

Google exits \$1,000 stock club after special dividend

April 3 2014



Google logo is seen on a wall at the entrance of the Google offices in Brussels on February 5, 2014

US technology giant Google Thursday exited the rarified club of \$1,000 stocks after creating a new class of shares that some say could be used to finance acquisitions.

Google granted to holders of its existing "A" and "B" class of stock one

share of the new non-voting "Class C" stock for each share of the other two classes. The special dividend, first announced in January and distributed late Wednesday, operates like a [stock split](#).

The existing group of "A" shares, which finished Wednesday's session at \$1,135.10, was trading at \$579.74 Thursday just after 1600 GMT under the "GOOGL" ticker.

The new class of "C" shares was trading at \$579.38. Volumes were higher for the new shares, which trade under the ticker "GOOG."

The third type of Google shares, "Class B," which are not traded on the exchange, grant 10 times the voting right of each "A" share and most are held by the California company's founders, Sergey Brin and Larry Page.

Some analysts see Google's move as a sign the company plans to finance future acquisitions with a larger base of stock.

"Google's largest acquisitions have been cash-based, although the issuance of Class C stock could imply Google's readiness to use stock as M&A currency," said a note from Morgan Stanley.

The creation of the new [class](#) of Google shares means the S&P 500 index now counts 501 equities because it reflects both the "A" and "C" classes of Google shares.

After the markets close on June 20, the Class A share line will be dropped from the index and the Class C shares will be the only ones tracked for Google, according to S&P Dow Jones Indices.

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