand poison pills prevent potential hostile acquirers from circumventing a poison pill with a proxy contest whereby newly elected directors could redeem the pill. Dead hand provisions only permit continuing directors to redeem. Shareholder rights advocates and legal scholars have criticized dead hand poison pills as an assault on shareholder governance, but economic theory suggests potential shareholder benefits. We provide the first empirical study of dead hand poison pills. We find that adoption of dead hand poison pills leads to gains for shareholders and losses for bondholders. This supports Schwert's (2000) conjecture that poison pills provide shareholders with better premiums rather than entrench ineffective managers.

[Suggested Citation](#) >[Show Contact Information](#) >[Download This Paper \(Delivery.cfm/SSRN_ID1136784_code939646.pdf?abstractid=1136784&mirid=1\)](https://papers.ssrn.com/sol3/Delivery.cfm/SSRN_ID1136784_code939646.pdf?abstractid=1136784&mirid=1)[Open PDF in Browser \(Delivery.cfm/SSRN_ID1136784_code939646.pdf?abstractid=1136784&mirid=1&type=2\)](https://papers.ssrn.com/sol3/Delivery.cfm/SSRN_ID1136784_code939646.pdf?abstractid=1136784&mirid=1&type=2)

0 References

[Fetch References](#)

0 Citations

[Fetch Citations](#)

Do you have negative results from your research you'd like to share?

[Submit Negative Results \(https://www.ssrn.com/index.cfm/en/Negative-Results/\)](https://www.ssrn.com/index.cfm/en/Negative-Results/)

We use cookies that are necessary to make our site work. We may also use additional cookies to analyze,

Paper statistics

and personalize our content and your digital experience. For more information, see our [Cookie](#)

[Policy \(https://www.elsevier.com/legal/cookiepolicy\)](https://www.elsevier.com/legal/cookiepolicy)

2 Citations

17 References

PlumX Metrics



(https://plu.mx/ssrn/a/?ssrn_id=1136784)
Related eJournals

Penn State Law Legal Studies Research Paper Series (https://papers.ssrn.com/sol3/JELJOUR_Results.cfm?form_name=journalBrowse&journal_id=1087104)

Follow ⓘ

Corporate Finance: Governance, Corporate Control & Organization eJournal (https://papers.ssrn.com/sol3/JELJOUR_Results.cfm?form_name=journalBrowse&journal_id=1508972)

Follow ⓘ

View more >

Feedback ↗

Submit a Paper > (<https://hq.ssrn.com/submissions/CreateNewAbstract.cfm>)

- SSRN Quick Links
- SSRN Rankings
- About SSRN

(<https://www.facebook.com/SSRNcommunity/>)

([https://www.linkedin.com/company/493409?](https://www.linkedin.com/company/493409?trk=tyah&trkInfo=clickedVertical%3Acompany%2CentityType%3AentityHistoryName%2CclickedEntityId%3Acompany_493409%2Cidx%3A0)

[trk=tyah&trkInfo=clickedVertical%3Acompany%2CentityType%3AentityHistoryName%2CclickedEntityId%3Acompany_493409%2Cidx%3A0](https://www.linkedin.com/company/493409?trk=tyah&trkInfo=clickedVertical%3Acompany%2CentityType%3AentityHistoryName%2CclickedEntityId%3Acompany_493409%2Cidx%3A0)

(<https://twitter.com/SSRN>)

(<http://www.elsevier.com/>)

Copyright (<https://www.ssrn.com/index.cfm/en/dmca-notice-policy/>) Terms and Conditions (<https://www.ssrn.com/index.cfm/en/terms-of-use/>)
Privacy Policy (<https://www.elsevier.com/legal/privacy-policy>)

All content on this site: Copyright © 2023 Elsevier Inc., its licensors, and contributors. All rights are reserved, including those for text and data mining, AI training, and similar technologies. For all open access content, the Creative Commons licensing terms apply.

We use cookies to help provide and enhance our service and tailor content.

To learn more, visit [Cookie Settings](#).



(<http://www.relx.com/>)