



URPP Financial Market Regulation



73rd Forum Financial Market Regulation of 14 March 2024

The Cleansing Effect of Shareholder Approval in a World of Common Ownership

“Majority of Minority” votes are a common device for cleansing conflict of interest transactions. But which shares should count towards that “majority”? And when and why do these votes cleanse a conflict of interest? Mergers between controlled public companies raise the issue when, as is common, a significant proportion of shareholders unaffiliated with the controller hold shares in both companies. For example, in the Tesla/SolarCity merger, BlackRock owned roughly equal shares of both companies, as did the controller Elon Musk. Should BlackRock’s votes count in a “majority of the minority” vote of SolarCity shareholders? In this article, we explore the differences between “majority of unaffiliated” (MOU) and “majority of disinterested” (MOD) votes, the extent to which the interests of common owners diverge from the interests of target-only shareholders, and the difficult (and unsatisfactory) doctrinal choices that face courts in implementing “majority of minority” vote requirements in the presence of significant common ownership.

Agenda

- 12:15 p.m. [Welcome](#)
Prof. Marco Dell’Erba
- 12:20 p.m. [Presentation](#)
Prof. Edward Rock (Co-Director, Institute for Corporate Governance & Finance, NYU Law)
- 12:50 p.m. [Open discussion](#)

Date: Thursday, 14 March 2024
12:15 - 01:45 p.m.

Venue: University of Zurich, Faculty of Law, Rämistrasse 74/76, Room RAI-J-031

Fee: Attendance is free of charge.

Language: The talk will be held in English.

Registration: Please visit our website: www.finreg.uzh.ch/events, or send an e-mail with your details to forumfinreg@rwi.uzh.ch.

Closing date: Wednesday, 13 March 2024