

Appendix Table 1

Takeover Law Correlation Matrix

This table reports a correlation matrix of various takeover laws and cases over time. Laws and cases are defined in Tables 1.

	Wllms Act	1st Gen	Bus Comb	Fair Price	CSA	CSCO	Poison Pill	Strong PP	Stag. Board	Exp Const	Disgmt	Anti-Grnml	Golden Par Rest	Tin Par Bless	Assum Labor Conctrct	Revlon	Unocal	Blasius
Williams Act	1.00																	
1 st Generation	0.04	1.00																
Business Combination	0.20	(0.31)	1.00															
Fair Price	0.08	(0.12)	0.27	1.00														
Control Share Acquisition	0.07	(0.11)	0.14	0.64	1.00													
Control Share Cash-Out	0.02	(0.03)	0.05	0.18	0.18	1.00												
Poison Pill	0.25	(0.38)	0.74	0.22	0.23	0.03	1.00											
Strong Form Poison Pill	0.02	(0.03)	0.10	0.25	0.19	0.34	0.08	1.00										
Mandatory Staggered Board	0.02	(0.03)	0.09	(0.04)	0.23	(0.01)	0.07	(0.01)	1.00									
Expanded Constituency	0.08	(0.12)	0.26	0.81	0.72	0.17	0.28	0.26	0.21	1.00								
Disgorgement	0.02	(0.04)	0.11	0.29	0.31	0.59	0.09	0.29	(0.02)	0.29	1.00							
Anti-Greenmail	0.04	(0.06)	0.19	0.46	0.21	(0.03)	0.11	(0.03)	(0.03)	0.46	(0.04)	1.00						
Golden Parachute Restriction	0.02	(0.03)	0.11	0.23	0.31	(0.02)	0.09	(0.02)	(0.02)	0.29	(0.02)	0.56	1.00					
Tin Parachute Blessing	0.02	(0.04)	0.12	0.11	0.32	0.57	0.10	0.28	0.66	0.30	0.48	(0.04)	(0.02)	1.00				
Assumption of Labor Contracts	0.13	(0.21)	0.68	(0.39)	(0.29)	0.07	0.55	(0.02)	0.11	(0.32)	0.02	(0.21)	(0.12)	0.17	1.00			
Revlon	0.10	(0.16)	0.43	(0.43)	(0.43)	(0.24)	0.41	(0.20)	(0.08)	(0.45)	(0.33)	(0.03)	0.11	(0.22)	0.70	1.00		
Unocal	0.10	(0.15)	0.27	(0.48)	(0.35)	(0.23)	0.41	(0.19)	(0.12)	(0.49)	(0.31)	(0.19)	0.10	(0.23)	0.61	0.79	1.00	
Blasius	0.09	(0.13)	0.46	(0.56)	(0.48)	(0.21)	0.36	(0.22)	0.09	(0.52)	(0.32)	(0.14)	(0.08)	(0.08)	0.84	0.83	0.74	1.00

Appendix Table 2

Takeover Premium Decomposition

This table reports ordinary least squares regressions with *Takeover Premium* as the dependent variable. *Takeover Premium* is defined following Schwert (1996) as the cumulative abnormal return over the window [-63,126] around the acquisition announcement, estimated using the market model over [-316,-64]. *Run-up*, the dependent variable in columns 1-5, is the cumulative abnormal return to the target firm's stock for trading days [-63,-1] before the first bid. *Markup*, the dependent variable in columns 6-10, is the cumulative abnormal return for trading days [0, 126]. All other variables are defined in Table 8. All models include an unreported constant. *p*-values from robust standard errors are reported, with ***, **, and * representing statistical significance at the 1%, 5%, and 10% levels, respectively.

Variable	<i>Run-up</i>					<i>Markup</i>				
	All years	1970–1979	1980–1989	1990–1999	2000–2014	All Years	1970–1979	1980–1989	1990–1999	2000–2014
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<i>Takeover Index</i>	-0.095 * (0.087)	-0.213 (0.497)	-0.005 (0.961)	-0.214 ** (0.027)	-0.312 *** (0.009)	-0.344 *** (0.000)	0.101 (0.746)	-0.053 (0.669)	-0.242 ** (0.041)	-0.384 ** (0.039)
<i>Ln(Assets)</i>	-0.000 (0.944)	-0.010 (0.584)	-0.004 (0.714)	0.000 (0.957)	0.011 (0.184)	-0.003 (0.622)	0.026 (0.157)	-0.014 (0.199)	0.004 (0.662)	-0.009 (0.393)
<i>ROE</i>	-0.045 ** (0.040)	-0.054 (0.489)	-0.034 (0.756)	-0.042 ** (0.042)	-0.076 * (0.079)	-0.099 *** (0.002)	-0.028 (0.653)	-0.258 *** (0.006)	-0.031 (0.217)	-0.131 ** (0.022)
<i>Sales Growth</i>	0.026 (0.288)	0.062 (0.557)	0.010 (0.897)	-0.004 (0.910)	0.022 (0.551)	-0.050 (0.122)	-0.033 (0.818)	-0.042 (0.552)	-0.086 *** (0.007)	-0.004 (0.948)
<i>Firm Liquidity</i>	0.063 * (0.052)	-0.064 (0.611)	-0.095 (0.281)	0.084 (0.118)	0.085 * (0.082)	0.136 *** (0.001)	0.173 (0.199)	-0.017 (0.835)	0.130 ** (0.022)	0.197 *** (0.005)
<i>D/E</i>	0.023 *** (0.003)	-0.016 (0.643)	0.015 (0.551)	0.025 ** (0.049)	0.017 (0.114)	0.010 (0.362)	-0.019 (0.523)	0.024 (0.451)	0.008 (0.517)	0.015 (0.453)
<i>M/B</i>	-0.031 *** (0.000)	-0.006 (0.756)	-0.035 *** (0.005)	-0.026 *** (0.000)	-0.031 *** (0.000)	-0.030 *** (0.000)	-0.020 (0.330)	-0.023 (0.153)	-0.034 *** (0.000)	-0.037 *** (0.000)
<i>N</i>	3,187	220	451	1,155	1,361	3,187	220	451	1,155	1,361
<i>R</i> ²	0.0293	0.0114	0.0209	0.0273	0.0409	0.0431	0.0325	0.0708	0.0412	0.0616

Appendix Table 3

Incorporations and Headquarters for Sample Period

This table reports descriptive statistics on incorporations and headquarters over time. Panel A reports descriptive statistics for location of firm incorporations over time for the following periods: full sample (All), 1965–1979, 1980–1989, 1990–1999 and 2000–2014. The percentages for each column are a percent of all firm-years in that time period. States listed are those that comprise the top ten states for incorporations over the entire sample. Panel B reports descriptive statistics for location of firm headquarters over similar time periods, and similar for the top 10 headquarters states over the full sample. Panel C reports similar statistics as in Panel A, but only for firms' initial incorporation years, for the top 10 initial incorporation states over the full sample.

State	All	1965–1979	1980–1989	1990–1999	2000–2014
California	4.28	3.42	5.08	5.24	3.33
Delaware	54.80	47.40	47.32	55.60	61.75
Florida	2.31	1.73	2.35	2.59	2.30
Massachusetts	2.04	2.67	2.72	2.17	1.23
Minnesota	2.48	1.75	2.88	2.91	2.18
New Jersey	2.04	3.18	2.98	1.90	1.13
Nevada	4.30	1.44	2.62	2.91	7.80
New York	5.11	9.56	7.20	4.34	2.59
Ohio	2.20	4.20	2.59	1.77	1.47
Pennsylvania	2.19	3.97	2.63	1.95	1.36
Other	18.25	20.68	21.63	18.62	14.86
Total <i>N</i>	215,702	32,913	42,833	66,272	73,684

Appendix Table 3, continued

Panel B: Headquarters Over Time (percent)					
State	All	1965–1979	1980–1989	1990–1999	2000–2014
California	16.47	9.92	14.27	17.68	19.44
Colorado	3.03	1.92	3.29	3.23	3.16
Florida	4.99	3.43	4.74	5.35	5.47
Illinois	4.24	6.42	4.36	3.82	3.63
Massachusetts	4.97	3.91	4.58	5.42	5.23
New Jersey	5.14	5.63	5.97	5.03	4.53
New York	9.13	11.29	10.42	8.31	8.20
Ohio	3.50	5.52	4.10	3.21	2.56
Pennsylvania	4.13	5.85	3.98	3.93	3.68
Texas	9.63	8.39	9.44	9.57	10.30
Other	34.77	37.72	34.85	34.45	33.80
Total <i>N</i>	213,938	31,184	42,832	66,267	73,655

Panel C: Initial Incorporations Over Time (percent)					
State	All	1965–1979	1980–1989	1990–1999	2000–2014
California	4.87	4.42	6.44	5.91	1.88
Colorado	2.44	1.28	3.87	2.35	2.10
Delaware	56.62	45.93	52.51	61.52	64.46
Florida	2.67	1.86	2.94	3.06	2.56
Massachusetts	1.70	2.90	2.32	1.49	0.12
Minnesota	2.22	2.19	3.18	2.37	0.89
New Jersey	1.64	3.17	2.57	0.82	0.31
Nevada	7.12	1.77	3.53	4.78	20.39
New York	3.85	9.17	4.41	2.08	0.62
Texas	1.95	1.83	3.13	1.96	0.71
Other	14.92	25.48	15.10	13.66	5.96
Total <i>N</i>	15,370	3,281	3,742	5,106	3,241