Stock Distributions and the Retained Earnings Hypothesis Revisited

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ABSTRACT

Large stock distributions may be accounted for as stock splits or stock dividends. The Retained Earnings Hypothesis (REH) suggests that the latter method of accounting signals improving future cash flows, but prior evidence is mixed and the debate is still open. We use a large sample of stock distribution and document economically significant evidence consistent with the REH which helps resolve the open debate.

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1. Introduction

Studies in the literature that examine stock distributions suggest that they are cosmetic events that convey information to market participants (e.g. Barker, 1956; Brennan and Copeland, 1988; Easley, O'Hara, Saar 2001) and costs of announcing and engaging in a stock distribution are admittedly small, especially relative to firm size. Past studies provide various explanations for this apparent deviation from the efficient markets hypothesis such as; signaling, (Grinblatt, Masulis, and Titman, 1984; Brennan and Copeland, 1988), reduction in information asymmetry (Ikenberry, Ranine, and Stice, 1996; Desai and Jain, 1997; Ikenberry and Ramnath, 2002), and tax option value (Lamoureux and Poon, 1987). However, Easley, O'Hara, and Saar (2001) claim that the reason companies execute stock distributions remains a puzzle. Besides, another unsettled issue is the choice method of stock distributions. Stock distributions can be declared as stock splits or stock dividends. A key difference between them is the accounting treatment they receive on the balance sheet. The accounting treatment of stock splits have no effect on balance sheet account totals because the par value per share is scaled by the stock split factor. However, the accounting treatment of stock dividends do not scale the par value per share which increases the total value of the associated item in the balance sheet; this increase in value is covered by a decrease in other balance sheet items such as the retained earnings account. Hence, a firm that declares a stock dividend can be viewed as self-imposing a reduction on retained earnings while a firm that declares a stock split is not. In other words, firms that choose to account for the distribution as a large stock dividend reduce the balance of the retained earnings account and constrain their ability to pay cash dividends in the future. In contrast, firms that choose to account for the distribution as a stock split, which has no effect on the aggregate level of any account on the balance sheet, experience no change in their ability to payout cash to shareholders. According to the Retained Earnings

Hypothesis (REH), when management imposes a voluntary reduction on retained earnings and/or capital surplus, this is perceived as a good signal by the market (see. Healy and Palepu (1993), Grinblatt et al. (1984), Woolridge, (1983)).

Rankine and Stice (1997) – R&S from this point on – considered the difference in the accounting treatment of 2-for-1 stock splits and 100% stock dividends in conjunction with the REH. The R&S study uses a sample of 337 NYSE-listed firms that announce a 100% stock distribution during the years 1983, 1985, 1987, and 1989 and show that there is a statistically significant difference in the average compounded five-day market-adjusted returns around the declaration date between those that accounted the event as a 2-for-1 stock split on the balance sheet versus a 100% stock dividend. One important finding that R&S reported in their first table is that when stock distributions are announced the classification (stock split or stock dividend) in the announcement does not always match the actual accounting treatment the firm applies on the balance sheet when it's released months later. R&S documented that only a small percentage of announcement classification match the actual treatment¹. R&S also showed that the text description in the annual reports of firms match the actual accounting treatment only 67% of the time. As part of their analysis, R&S uses the stock distribution declaration dates found in CRSP as the announcement date, and the actual classification (stock split or stock dividend) of the stock distribution based on the accounting treatment applied in the balance sheet which typically happens months after the announcement. R&S reported a significant difference in mean returns between stock splits and stock dividends around the announcement date which supports the REH. It calls

¹ R&S reports the following rates of correct classifications; 23% for the Center for Research in Security Prices (CRSP), 23% for the S&P Dividend Record, 26% for the Wall Street Journal (WSJ), 48% for Moody's Dividend Record, and 70% for press releases.

our attention that R&S reported that stock distribution classifications at the announcement date have a bad record in matching the actual accounting treatment, however they use the accounting treatment from months in the future and not the information available to the public at the time of the announcement. This method seems to not follow generally accepted financial research practices on the adjustment of stock prices to new information which date back, at the very least, to the Fama *et. al* (1969) article that concludes that markets react on expectations based on the information available at the announcement.

Crawford et al (2005) – CF&L from this point on – challenged the R&S results that support REH based on an issue regarding the accuracy of the declaration dates available in CRSP. CF&L replicate and extend the R&S sample to include 100% common stock distributions of NYSE-listed firms from 1982 to 1992. Like R&S, they also use the actual accounting treatment to bifurcate their sample into stock dividends and stock splits. However, CF&L adjusted the declaration dates by comparing CRSP with the Wall Street Journal (WSJ). Then using the earliest declaration date, CF&L documented that there is no difference in mean returns between stock splits and stock dividends around the announcement date. However, CF&L failed to adjust for the stock distribution classification declared at the announcement. They applied the same R&S method of using the actual accounting treatment which is typically revealed to investors months in the future and also has a poor track record of matching the classification at the announcement.

As we see above, we have one study (R&S) that shows a difference in mean returns between stock splits and stock dividends around the announcement date and thus supports the REH. We have another study (CF&L) that adjusts the announcement dates and concludes that there is no significant difference in mean returns between stock splits and stock dividends around the announcement. We posit that any questions regarding the difference in mean returns between

stock splits and stock dividends around the announcement date have not been properly answered; it is still an open issue. To resolve this debate, in our study, we adjust the previously used methods in R&S and CF&L by using the earliest declaration dates available between Lexis/Nexis and CRSP. We also use the stock distribution classification declared at the earliest announcement found in Lexis/Nexis. We use a sample of 100% stock distributions announced between 1980-2016 and find economically significant evidence that supports the REH. We also contribute to the literature by developing an automated method that identifies the accounting treatment stock distributions receive in the balance sheet and classify them as stock splits or stock dividends accordingly.

Section 2 explains our novel classification method and discusses the analysis and results. Section 3 present robustness checks. Section 4 concludes.

2. Analysis and Discussion

In our analysis, we apply our method that expands the sample, adjusts the declaration dates consistent with CF&L, and adjusts the stock distribution classification as per the time of the announcement and not the accounting treatment applied in the future. We collect all NYSE 100% (2-for-1) common stock distributions from 1980 to 2016 from CRSP. To detect the accounting treatment on the balance sheet, we develop a novel method and we look at the total par value of the Common/Ordinary Capital account (Compustat variable CSTK) from before and after the stock distribution is executed. Our method tracks around the announcement date the value of the CSTK account in the 10-Q statements up to the next 10-K because we found that firms do not always

immediately update the balance sheet and may delay until the next annual report.² Stock distributions accounted as a 2-for-1 stock split double the shares outstanding and cut the par value per share in half which leaves the total dollar value of the CSTK account unchanged. Stock distributions accounted as a 100% stock dividend double the shares outstanding and leave the par value per share unchanged which doubles the total dollar value of the CSTK account. In consideration of other transactions that may affect the CSTK account, we allow for up to a one-third ($1/3$) deviation of the value expected in the CSTK account. We check the reliability of our classification method by verifying 50 stock splits and 50 stock dividends from our sample against the SEC EDGAR database; all 100 instances were correctly classified with our method. We also verify another 30 stock distributions that took place before 1996 with the Q-Files and we see that all 30 distributions are also properly classified by our method. After removing observations due to lack of data or not able to properly classify them, we end with 1,929 observations in our final sample.

R&S report that the classification of stock distribution in the announcements does not always match the actual accounting treatment applied on the balance sheet at a later date. With our full sample spanning from 1980 to 2016, we conduct a similar matching check regarding the accounting treatment applied versus the classification in the earliest announcement found from any source available in Lexis/Nexis and in CRSP. Table 1 reports the results. We observe that the stock distribution classification announcements found in Lexis/Nexis match the future accounting treatment about 50.75% of the time. CRSP has a much lower matching rate of about 20.53% of

² We also look two quarters before the announcement because in rare instances, an announcement may be made immediately after the end of the quarter but before the 10-Q is finalized and released. The distribution is reflected in that 10-Q, so it gives the appearance of the accounting treatment being applied before the announcement date.

the time. These low percentages echo the stock distribution classification matching report in R&S and promote our premise that the market reaction to the announcement may not reflect the actual accounting treatment applied at a future date; it would reflect the information available at the announcement.

TABLE 1
Stock Distribution Classification 1980 – 2016

		ANNOUNCEMENTS					
ACCOUNTING		LEXIS / NEXIS			CRSP		
		Stock Splits	Stock Dividends	Total	Stock Splits	Stock Dividends	Total
	Stock Splits	330	48	378	378	0	378
		17.11%	2.49%	19.60%	19.60%	0.00%	19.60%
	Stock Dividends	902	649	1,551	1,533	18	1,551
		46.76%	33.64%	80.40%	79.47%	0.93%	80.40%
	Total	1,232	697		1,911	18	
		63.87%	36.13%		99.07%	0.93%	

Stock distribution classification accuracy of Lexis-Nexis and CRSP. Compare the stock distribution classification announced in Lexis-Nexis versus the actual accounting treatment applied. Compare CRSP's stock distribution classification versus the actual accounting treatment applied. Lexis-Nexis columns represent the stock distribution classification based on the earliest announcement found in Lexis-Nexis. CRSP columns represent the stock distribution classification found in the CRSP database.

The goal of our study is to accurately determine if there is a difference in mean returns between stock splits and stock dividends around the announcement date. We argue that the proper way to analyze the data is by using the earliest announcement date available like CF&L did, and by using the stock distribution classification information available at the earliest announcement which R&S and CF&L did not do. To analyze the data, we emulate the regression used by R&S and CF&L, but with our approach which is to use the earliest announcement date we find in Lexis/Nexis³ or CRSP and use the stock distribution classification associated with the earliest announcement found in Lexis/Nexis. Our main regression model is:

³ Using Nexis/Lexis is more robust than just using WSJ as done by CF&L because Lexis/Nexis includes the WSJ and many more sources that may have the earliest announcement date available.

$$MAR_{-2, +2} = \beta_0 + \beta_1 RUNUP + \beta_2 PRICE + \beta_3 FIRST + \beta_4 MVE + \beta_5 CONTEMP + \beta_6 DIVINC + \beta_7 ANNOUNCED \quad (1)$$

TABLE 2
Determinants of Announcement Period Returns 1980-2016

Variables	MAR _{-2, +2}	t	FFM _(-2, 2)	t
Intercept	0.1437**	11.26	0.1399**	11.32
<i>RUNUP</i>	0.0082	1.59	0.003	0.60
<i>PRICE</i>	-0.0227**	-5.48	-0.0206**	-5.15
<i>FIRST</i>	0.0000	0.01	-0.0005	(0.11)
<i>MVE</i>	-0.0020*	-2.01	-0.0022*	-2.33
<i>CONTEMP</i>	0.0009	0.32	-0.0001	(0.05)
<i>DIVINC</i>	-0.0026	-0.79	-0.003	-0.94
<i>ANNOUNCED</i>	0.0051*	2.23	0.0046*	2.05
Adj. R ²	0.048		0.047	
n	1,929		1,929	

Regression results of the earliest announcement date between CRSP and Lexis-Nexis and the stock distribution classification found in Lexis-Nexis at the time of the announcement. In model 1, dependent variable is MAR_{-2, +2} and in model 2 it is AR_FFM_{-2, 2}. In both models, the variable of interest is ANNOUNCED. A one-tailed test of significance is performed for the ANNOUNCED variable coefficient and t-test values are reported. * and ** indicate significance at 0.05 and 0.01 levels, respectively. Variable definitions are found in the Appendix.

Results are reported in Table 2. The variable of interest is *ANNOUNCED*, which is a bivariate variable that has a value of 1 for a distribution announced as a 100% stock dividend and 0 for a distribution announced as a 2-for-1 stock split. Definitions of the rest of the variables used in the regression are found in the appendix⁴. In Model 1 the dependent variable is compounded market adjusted excess return (MAR _{-2, +2}) and in Model 2 is FFM _{-2, +2} calculated using Fama-

⁴ We calculate these variables in the same way as the R&S paper

French+Momentum (a.k.a. Carhart) Model (FFM) – Carhart (1997). We see that in both models, the coefficient on *ANNOUNCED* is positive and both statistically and economically significant⁵.

We also compare and discuss the significance of the standard errors in Model 1 and Model 2. We see that the coefficient of determination in Model 2 is slightly lower than Model 1. This suggests that Model 1 may be better at predicting the variation of the dependent variable, and that the regression line in Model 1 is a better fit of the data. However, when comparing the standard error of the models, we observe that Model 2 standard error nominal value (4.1291) is lower than Model 1 (4.4149). Besides, after testing for the difference between the standard errors of Model 1 and Model 2, the results show a statistically significant difference between them. Thus, we conclude that the slightly higher coefficient of determination in Model 1 is not sufficient to outweigh the much lower standard error of Model 2; and this model generates a regression line that better fits the data by delivering a lower average distance of the observed values from the regression line. Finally, Model 2 also delivers a slightly lower standard error on the variable of interest (*ANNOUNCED*).

The evidence presented above suggests that stock dividends generate higher announcement returns vis-à-vis stock split announcements. To estimate economic gain, we calculate and compare the change in the market capitalization value of each split and dividend announcing stock. Hence, we calculate the difference between the market capitalization (at closing) in three days before and two days after the announcement and multiply this amount with the market reaction for both events. The difference between the two values is the net gain or loss in the firm value as a result

⁵A one-tail test is performed on the *ANNOUNCED* variable which is consistent with R&S and CF&L methods.

of the stock distribution announcement. We observe that, on average, the gain for stock dividend announcing firms is \$639,562.47 higher than firms that announce stock splits. Clearly, the difference is non-trivial and economically significant.

Overall, we interpret these result as supporting evidence for the REH, is consistent with R&S, and counter to the findings of CF&L. Accordingly, we posit that our findings help resolve the incongruent conclusions of R&S and CF&L.

3. Robustness Checks: Replications

We replicate key parts of the R&S and CF&L articles to test the robustness of our method. In our replications, we use the aforementioned method that automatically identifies the accounting treatment stock distributions receive in the balance sheet and classify them as stock splits or stock dividends accordingly. To replicate the R&S study, we use the same years (1983, 1985, 1987, and 1989), and calculate the 3-Day (-1 to 1 trading days, $MAR_{-1, +1}$) and the 5-Day (-2 to 2 trading days, $MAR_{-2, +2}$) compounded market-adjusted returns. These returns are calculated by compounding the daily difference between firm returns and the CRSP value-weighted index at the respective trading days around the CRSP declaration date. In Table 3 we present some of the descriptive statistics found in the R&S article next to our replication. Following the same practice as R&S and CF&L, we only designate statistical significance at the 0.05 level or better in all tables in this paper. When comparing the R&S rows to the Replication rows in Table 1, it's evident that our sample is comparable. Our sample also shows a significant difference in mean returns between stock splits and stock dividends.

TABLE 3

Descriptive Statistics Comparison - R&S vs Replication

	Total Distributions	Distributions with Data				
R&S	364	337				
Replication	362	341				
	Distributions Classified	Stock	Splits	Stock Dividends	Difference in Means	% of Splits
R&S	337	78		259		23%
Replication	326	71		255		22%
Market adjusted compounded returns (%)						
-105 to -6						
R&S	12.51**	nr		nr	nr	
Replication	12.24**	7.95**		13.43**	5.48*	
MAR _{-2, +2} [5-Day (-2 to +2)]						
R&S	2.29**	0.93^		2.70^	1.77**	
Replication	2.26**	0.90		2.64**	1.74**	
MAR _{-1, +1} [3-Day (-1 to +1)]						
R&S	1.86^	0.59^		2.24^	1.65**	
Replication	1.89**	0.54		2.27**	1.73**	
CRSP accuracy rate						
R&S	23%	nr		nr		
Replication	22%	100%		0%		
Median market value (millions)						
R&S	\$888.2	\$971.6		\$850.0		
Replication	\$812.3	\$1,040.2		\$784.3		
Median price per share						
R&S	\$52.75	\$55.50		\$51.50		
Replication	\$51.88	\$59.13		\$49.94		

Select descriptive statistics from Rankine and Stice (1997) - R&S - and replications. Market adjusted compounded returns are calculated by compounding the daily difference between firm specific returns and the CRSP value weighted index during trading days -105 to -6, -2 to +2, and -1 to +1, relative to the stock distribution declaration date. Market Value of Equity equals shares outstanding times the closing price per share, on trading day -6 before the distribution declaration date. Price per share is the closing price per share, at trading day -6 before the distribution declaration date. Sample has NYSE 2-for-1 common stock distributions in 1983, 1985, 1987, and 1989. * and ** indicate significance at the 0.05 and 0.01 levels, respectively. Fields with "nr" in them indicate a value not reported by R&S. The superscript [^] indicates that the power was not reported by R&S.

We continue our replication with key regressions from R&S and CF&L. The CF&L study calculates some of the variables differently from R&S, we include the variable descriptions in the appendix. Another difference is that CF&L's sample is from 1982 to 1992. The regression used is:

$$MAR_{-2, +2} = \beta_0 + \beta_1 RUNUP + \beta_2 PRICE + \beta_3 FIRST + \beta_4 MVE + \beta_5 CONTEMP + \beta_6 DIVINC + \beta_7 ACCOUNT + \beta_8 DATE \quad (2)$$

The regressions in R&S and in CF&L use the mean 5-Day compounded market-adjusted returns ($MAR_{-2, +2}$) as the dependent variable and *RUNUP*, *PRICE*, *FIRST*, *MVE*, *CONTEMP*, *DIVINC*, and *ACCOUNT* as the independent variables. CF&L uses an additional variable labeled *DATE* in their analysis. For the sake of brevity within the text of this study, we provide the definitions of all variables in the appendix. In Table 4 we show that our sample replicates comparable results.⁶ These results provide assurance in the validity and usefulness of our method and sample; it also gives us confidence in our findings.

⁶ CF&L, Table 11 – regression 3 adjusts the announcement dates. The date change requires adjusting the variables $MAR_{-2, +2}$, *RUNUP*, *PRICE*, *FIRST*, *MVE*, and *CONTEMP*. We apply the same adjustments in our replication.

TABLE 4

Replication of the Determinants of the Announcement Period Reaction

Variables	R&S		CF&L- T.10		CF&L - T. 11		CF&L - T. 11		CF&L - T. 11	
	Reg. 3	Replica.	Reg. 3	Replica.	Reg. 1	Replica.	Reg. 2	Replica.	Reg. 3	Replica.
Intercept	0.086*	0.082**	0.112**	0.103**	0.129**	0.112**	0.111**	0.102**	0.127**	0.156**
	(2.20)	(2.60)	(5.65)	(5.05)	(5.67)	(4.75)	(5.61)	(5.04)	(6.46)	(7.36)
RUNUP	0.024*	0.011	0.01	0.021*	0.005	0.022*	0.007	0.019*	0.000	0.024**
	(2.44)	(1.19)	(1.58)	(2.33)	(0.77)	(2.21)	(1.12)	(2.07)	(0.07)	(2.72)
PRICE	-0.01	0.008	-0.017**	0.005	-0.021**	0.003	-0.015*	0.007	-0.016*	-0.028**
	(-1.10)	(0.85)	(-2.66)	(0.83)	(-2.74)	(0.37)	(-2.22)	(1.08)	(-2.52)	(-4.32)
FIRST	0.017	-0.002	-0.003	-0.007	0.001	0.000	-0.002	-0.006	-0.001	-0.001
	(0.74)	(-0.18)	(-0.48)	(-0.90)	(0.16)	(0.03)	(-0.34)	(-0.77)	(-0.21)	(-0.14)
MVE	-0.004	-0.008**	-0.005**	-0.008**	-0.005*	-0.008**	-0.005**	-0.008**	-0.006**	-0.002
	(-1.67)	(-3.32)	(-2.77)	(-4.35)	(-2.45)	(-3.64)	(-2.94)	(-4.38)	(-3.58)	(-1.30)
CONTEMP	-0.004	-0.004	0.003	0.001	0.004	-0.005	0.001	-0.004	0.007	0.003
	(-0.63)	(-0.63)	(0.72)	(0.14)	(0.87)	(-0.83)	(0.13)	(-0.85)	(1.83)	(0.76)
DIVINC	0.007	0.022*	0.005	-0.001	0.001	0.001	0.003	0.003	-0.001	0.002
	(1.19)	(2.10)	(1.31)	(0.08)	(0.21)	(0.18)	(0.94)	(0.47)	(-0.39)	(0.31)
ACCOUNT	0.017**	0.015*	0.010**	0.011**	0.007	0.007	0.006	0.009*	0.004	0.005
	(2.62)	(2.29)	(2.53)	(2.64)	(1.37)	(1.42)	(1.45)	(2.07)	(1.06)	(1.16)
DATE							-0.014**	-0.016**		
							(-2.92)	(-3.44)		
Adj R ²	0.071	0.056	0.072	0.06	0.065	0.051	0.081	0.073	0.075	0.078
n	337	326	731	700	589	552	731	700	731	700

Regression replications of Rankine and Stice (1997) - R&S - and Crawford et al. (2005) - CF&L. R&S regression in their paper: Table 5, regression #3. CF&L regressions in their paper: Table 10 (3rd results: Extension (1982-1992)); Table 11 (1st, 2nd, and 3rd results: Extension 1982-1992 (no misspecified event dates), Extension 1982-1992 (all obs.), and WSJ Publication Date, Extension 1982-1992 (all obs.). Replication results reported next to each R&S and CF&L regression. CF&L variable descriptions are not always the same as the R&S variables. The dependent variable is the 5-day market adjusted compounded returns (MAR-2, +2) around the Lexis-Nexis announcement date. Market adjusted returns are calculated as per Rankine and Stice (1997): returns minus CRSP value weighted index (for CF&L is returns minus S&P) from trading day -2 to +2 relative to the stock distribution announcement date. Variable descriptions according to each paper are found in the appendix. * and ** indicate significance at the 0.05 and 0.01 levels, respectively. Field with "nr" in it indicates a value not reported in the previous literature. t-statistic is reported in below coefficients. A one-tailed test of significance is performed for the ACCOUNT variable.

4. Conclusion

In this paper, we contribute to the literature by showing evidence that the matching rate between stock distribution classification at the announcement and the actual accounting treatment is still considerably low. We also contribute to the literature by developing a method that automates the identification of the accounting treatment of stock distributions on the balance sheet instead of having to manually review the financial statements. We find that, when the stock distributions are analyzed using the information available at the earliest announcement date (instead of future information not known at the time of the announcement) there is an economically significant difference in mean returns between stock splits and stock dividends. These results are supporting evidence for the Retained Earnings Hypothesis and are consistent with Rankine and Stice (1997). Accordingly, our results also resolve the incongruent conclusions postulated by Rankine and Stice (1997) and Crawford et al (2005) in favor of the former study.

Appendix. Definitions of variables

<i>Variable</i>	<i>Definitions</i>
<i>MAR</i>	R&S: Compounded daily return - CRSP <i>Value Weighted</i> index (RET-VWRETD) from trading day -2 to +2. CF&L; Compounded daily return - CRSP <i>S&P 500</i> index (RET-SPRTRN) from trading day -2 to +2, relative to the stock distribution declaration date.
<i>RUNUP</i>	R&S; compounded daily returns of -105 to -6 trading days, relative to the stock distribution declaration date. CF&L; Cumulative daily returns of -105 to -6 trading days, relative to the stock distribution declaration date.
<i>PRICE</i>	Both R&S and CF&L; Natural logarithm of the closing market price per share on trading day -6, relative to the distribution declaration date
<i>FIRST</i>	Both R&S and CF&L; Bivariate variable with a value of 1 if there were no other stock distributions in the preceding year, 0 otherwise.
<i>MVE</i>	Both R&S and CF&L; Natural logarithm of the closing market value of equity on trading day -6 relative to the distribution declaration date. Market Value of equity is shares outstanding times the closing share price.
<i>CONTEMP</i>	Both R&S and CF&L; Bivariate variable with a value of 1 if there was a cash dividend announcement in the nine-trading-day interval centered on the distribution. declaration date (-4 through + 4), 0 otherwise.
<i>DIVINC</i>	R&S; Bivariate variable that has a value of 1 if the stock distribution declaration was associated with a cash dividend increase, 0 otherwise. A cash dividend increase is defined as an effective quarterly cash dividend within the 3 <i>MONTHS</i> following the distribution declaration date, or a special cash dividend in the 12 <i>MONTHS</i> following the distribution declaration date. CF&L; Bivariate variable that has a value equal to 1 if the firm had a split-adjusted increase in its quarterly cash dividend in the 6 <i>MONTHS</i> following the declaration of the stock distribution or had a special dividend in the 18 <i>MONTHS</i> following the declaration of the stock distribution, and 0 otherwise.
<i>ACCOUNT</i>	Both R&S and CF&L; Bivariate variable that has a value of 1 for a distribution accounted for as a 100% stock dividend, 0 for a distribution accounted for as a 2-for-1 stock split.
<i>DATE</i>	R&S: Not applicable. CF&L: Bivariate variable that has a value of 1 if the CRSP declaration date followed the media announcement date, and 0 otherwise.
<i>MAR</i> _(-2, 2)	market adjusted compounded returns ($MAR_{2, 2}$) around the earliest Lexis-Nexis announcement date. The market adjusted returns are calculated as per Rankine and Stice (1997) which is returns minus the CRSP value weighted index from trading day -2 to +2 relative to the stock distribution announcement date.
<i>FFM</i> _(-2, 2)	Compounded daily excess returns from Fama-French+Momentum (a.k.a. Carhart) Model (FFM) risk model (as per Beta Suite by WRDS) from trading day -2 to +2 relative to the stock distribution declaration date.

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