Dual-class shares: control without most of the shares

Name: _____ Class: _____ Date: _____

Some companies give one class of shares many more votes than another. In this lesson your group studies one company, then teaches the class how control works there.

What to do

1. Your group gets one company card.
2. Fill in Part B of your worksheet for your company.
3. Find the rule on your card that keeps control in place or limits it.
4. Report to the class in 2 minutes. Everyone fills in Part C.

Part A. Recap

Votes = shares × votes per share. Part of the total = class ÷ total × 100.

1. A1. Can a class with a small part of the shares carry most of the votes? How?

_____

_____

Part B. Your company

Copy the share counts from your card. Work out votes and the two percentages. Use millions for every number.

My company: _____ Date of the share counts: _____

Class ____: Shares _____; Votes per share _____; Votes _____; Part of shares _____%; Part of votes _____%

Class ____: Shares _____; Votes per share _____; Votes _____; Part of shares _____%; Part of votes _____%

Class ____: Shares _____; Votes per share _____; Votes _____; Part of shares _____%; Part of votes _____%

Total: Shares _____; Votes _____

1. B1. Who holds the class with the most votes?

_____

2. B2. Copy the rule from your card that keeps control in place or limits it.

For learning only. Cityfort is not a registered investment adviser or broker-dealer and does not recommend buying or selling any security. Prices shown are dated and may be out of date.

For learning only. Cityfort is not a registered investment adviser or broker-dealer and does not recommend buying or selling any security. Prices shown are dated and may be out of date.

Name: _____ Class: _____ Date: _____

Part C. Four companies side by side

Write one line for each company. Describe; do not judge.

Alphabet: class with most votes ____; part of shares ____%; part of votes ____%; rule: _____

Snap: class with most votes ____; part of shares ____%; part of votes ____%; rule: _____

Ford: class with most votes ____; part of shares ____%; part of votes ____%; rule: _____

Berkshire Hathaway: class with most votes ____; part of shares ____%; part of votes ____%; rule: _____

1. C1. Name one way the four rules are alike and one way they differ.

Advanced (optional, Berkshire Hathaway)

Each Class B share has 1/1,500 of a Class A share's dividend and distribution rights. Class A economic interest = Class A shares × 1,500 ÷ (Class A shares × 1,500 + Class B shares) × 100.

1. Class A's part of the economic interest: _____%. Why does it differ from Class A's part of the votes?

For learning only. Cityfort is not a registered investment adviser or broker-dealer and does not recommend buying or selling any security. Prices shown are dated and may be out of date.

Exit ticket

1. In your own words, what is a dual-class share structure?

   _____

   _____

2. True or false? At Snap, the shares that trade on the NYSE carry ten votes each.

   _____

3. Name one rule from a filing that keeps a group's control in place, and the company it comes from.

   _____

   _____

Word bank

Dual-class	A setup where share classes carry different numbers of votes.
Listed	Traded on a stock exchange such as the NYSE or Nasdaq.
Convert	To change one class of shares into another.
Voting trust	A legal arrangement where trustees vote shares together for their owners.
Economic interest	A holder's part of the company's value and payouts, separate from votes.

Sentence starters

- At ____, Class ____ is ____% of the shares but ____% of the votes.
- Class ____ is held mostly by ____.
- The filing says ____, which keeps / limits control by ____.

student page

Scan the code or type: **cityfort.co/class/dual-class**

For learning only. Cityfort is not a registered investment adviser or broker-dealer and does not recommend buying or selling any security. Prices shown are dated and may be out of date.

For learning only. Cityfort is not a registered investment adviser or broker-dealer and does not recommend buying or selling any security. Prices shown are dated and may be out of date.