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Corporate Governance Through Social Media

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CORPORATE GOVERNANCE THROUGH SOCIAL MEDIA

*Christina M. Sautter**

Abstract

Retail investors and other stakeholders are vigorously and loudly taking positions regarding corporate governance issues on social media. They are gathering on social media to discuss which stocks to invest in and to debate and collectively act on corporate governance-related matters. Propelled by new technologies and social media, retail investor engagement has shifted away from traditional venues like corporate voting and shareholder proposals. Retail investors have opened tens of millions of new brokerage accounts since 2020. These new retail investors, primarily Millennials and GenZ'ers, are adept at using technology and naturally gather and obtain information on social media. A co-author and I coined “wireless investors” to encapsulate retail investors using commission-free trading apps to invest and social media to source information. In this essay, I use the term “wireless stakeholders” to refer to wireless investors as well as employees, consumers, and community members who may not own company shares but use social media to voice their opinions regarding companies or obtain their company information via social media. These wireless stakeholders are taking advantage of social media platforms like YouTube, Reddit, TikTok, X (formerly Twitter), WhatsApp, Telegram, and Discourse, among other venues, to transform corporate governance engagement. In *Humanizing Corporate Governance*, Caleb Griffin tackles the issue of amplifying the voice of human investors. He proposes much-needed reforms to encourage the engagement of retail investors, arguing that although they care about how companies are managed, they are often kept silent due to structural barriers. Although structural barriers do impede engagement and reforms to the system are necessary, this brief response to *Humanizing Corporate Governance* utilizes a case study of one particularly illustrious event involving AMC Entertainment Holdings, Inc. to show that retail investors and other stakeholders are anything but silent. As new retail investors continue to enter the market, particularly from the Millennial and GenZ generations (with Generation Alpha soon to be joining them), the future of corporate governance is in the hands of these new investors, which means it is on social media. It is time to meet retail investors and other individual stakeholders on social media so that corporate governance can be humanized.

* Professor of Law, SMU Dedman School of Law. Thank you to Carliss Chatman, Jill Fisch, Sergio Alberto Gramitto Ricci, Caleb Griffin, Grant Hayden, Therese Maynard, Will Moon, and Alan Reid and to participants at the *Law and Access to Wealth Creation Workshop* at Bocconi University for their comments. All views expressed herein are solely my own. (<https://orcid.org/0000-0003-3124-7404>).

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INTRODUCTION

In *Humanizing Corporate Governance*, Caleb Griffin deftly shines a spotlight on “human investors,” providing a path forward for amplifying the voices of this often overlooked but crucially important cohort of investors.¹ He explains, “[I]t would be wrong to infer from their current level of involvement that human investors do not care about how corporations are managed.”² Instead, Griffin argues that human investors “are kept quiet—most of them silent—by the structural barriers of the present proxy voting system.”³ Although I strongly agree that proxy system reform is sorely needed to facilitate the engagement of corporate shareowners, many human investors and other stakeholders are anything but silent. They are actively and loudly voicing their opinions on social media. They are gathering on social media to discuss which stocks to invest in and to debate and collectively act on corporate governance-related issues.⁴

Moreover, contrary to media reports and popular belief, most retail investors, including ones who have entered the markets since 2020 are not day trading or otherwise actively trading. In fact, “90% of new retail investors trade fewer than three times per month.”⁵ Furthermore, most investors who opened a brokerage account in 2020 are still invested in the market.⁶ In other words, these investors are here to stay, and they are engaged on social media. It is time for corporate management, regulators, and academia to recognize that the present and future of corporate governance is through social media.

1. Caleb N. Griffin, *Humanizing Corporate Governance*, 75 FLA. L. REV. 689 (2022).

2. *Id.* at 717.

3. *Id.* at 714.

4. See also *infra* Part II (detailing gathering for corporate governance-related purposes).

5. S&P GLOB. MKT. INTEL. & STOCKPERKS, RETAIL INVESTORS: A CHANGING LANDSCAPE (2022), <https://cdn.ihsmarkit.com/www/pdf/0622/SP-Global-and-Stockperks-Retail-Investors-Report.pdf> [https://perma.cc/2JNT-WGAP].

6. FINRA UNSCRIPTED, *Then and Now: Following Up with the New and Experienced Investors of 2020*, FINRA, at 08:42–09:11 (Mar. 7, 2023), <https://www.finra.org/media-center/finra-unsigned/then-and-now-new-and-experienced-investors-2020-follow-up> [https://perma.cc/B2K6-B5LS] (“[B]y and large, it seems that they are [still investing]. 80% of investors remain in the market.”).

Griffin focuses on “human investors,” defined as natural persons who invest directly or indirectly and are in the bottom 99% of wealth.⁷ For the purposes of this essay, I focus on a narrower subset of this group—the “wireless investor”—as well as a cohort I will dub “wireless stakeholders.” Sergio Alberto Gramitto Ricci and I developed the term “wireless investors” for individual retail investors who invest in company shares using commission-free trading apps and source their investing information primarily online.⁸ Gramitto Ricci and I have explored various aspects of wireless investors in several publications, including their propensity for collective action and potential corporate governance effects.⁹ “Wireless stakeholders” encapsulate wireless investors and other individuals, like employees, consumers, and community members who may not yet own company shares but who are active in online communities discussing companies or otherwise source their information regarding companies primarily online. Due to the nature of social media, it is often impossible to determine whether individuals who are vocal online have invested in company shares or fall into the broader wireless stakeholder group.

Some scholars have studied the correlation between social media and corporate governance.¹⁰ Yet, the power of individuals gathering online and the

7. Griffin, *supra* note 1, at 691.

8. Sergio Alberto Gramitto Ricci & Christina M. Sautter, *Corporate Governance Gaming: The Collective Power of Retail Investors*, 22 NEV. L.J. 51, 53 (2021) [hereinafter Gramitto Ricci & Sautter, *Corporate Governance Gaming*] (coining the term “wireless investors”); *see also* Sergio Alberto Gramitto Ricci & Christina M. Sautter, *Harnessing the Collective Power of Retail Investors*, in A RESEARCH AGENDA FOR CORPORATE LAW 207, 210 (Christopher M. Bruner & Marc Moore eds., 2023) [hereinafter Gramitto Ricci & Sautter, *Harnessing*]; Sergio Alberto Gramitto Ricci & Christina M. Sautter, *Wireless Investors & Apathy Obsolescence*, 100 WASH. U. L. REV. 1653, 1656 (2023) [hereinafter Gramitto Ricci & Sautter, *Wireless Investors*]; Sergio Alberto Gramitto Ricci & Christina M. Sautter, *The Wireless Investors Movement*, U. CHI. BUS. L. REV.: ONLINE ED., 2022 [hereinafter Gramitto Ricci & Sautter, *WIM*], <https://businesslawreview.uchicago.edu/online-archive/wireless-investors-movement> [<https://perma.cc/662V-QSQA>].

9. Gramitto Ricci & Sautter, *Harnessing*, *supra* note 8, at 210; Gramitto Ricci & Sautter, *Wireless Investors*, *supra* note 8, at 1656; Sergio Alberto Gramitto Ricci & Christina M. Sautter, *The Corporate Forum*, 102 B.U. L. REV. 1861, 1865 (2022); Sergio Alberto Gramitto Ricci & Christina M. Sautter, *The Educated Retail Investor: A Response to “Regulating Democratized Investing”*, 83 OHIO ST. L.J. ONLINE 205, 207 (2022) [hereinafter Gramitto Ricci & Sautter, *Educated Retail Investor*]; Gramitto Ricci & Sautter, *WIM*, *supra* note 8; Gramitto Ricci & Sautter, *Corporate Governance Gaming*, *supra* note 8, at 53.

10. *See, e.g.*, Luigi Lepore et al., *Corporate Governance in the Digital Age: The Role of Social Media and Board Independence in CSR Disclosure. Evidence from Italian Listed Companies*, 27 J. MGMT. & GOVERNANCE 749, 751 (2023) (finding independent directors in Italian companies felt reputational concerns from stakeholder engagement on social media resulting in greater disclosure in the corporate social responsibility context); James S. Ang et al., *The Role of Social Media in Corporate Governance*, ACCT. REV., Mar. 2021, at 1 (studying stock message boards in China in the context of acquisition proposals and finding a positive correlation between the strength of social media criticisms and the likelihood of an acquirer’s decision to withdraw its proposal); Durval Lucas Jr. & João Vitor Nechar, *Corporate Governance in Times of Social*

impact of those actions on corporate governance has largely been overlooked.¹¹ Most are quick to say that retail investors are not engaged in corporate governance because they may not be voting their shares¹² or because they do not put forth shareholder proposals.¹³ This focus is misplaced. The actual corporate governance action with retail investors is occurring outside of the traditional venues of proxy voting and shareholder proposals. It occurs throughout the year

Networking Sites: An Analysis of Corporate Communications from Companies of “New Market” Tier at the Brazilian Stock Exchange (B2), 13 RELCASI, no. 1, 2021, at 1 (studying Brazilian public companies’ use of social media to communicate with current and potential investors); Jordi Paniagua et al., *Social Determinants of Success: Social Media, Corporate Governance and Revenue*, 11 SUSTAINABILITY, no. 19, Sept. 20, 2019, at 1 (studying the effects on operating revenue when board members use Twitter and LinkedIn); Saeed Roohani & Sharmin Attaran, *Social Media: New Challenges and Opportunities for Corporate Governance*, 11 INTL. J. OF DISCLOSURE & GOVERNANCE, Aug. 22, 2013, at 366 (examining cases in which consumers used social media to sway corporate board decisions and setting for a new corporate governance paradigm involving social media).

11. Gramitto Ricci and I have been exploring these issues in our scholarship. See sources cited *supra* note 8. Akshaya Kamalnath also recently published a paper on the topic. See Akshaya Kamalnath, *Hashtag Capitalism: An Introduction*, ALT. L.J., July 20, 2024, <https://journals.sagepub.com/doi/10.1177/1037969X241255993#fn9-1037969X241255993> [<https://perma.cc/7293-TGPK>].

12. Griffin objects to this, observing, “[n]or is it fair to argue that small-time investors are unwilling to vote because their holdings are too small to make a difference,” and points to political elections in which millions of individuals regularly vote. Griffin, *supra* note 1, at 717. In *Wireless Investors & Apathy Obsolescence*, Gramitto Ricci and I also compare corporate voting to voting in political elections. Gramitto Ricci & Sautter, *Wireless Investors*, *supra* note 8, at 1678–81. Relying on Richard Hasen’s observation that a norm of political voting persists “unless social connectedness decreases or the payoff for free-riding increases to such an extent that obeying the norm becomes an outcome-oriented calculation,” we argue that social connectedness is increasing today because of the internet and social media. *Id.* at 1680 (quoting Richard L. Hasen, *Voting Without Law?*, 144 U. PA. L. REV. 2135, 2154 (1996)). More specifically, we argue:

The internet has created the infrastructure that facilitates an unprecedented global scale social connectedness among shareholders. In this framework, the payoffs of voting increase substantially due to declining information costs. This works to significantly strengthen the norm of voting among retail investors and create avenues for unprecedented shifts in corporate governance.

Id. at 1680–81.

13. Dhruv Aggarwal et al., *Meme Corporate Governance*, S. CAL. L. REV. (forthcoming) (manuscript at 4) (on file with author), https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4347885 [<https://perma.cc/YMA4-UQXX>] (examining shareholder proposals at companies popular with retail investors and finding that retail investors did not submit proposals at these companies).

on social media platforms like YouTube, Reddit, TikTok, X (formerly Twitter),¹⁴ WhatsApp, Telegram, and Discourse.¹⁵

This essay proceeds in three parts. Part I lays the theoretical foundation for corporate governance through social media. Part II details the ubiquitousness of social media, including the general reliance on social media, particularly among those in the Millennial and GenZ generations. It then provides a case study of AMC Entertainment Holdings, Inc.’s wireless stakeholders using social media to further corporate governance initiatives.¹⁶ Part III concludes.

I. THEORETICAL BACKGROUND

In *Humanizing Corporate Governance*, Griffin first addresses the traditional script that human investors are motivated simply by profit to the exclusion of all else.¹⁷ To refute this narrative, he presents the results of an original survey of over 1,600 index fund and/or ETF owners.¹⁸ The survey revealed that the “overwhelming majority” of shareholders are willing to sacrifice at least some profit in exchange for benefits to employees, the community or society, or the environment.¹⁹ Griffin then details the three primary channels through which human investors can exercise corporate governance influence—shareholder franchise, shareholder proposals, and direct communication with company management—and explains why these channels are falling short.²⁰ He sets forth a new paradigm for enhancing human investor voices in an attempt to return corporate governance to the ultimate shareowners—the people.²¹

While contemplating this response, I could not help but reflect on how the issues Griffin is tackling were either described or foreseen by Adolf A. Berle and Gardiner C. Means almost a century ago. In their classic book *The Modern Corporation and Private Property*,²² Berle and Means documented the significant development of the “corporate system” during the early 20th Century,

14. X and Twitter will be referred to interchangeably in this essay.

15. Social media venues are where several categories of stakeholders coordinate their collective actions to contribute to steering corporations. These categories include current and potential investors, current and potential consumers, and current and potential employees, as well as members of communities affected by the policies and practices of corporations. Sergio Alberto Gramitto Ricci & Daniel Greenwood, *Total Governance*, 50 J. CORP. L. (forthcoming 2025) (on file with author).

16. Due to the short nature of this essay, other examples of retail investor engagement through social media will be studied in a work-in-progress examining the roots of collective decision-making, which I am authoring with Sergio Alberto Gramitto Ricci.

17. Griffin, *supra* note 1, at 698–706.

18. *Id.* at 702–06.

19. *Id.* at 702, 703–04.

20. *Id.* at 707–13.

21. *Id.* at 718–39.

22. ADOLF A. BERLE & GARDINER C. MEANS, *THE MODERN CORPORATION & PRIVATE PROPERTY* (1932).

including the growth in and dispersion of shareholders.²³ They famously wrote that control of the corporation had been divorced from share ownership.²⁴

Berle and Means observed that over the preceding thirty years, large corporations had grown to have tens or hundreds of thousands of shareholders spread throughout the country, mostly with no single shareholder or group of shareholders with a controlling stake.²⁵ Now, corporations with millions of shareholders scattered not just around the United States but around the globe are commonplace.²⁶ The quintessential issues of share ownership and control identified by Berle and Means are arguably evermore exaggerated. Institutional investors have indeed come to dominate share ownership and control in most corporations so, in that way, single shareholders or groups of shareholders with control now exist.²⁷ However, as Griffin points out, these institutional investors are largely investing the hard-earned money of human investors.²⁸ Furthermore, the proxy voting system, which Berle and Means accurately described as further separating power from individual investors, is largely nonexistent for those individuals holding their shares indirectly through institutional investors.²⁹ So, if anything, the issues identified by Berle and Means have been exacerbated over time.

The significant dispersion of shareholding and growth of institutional investors are not the only changes in the corporate system marking the latter part of the Twentieth Century and early Twenty-First Century. Momentous technological advancements and the advent and growth of online communications and social media have changed global life.³⁰ This includes easily directly investing in company shares via commission-free trading apps.³¹ These apps have allowed millions of Americans to invest directly in company

23. *Id.* at 47–65.

24. *Id.* at 110–11.

25. *Id.* at 4–5, 47–48.

26. *See, e.g.,* A. DE LA CRUZ ET AL. OECD CAPITAL MARKET SERIES, PARIS, OWNERS OF THE WORLD'S LISTED COMPANIES 6, 13 (2019), https://www.oecd.org/en/publications/owners-of-the-world-s-listed-companies_ed7ca2f3-en.html [<https://perma.cc/HV9Z-EVEW>] (detailing an increase of foreign ownership of U.S. listed companies from 5% in 1980 to 15% in 2017 but this number also includes non-retail investors such as institutional investors, the public sector, controlling shareholders, and other corporations).

27. Jill E. Fisch & Simone M. Sepe, *Shareholder Collaboration*, 98 TEX. L. REV. 863, 878 (2020).

28. Griffin, *supra* note 1, at 692.

29. BERLE & MEANS, *supra* note 22, at 129; *see also* Griffin, *supra* note 1, at 707 (describing the drawbacks of indirect ownership).

30. *See* Martin Hilbert, *Digital Technology and Social Change: The Digital Transformation of Society from A Historical Perspective*, 22 DIALOGUES CLINICAL NEUROSCIENCE, June 2020, at 189, 191–93 (discussing changes to society due to the diffusion of digital technology).

31. Jill E. Fisch, *GameStop and the Reemergence of the Retail Investor*, 102 B.U. L. REV. 1799, 1834 (2022).

shares and do so quickly at the tip of their fingers.³² Tens of millions of new brokerage accounts have been opened since 2020.³³ Many, if not most, of these brokerage accounts were likely opened by new investors using commission-free trading apps.³⁴ These investors likely obtained at least some investing information from social media as many new investors were Millennials or GenZ'ers—two generations of frequent social media users.³⁵ Moreover, a survey of Millennial and GenZ investors said they used the social media venues

32. This has had numerous impacts, including resulting in an increasing diversity of investors and the ability of those from lower economic backgrounds to invest. *See* Gramitto Ricci & Sautter, *Harnessing*, *supra* note 8, at 209–12 (describing the diversification of investors); *see also* Sergio Alberto Gramitto Ricci & Christina M. Sautter, Comment Letter on Proposed Rule “Conflicts of Interest Associated with the Use of Predictive Data Analytics by Broker-Dealers and Investment Advisors” (Oct. 9, 2023), <https://www.sec.gov/comments/s7-12-23/s71223-269659-651462.pdf> [<https://perma.cc/J9P8-45VD>] (“Individuals’ ability to buy, hold, and vote equities make the corporate sector and capitalism inclusive. This is particularly important against a backdrop characterized by an excessive concentration of equities ownership and power, with worrisome societal ramifications.”). Moreover, according to FINRA, the diversity of investors first seen in 2020 has continued. *See* FINRA INV. EDUC. FOUND. & NORC AT THE UNIV. OF CHI., *NEW INVESTORS 2022: ENTERING THE MARKET IN NOVEL AND TRADITIONAL WAYS* 1, 8 (2023), <https://www.finrafoundation.org/sites/finrafoundation/files/New-Investors-2022-Entering-The-Market-In-Novel-and-Traditional-Ways.pdf> [<https://perma.cc/UU7R-MT6F>].

33. PUBLIC, *THE RETAIL INVESTOR REPORT 1* (2023), <https://public.com/documents/2023-the-retail-investor-report> [<https://perma.cc/B7V2-PU2V>] (estimating that 30 million new brokerage accounts were opened between 2020 and 2022); Peter Rudegeair & Caitlin McCabe, *Robinhood Is Going on a College Tour to Recruit New Customers*, *WALL ST. J.* (Sept. 15, 2021, 7:00 AM), https://www.wsj.com/articles/robinhood-is-going-on-a-college-tour-to-recruit-new-customers-11631703600?reflink=share_mobilewebshare [<https://perma.cc/PAV7-Q78Q>] (estimating that more than 20 million new retail investors entered the stock market between 2020 and September 2021 alone); *Just how mighty are active retail traders?*, *ECONOMIST* (Aug. 21, 2021), <https://www.economist.com/finance-and-economics/2021/08/21/just-how-mighty-are-active-retail-traders> [<https://perma.cc/3GMX-XZ4T>] (indicating 17 million new brokerage accounts were opened with the seven largest brokers in 2020 and another 20 million were opened in 2021 as of August 2021). Moreover, the number of American households directly investing in stock increased from 15% in 2019 to 21% in 2022. *See* Hannah Miao, *More Americans Than Ever Own Stocks*, *WALL ST. J.* (Dec. 18, 2023, 5:30 AM), <https://www.wsj.com/finance/stocks/stocks-americans-own-most-ever-9f6fd963> [<https://perma.cc/54SY-T9TG>].

34. *See* Jennifer Hughes, *Meme-Stock 2.0: Wall Street’s retail trading boom is back*, *FIN. TIMES* (Feb. 17, 2023), <https://www.ft.com/content/0ffaea2b-ba38-4dbc-bb52-499cdb0e1662> [<https://perma.cc/4DQP-ZQTN>] (noting that analysts said that the increase in investors during the pandemic was in part due to the rise of commission-free trading apps that became popular at that time); FINRA INV. EDUC. FOUND., *INVESTORS IN THE UNITED STATES: THE CHANGING LANDSCAPE* 10, 27 (2022), <https://www.finrafoundation.org/sites/finrafoundation/files/NFCS-Investor-Report-Changing-Landscape.pdf> [<https://perma.cc/K77E-MB6R>] (observing the use of mobile apps increased from 2018 to 2021 and that younger investors were more likely to use apps for trading).

35. CHARLES SCHWAB, *CHARLES SCHWAB SURVEY: GENERATION INVESTORS* 8 (2020), https://content.schwab.com/web/retail/public/about-schwab/charles_schwab_gen_investor_survey_findings_0421-17NM.pdf [<https://perma.cc/9SAE-7K7G>].

X, TikTok, Reddit, YouTube, Instagram, and Facebook the most to obtain investing information, although their venue preferences vary.³⁶

Social media and instant communication worldwide have had another critical effect: they have augmented the public's exposure to individuals and entities alike.³⁷ Augmented exposure to the public comes with increased public awareness of corporations' actions, decisions, and practices.³⁸ This phenomenon fuels popular corporate governance thorough social media among wireless stakeholders.³⁹

Griffin states that "human investors can be rightly characterized as either quiet or silent in their current approach to engaging with management."⁴⁰ Although this may be true for some retail investors, it does not characterize all of them.⁴¹ Instead, retail investors are active on social media, engaging with one another and sometimes successfully engaging with management.⁴² Similarly, the management of some companies is shrewdly embracing social media as a pathway to cultivating their relationship with retail investors.⁴³ Corporate

36. Jack Caporal, *Gen Z and Millennial Investors: Ranking the Most Used, Trusted Investing Tools*, MOTLEY FOOL (Aug. 3, 2021, 3:59 PM), <https://www.fool.com/research/gen-z-millennial-investors-tools/> [https://perma.cc/TW2D-7NV9] (detailing how Millennials use YouTube the most for investing information, then family and friends, then other social media such as Facebook, Instagram, TikTok, and Reddit while GenZ used YouTube the most followed by TikTok and family and friends); see also NASDAQ, ETPs ARE EMPOWERING THE NEXT GENERATION OF INVESTORS: THE SHIFTING PROFILE OF RETAIL INVESTORS 7 (2022), <https://www.nasdaq.com/docs/etps-empowering-next-generation-of-investors> [https://perma.cc/7VP7-5AZF] (detailing results of a survey showing that GenZ and Millennial investors trusted digital sources like discussion boards, podcasts, and social media more than older generations and on social media they trusted financial experts the most); FINRA INV. EDUC. FOUND. & CFA INST., GEN Z AND INVESTING: SOCIAL MEDIA, CRYPTO, FOMO, AND FAMILY 1 (2023), <https://www.finrafoundation.org/sites/finrafoundation/files/Gen-Z-and-Investing.pdf> [https://perma.cc/PW6E-WXBL] (summarizing results of a survey finding that "Gen Z investors learn about investing and finances primarily through *social media* (48 percent) [and] *internet searches* (47 percent) . . ."); Cheryl Winokur Munk, *TikTok Is the Place To Go for Financial Advice If You're a Young Adult*, WALL ST. J. (May 2, 2021, 12:00 PM), <https://www.wsj.com/articles/tiktok-financial-advice-11619822409> [https://perma.cc/7QTH-BLKG] (describing GenZ'ers' use of TikTok for financial advice).

37. Sergio Alberto Gramitto Ricci, Corporate Governance & Public Opinion (unpublished manuscript) (on file with author).

38. *Id.*

39. See Gramitto Ricci & Greenwood, *Total Governance*, *supra* note 15; see also Lepore et al., *supra* note 10, at 755 (noting that social media "amplifies the external environment's pressure on businesses and push[es] firms to adopt certain measures to protect their reputation and include stakeholders in their governance processes").

40. Griffin, *supra* note 1, at 716–17.

41. See *infra* Part II.

42. *Id.*

43. STAKEHOLDER LABS, *Channels for Reach Retail Investors*, ROUNDTABLE ROUNDUP (Jan. 12, 2024), <https://blog.stakeholderlabs.com/p/the-roundtable-roundup-channels-for> [https://perma.cc/AF4U-RQJF] (describing some companies' use of "earned channels, such as

management is realizing that the future of corporate governance lies in online venues. This is significant as I have repeatedly argued (on social media!) that companies must meet their stakeholders and specifically their investors and potential investors where they are, which is online and on social media.⁴⁴

II. CORPORATE GOVERNANCE THROUGH SOCIAL MEDIA

A. *Development of Social Media and General Usage*

The Oxford Dictionary defines social media as “websites and applications that enable users to create and share content or to participate in social networking.”⁴⁵ This definition encapsulates websites and applications like

organic social media engagement”); Steve Lipin & Keilley Banks, *Getting Out the Retail Vote: Targeting Reddit and New Social Tools in Proxy Solicitations*, HARV. L. SCH. F. CORP. GOVERNANCE (Sept. 3, 2022), <https://corpgov.law.harvard.edu/2022/09/03/getting-out-the-retail-vote-targeting-reddit-and-new-social-tools-in-proxy-solicitations/> [https://perma.cc/ZZH4-5EV6] (“CEOs are doing stand-up videos posted on YouTube, Reddit and LinkedIn compelling shareholders to vote.”); Sue S. Guan, *The Rise of the Finfluencer*, 19 N.Y.U. J.L. & BUS. 547–48 (2023) (providing examples of companies’ use of social media); see also Fisch, *supra* note 31, at 1843–44 (describing how investor relations professionals are advising companies to utilize social media to engage with retail investors and recognizing corporate executives are using social media to “to connect with retail investors and respond to their concerns”); Carliss N. Chatman, *Corporate Family Matters*, 12 U.C. IRVINE L. REV. 1, 58 (2021) (recognizing companies’ increasing use of social media “to provide material information on the spot”). Elon Musk has famously conducted X polls to solicit views on topics varying from whether he should step down as CEO of Twitter to whether Tesla should reincorporate elsewhere. Siladitya Ray, *Musk Says Tesla Will Hold Shareholder Vote ‘Immediately’ To Move Company’s Incorporation To Texas*, FORBES (Feb. 1, 2024, 1:05 AM), <https://www.forbes.com/sites/siladityaray/2024/02/01/musk-says-tesla-will-hold-shareholder-vote-immediately-to-move-companys-incorporation-to-texas/?sh=4395162e7c9b> [https://perma.cc/2L2V-E7PL].

44. Christina Sautter (@ProfSautter), X (July 19, 2022, 3:51 AM), <https://x.com/ProfSautter/status/1549300941689602049?s=20> [https://perma.cc/DGX5-DKKY] (sharing Elon Musk’s post asking Tesla shareholders to vote their shares and observing “companies can enhance shareholder engagement by using social media to reach shareholders where they are”); Christina Sautter (@ProfSautter), X (Oct. 7, 2021, 8:26 AM), <https://x.com/ProfSautter/status/1446089665627529217?s=20> [https://perma.cc/8C3H-L9C5] (“Also, this article makes the same point I’ve been arguing about how crucial it is for companies to meet their investors where they are. Wireless investors are online and companies should be making every effort to interact w/ their investors & potential investors in online venues”); Greenberg Traurig LLP (@GT_Law), X (Oct. 1, 2021, 3:42 PM), https://x.com/GT_Law/status/1444024873370718214?s=20 [https://perma.cc/22BW-ERM3] (“‘Millennial & Gen Z investors are digital natives,’ she said. ‘Companies are starting to interact with them online; it’s important to meet shareholder base where they are.’”); Christina Sautter (@ProfSautter), X (June 26, 2021, 8:12 PM), <https://x.com/ProfSautter/status/1408941310350966795?s=20> [https://perma.cc/VUS2-TE7D] (“[T]he C-Suite cannot ignore retail investors (who are oftentimes also their customers). They need to be communicating w/ them in their spaces like [Adam Aron] is doing. That’s also another reason why \$AMC is so popular.”).

45. Gramitto Ricci & Sautter, *WIM*, *supra* note 8 (citing Marcia Mundt et al., *Scaling Social Movements Through Social Media: The Case of Black Lives Matter*, 4 SOC. MEDIA & SOC’Y, no. 4, Oct.–Dec. 2018, at 1, 2).

TikTok, X (formerly Twitter), YouTube, Discord, Twitch, Facebook, and Instagram, as well as messaging apps like WhatsApp, Facebook Messenger, Telegram, and Snapchat.⁴⁶ Although social media is now ubiquitous,⁴⁷ it is a relatively young form of technology. Its roots date back to the 1970s when the Computerized Hobbyists Bulletin Board System was developed.⁴⁸ The bulletin board was created as a way for members of a Chicago computer club to network.⁴⁹

As computer technology evolved, so did social media, with social media as we think of it today, developing in the early 2000s.⁵⁰ In particular, 2003 and 2004 were significant years for the development of social media. In March 2003, Friendster was released with MySpace following in August 2003 and Facebook in February 2004.⁵¹ In 2004, MySpace quickly became “the first social media site to reach a million monthly active users.”⁵² Usage of social media has only grown by leaps and bounds since then.⁵³ As of April 2024, there were 5.07 billion social media users worldwide, or the equivalent of 62.6% of the world’s population.⁵⁴

46. WhatsApp, Facebook Messenger, and Telegram were the most popular messaging apps worldwide in 2023 based on daily usage and length of time spent on each app daily. Liz March, *Most Popular Messaging Apps Worldwide 2023*, SIMILARWEB BLOG (July 16, 2024), <https://www.similarweb.com/blog/research/market-research/worldwide-messaging-apps/> [https://perma.cc/4FA7-3JSF].

47. Alexis Ohanian & Michael Sidgmore, COMMUNITY X CAPITAL PODCAST, *Investing as a Team Sport*, TRANSISTOR (July 3, 2021), <https://share.transistor.fm/s/b1afadf6> [https://perma.cc/UNV4-Q839] (noting the “ubiquity” of social media).

48. Kristi Hines, *The History of Social Media*, SEARCH ENGINE J. (Sept. 2, 2022), <https://www.searchenginejournal.com/social-media-history/462643/> [https://perma.cc/ARM7-34HQ].

49. *Id.*

50. *Id.* (tracking the development of social media and explaining that the increased speed of modems caused bulletin board systems to grow in popularity); *see also* Esteban Ortiz-Ospina, *The Rise of Social Media*, OUR WORLD IN DATA (Sept. 18, 2019), <https://ourworldindata.org/rise-of-social-media#article-citation> [https://perma.cc/V5BS-QMM8] (detailing the growth in social media usage).

51. Richard Cuthbertson et al., *Facebook and MySpace: The Importance of Social Networks*, in INNOVATING IN A SERVICE-DRIVEN ECONOMY: INSIGHTS, APPLICATION, AND PRACTICE 145, 146–47 (2015). LinkedIn was also launched during this period—specifically in May 2003. *About LinkedIn*, LINKEDIN, <https://about.linkedin.com/#:~:text=LinkedIn%20began%20in%20co%2Dfounder,the%20leader%20of%20Ryan%20Roslansky> [https://perma.cc/KZ45-T2SX].

52. Ortiz-Ospina, *supra* note 50.

53. *Id.* (detailing the growth in social media usage).

54. Ani Petrosyan, *Number of Internet and Social Media Users Worldwide as of April 2024*, STATISTA (May 22, 2024), <https://www.statista.com/statistics/617136/digital-population-worldwide/> [https://perma.cc/AC8C-BARW].

With the development and popularity of social media taking off in the early 2000s, GenZ'ers, born between 1997 and 2012,⁵⁵ grew up with social media. Depending on their age, Millennials, born between 1981 and 1996,⁵⁶ either also grew up with social media or “witnessed the rise and evolution of social media.”⁵⁷ A 2023 Deloitte study revealed that approximately half of GenZ'ers and Millennials in the United States spend more time socializing via social media than in the physical world.⁵⁸ As of 2023, social media use by U.S. Millennials and GenZ'ers exceeded older generations' usage with a total of 124.9 million users.⁵⁹ That number will grow to 135.5 million Millennial and GenZ users by 2027.⁶⁰ Millennials, dubbed the “always on” generation, have the highest social media usage of the two generations.⁶¹ They seem to prefer Reddit where they account for 40% of users but also use TikTok.⁶² GenZ'ers prefer TikTok, Instagram, and Snapchat, with younger GenZ'ers using SnapChat more than older GenZ'ers.⁶³ In fact, according to Google's research, 40% of GenZ'ers prefer to use the social media platforms TikTok and Instagram rather than Google for everyday searches.⁶⁴

With these statistics, it should be no surprise that social media is today's agora for wireless stakeholders. Social media naturally lends itself to gathering

55. Gramitto Ricci & Sautter, *Corporate Governance Gaming*, *supra* note 8, at 68; Michael Dimock, *Defining Generations: Where Millennials End and Generation Z Begins*, PEW RSCH. CTR. (Jan. 17, 2019), <https://www.pewresearch.org/short-reads/2019/01/17/where-millennials-end-and-generation-z-begins/> [<https://perma.cc/KYK4-GUEL>] (defining GenZ birth years from 1997 to 2012).

56. Dimock, *supra* note 55 (defining Millennial birth years from 1981 to 1996).

57. *From Social Media to Streaming: Navigating the Millennial Media Landscape*, MEDIA CULTURE (Nov. 17, 2023), <https://www.mediaculture.com/insights/millennials-social-media-streaming> [<https://perma.cc/C3S7-BZ5G>].

58. Kevin Westcott et al., *2023 Digital Media Trends: Immersed and Connected*, DELOITTE INSIGHTS (Apr. 14, 2023), <https://www2.deloitte.com/us/en/insights/industry/technology/media-industry-trends-2023.html> [<https://perma.cc/F5E3-6SJC>].

59. Arielle Feger, *Gen Z, Millennials Grow Their Social Media Presence Through 2027*, INSIDER INTEL. (Aug. 14, 2023), <https://www.insiderintelligence.com/content/gen-z-millennials-grow-their-social-media-presence-through-2027> [<https://perma.cc/C2X5-K4JT>]. Use was defined as those “who use a social network via any device at least once per month.” *Id.*

60. *Id.*

61. *Id.*; VICTORIA RIDEOUT & S. CRAIG WATKINS, *MILLENNIALS, SOCIAL MEDIA, AND POLITICS* 1, 21–22 (2019), <https://moody.utexas.edu/sites/default/files/Millennials-Social-Media-Politics.pdf> [<https://perma.cc/2Z29-R3CM>] (describing Millennials as the “always on” generation).

62. Feger, *supra* note 59.

63. *Id.* When it comes to investing information and financial topics, a FINRA study found that GenZ'ers' preferences were as follows: YouTube (60%), Internet searches (51%), Instagram (44%), TikTok (37%), X (formerly Twitter) (34%), Reddit (34%), and then Facebook (33%). See FINRA INV. EDUC. FOUND. & CFA INST., *supra* note 36, at 4.

64. Sarah Perez, *Google Exec Suggests Instagram and TikTok are Eating into Google's Core, Search and Maps*, TECHCRUNCH (July 12, 2022, 2:57 PM), <https://techcrunch.com/2022/07/12/google-exec-suggests-instagram-and-tiktok-are-eating-into-googles-core-products-search-and-maps/?tpcc=tcplustwitter> [<https://perma.cc/NR2X-VN4L>].

for social causes. It acts as an assembly place where people can discover different viewpoints and locate individuals with similar views.⁶⁵ Jean Twenge has described how social media enables events that would have previously gone unknown to be broadcast to the world, pointing to the killing of George Floyd as an example.⁶⁶ The ability of social media to unite groups and propel change should not be underestimated.⁶⁷ As Sergio Alberto Gramitto Ricci and I explored in the *Wireless Investors Movement*, the digital space allows for “collective action [which] is far more personalized” and “permits ‘personalized framings’ of issues within a larger context. The ability to engage in personalized framing on social media ‘help[s] engender a sense of collective identity and cause, which has been shown to be crucial for effective social movement organizing.’”⁶⁸

Along the same lines, in *Wireless Investors & Apathy Obsolescence* we further observed, “[t]he internet has created the infrastructure that facilitates an unprecedented global scale social connectedness among shareholders.”⁶⁹ In a similar vein, Reid Hoffman, co-founder of LinkedIn, has stated that GenZ’ers are more than digital natives, “[t]hey are ‘network natives’” as they understand the “power of connection.”⁷⁰ According to Hoffman, social media allows GenZ’ers to get their opinions broadcasted while placing them in “vast but tightly woven networks of their peers.”⁷¹

Of course, caution must be used in relying on social media as a voice of the people. Such tightly woven networks risk perpetuating one-sided views or, worse, developing dangerous groupthink. For example, studies have shown that statements including a “policy or [a call to] action” are more likely to be reposted when they have an expressed emotion reflecting a group sentiment instead of a neutral one.⁷² Gramitto Ricci and I have addressed the drawbacks of investors and potential investors relying on social media in previous papers, including the rapid spread of misinformation and disinformation and the

65. JEAN M. TWENGE, GENERATIONS: THE REAL DIFFERENCE BETWEEN GEN Z, MILLENNIALS, GEN X, BOOMERS, AND SILENTS—AND WHAT THEY MEAN FOR AMERICA’S FUTURE 437–38 (2023).

66. *Id.* at 438.

67. TOM C.W. LIN, THE CAPITALIST AND THE ACTIVIST: CORPORATE SOCIAL ACTIVISM AND THE NEW BUSINESS OF CHANGE 56–57 (2022).

68. Gramitto Ricci & Sautter, *WIM*, *supra* note 8.

69. Gramitto Ricci & Sautter, *Wireless Investors*, *supra* note 8, at 1680; *see also* Seth C. Oranburg, *A Little Birdie Said: How Twitter is Disrupting Shareholder Activism*, 20 FORDHAM J. CORP. FIN. L. 695, 715 (2015) (recognizing the power of social media to connect people).

70. Reid Hoffman, *Welcome to the ‘Network Generation’*, WALL ST. J. (May 20, 2022, 9:24 AM), https://www.wsj.com/articles/welcome-to-the-network-generation-11653053050?st=i9axy5auojyl423&reflink=share_mobilewebshare [https://perma.cc/4QBP-YVZD].

71. *Id.*

72. Kate Keib et al., *Important Tweets Matter: Predicting Retweets in the #BlackLivesMatter Talk on Twitter*, 85 COMPUTS. HUM. BEHAV. 106, 111 (2018).

potential for overreliance.⁷³ These issues are unlikely to disappear but there are ways to diminish the harms.⁷⁴ For example, Gramitto Ricci and I have advocated for adopting mandatory corporate governance literacy education at least at the high school level, preferably from grade school through high school.⁷⁵ In addition, we have urged corporations to utilize fora on their investor relations pages per Rule 14a-17 to encourage interaction among shareholders and between shareholders and management.⁷⁶ These chat-style boards could help to rectify misinformation or disinformation.⁷⁷ They could also be a way of identifying individual shareholders.⁷⁸ They may be particularly appealing to younger stakeholders. As discussed, individuals are naturally drawn to chat boards like Reddit. In addition, younger generations, particularly GenZ'ers, are known for seeking authentic experiences and one-on-one connections.⁷⁹ A Reddit-style chat board on an issuer's site would enable the type of one-on-one, authentic, tailored experience these individuals crave.

Investors have used social media in the form of chat boards since at least the 1990s to exchange stock trading and investing tips and strategies. Boards such as Yahoo Finance, Silicon Investing, and Raging Bull allowed individuals to gather and discuss investing ideas anonymously.⁸⁰ When the Reddit community r/WallStreetBets (WSB) was founded in 2012, the primary purpose of the community was to exchange riskier trading and investing strategies.⁸¹ While the WSB community exploded in popularity during the 2021 GameStop trading and has continued to grow, investors are not just exchanging information on WSB or other Reddit communities.⁸² Venues like Discord, Slack, Telegram, and other

73. Gramitto Ricci & Sautter, *Wireless Investors*, *supra* note 8, at 1684–86; Gramitto Ricci & Sautter, *The Corporate Forum*, *supra* note 9, at 1872–73.

74. Gramitto Ricci & Sautter, *Wireless Investors*, *supra* note 8, at 1684–86.

75. Gramitto Ricci & Sautter, *Educated Retail Investor*, *supra* note 9, at 207. This is a significant undertaking for multiple reasons, including that to be effective, teachers must be taught about corporate governance to be able to teach the subject. See Jill E. Fisch et al., *Defined Contribution Plans and the Challenge of Financial Illiteracy*, 104 CORNELL L. REV. 741, 784 (2020) (stating that training of teachers is crucial for financial literacy education to be most effective).

76. Gramitto Ricci & Sautter, *The Corporate Forum*, *supra* note 9.

77. *Id.*; see also Fisch, *supra* note 31, at 1854 (explaining that some company managements have been using social media as a way of fighting misinformation).

78. Gramitto Ricci & Sautter, *The Corporate Forum*, *supra* note 9.

79. See Gramitto Ricci & Sautter, *Harnessing*, *supra* note 8, at 217–18.

80. Brian Cheung, *Before WallStreetBets: A History of Online Message Board and 'Stonks'*, YAHOO! FIN. (Feb. 2, 2021), <https://finance.yahoo.com/news/before-wall-street-bets-a-history-of-online-message-boards-and-stonks-134818361.html> [<https://perma.cc/D238-QQSH>].

81. JAIME ROGOZINSKI, WALLSTREETBETS: HOW BOOMERS MADE THE WORLD'S BIGGEST CASINO FOR MILLENNIALS 4 (2020).

82. As of August 9, 2024, WSB had 16 million members. r/wallstreetbets, REDDIT, <https://www.reddit.com/r/wallstreetbets/> [<https://perma.cc/BWC3-WT7B>]. This is compared to 10.7 million members on July 28, 2021, and 8 million members in early February 2021. Gramitto Ricci & Sautter, *Corporate Governance Gaming*, *supra* note 8, at 76. In addition to WSB, other

chat groups are commonly used to gather and discuss investing collectively.⁸³ These discussions are not isolated to exchanging ideas on investing strategies. Investors also are deliberating how to vote at shareholder meetings, encouraging others to vote, and explaining the proxy voting process to others.⁸⁴ But corporate governance through social media goes beyond that. Investors gather collectively throughout the year to push management to act in specific ways.⁸⁵ Moreover, to the extent possible, they seek to interact with management directly on social media.⁸⁶ Last, social media allow investors to join their governance efforts with

Reddit communities focused on investing generally or on investing in specific companies draw hundreds of thousands to millions of members. *See, e.g.*, r/investing, REDDIT, <https://www.reddit.com/r/investing/> [<https://perma.cc/QC2Z-A98V>] (having 2.7 million members on Aug. 9, 2024); r/StockMarket, REDDIT, <https://www.reddit.com/r/StockMarket/> [<https://perma.cc/K5ZT-JGCB>] (having 3 million members on Aug. 9, 2024); r/amcstock, REDDIT, <https://www.reddit.com/r/amcstock/> [<https://perma.cc/4KW6-UTS2>] (having 527,000 members on Aug. 9, 2024); r/SuperStonk, REDDIT, <https://www.reddit.com/r/Superstonk/> [<https://perma.cc/K3WL-Q28Q>] (having 922,000 members on Feb. 1, 2024).

83. *See* Ben Ashwell et al., *TikTok, Discord, and the Memeberg Terminal: Retail Investor Alternatives to Reddit*, IR MAG. (Mar. 5, 2021), <https://www.irmagazine.com/ai-tech/tik-tok-discord-and-memeberg-terminal-retail-investor-alternatives-reddit> [<https://perma.cc/5CXF-HQK4>] (describing venues other than Reddit where retail investors gather); Miao, *supra* note 33 (describing how an investor and his fraternity brothers formed a chat group to discuss investing); *see also* Tom C.W. Lin, *The New Investor*, 60 UCLA L. REV. 679, 699–700 (2013) (“Information technology advances have moved the new investor beyond the insular, segmented information exchanges of its predecessors, toward a more egalitarian form of information exchange.”).

84. *See, e.g.*, u/AnonymousPotato6, *GME – How are you voting?*, REDDIT (Apr. 29, 2022, 7:25 AM), https://www.reddit.com/r/wallstreetbets/comments/uekrsv/gme_how_are_you_voting/ [<https://perma.cc/QWD4-LYXN>] (thread discussing how to vote at GameStop 2022 Annual Shareholder Meeting); u/the_rewind_guy, *GO VOTE! And Make Sure You Vote for Every Account You Have!*, REDDIT (May 3, 2023, 7:01 PM), https://www.reddit.com/r/Superstonk/comments/1373ynj/go_vote_and_make_sure_you_vote_for_every_account/ [<https://perma.cc/K8Z8-WTCQ>] (urging users to vote in GameStop 2023 Annual Shareholder Meeting); u/platinumsparkles, *Vote & Save the Date: June 15, 2023 10:00AM(CT) GameStop Annual Shareholder Meeting*, REDDIT (May 16, 2023, 11:55 AM), https://www.reddit.com/r/Superstonk/comments/13jaogy/vote_save_the_date_june_15_20231000amct_gamestop/ [<https://perma.cc/YN3S-C72A>] (providing detailed instructions, including photos of proxy materials, on how the proxy process works and descriptions of GameStop board recommendations for the 2023 annual meeting); u/InternationalGroup99, *How to VOTE – The Complete Guide*, REDDIT (May 15, 2022, 12:55 PM), https://www.reddit.com/r/Superstonk/comments/uqbiwu/how_to_vote_the_complete_guide/ [<https://perma.cc/9FMG-AXT5>] (providing detailed instructions regarding how to access and vote shares on Computershare and different brokerages).

85. *See* discussion *infra* Section II.B.

86. *Id.*

other stakeholders such as consumers, employees, and members of communities interested in a corporation's practices.⁸⁷

B. AMC Apes and the Fight Against Share Dilution

A compelling example of corporate governance through social media is the 2021 battle against a proposed amendment to AMC Entertainment's charter to increase the total number of authorized shares of common stock. The fight unfolded almost entirely on social media. Due to the nature of social media, it is impossible to confirm whether the social media users in this battle were AMC shareholders. For ease of storytelling, however, I will refer to them as shareholders.⁸⁸ Owing to the brevity of this essay, I briefly summarize that battle here but am exploring this and other examples in scholarship with Gramitto Ricci on collective decision-making.

The AMC fight against share dilution had its roots in the pandemic and the resulting lockdown in 2020. Before the pandemic, AMC struggled, like other movie theatre chains, as it was faced with a shift to at-home streaming services, among other challenges.⁸⁹ For the fiscal year 2019, AMC reported a net loss of \$149.1 million after reporting net earnings of \$110.1 million for the 2018 fiscal year.⁹⁰ As the world went into lockdown in March 2020, shutting movie theatres, AMC faced an unclear future.⁹¹ With reopening dates uncertain, the

87. Gramitto Ricci & Greenwood, *Total Governance*, *supra* note 15 (arguing that, by joining forces, investors and other stakeholders pack more consequential governance power); *see, e.g.*, [deleted], REDDIT (Feb 2, 2022), https://www.reddit.com/r/starbucksbaristas/comments/siyvem/shareholder_meeting_please_vote_yes_on_this/ [<https://perma.cc/CN4F-CJQ2>] (archiving post of former Starbucks employee who also held a Starbucks share of stock posting in r/starbucksbaristas, a community for present and past Starbucks employees, looking for other Starbucks shareholders to join her in voting for a proposal requiring Starbucks to annually report the effectiveness of anti-harassment policies).

88. Also, due to the brevity of this response, I do not address the extent to which the SEC should regulate communications on social media or how the proxy solicitation process may be updated to harness the power of technology and make voting more accessible for retail investors.

89. Brook Barnes, *AMC Theater Chain Gets Into Streaming With On-Demand Movies*, N.Y. TIMES (Oct. 14, 2019), <https://www.nytimes.com/2019/10/14/business/media/amc-theaters-streaming.html?login=email&auth=login-email> [<https://perma.cc/EF6Y-ZPZP>] (mentioning the tension between movie theaters and online video, a 3.6% decline in AMC attendance for the first six months of 2019, and a decline in AMC share price from \$20 in 2018 to approximately \$9 in October 2019).

90. AMC Ent. Holdings, Inc., Annual Report (Form 10-K) 48 (Feb. 28, 2020).

91. Ryan Faughnder, *AMC and Regal Close All U.S. Theaters Amid Coronavirus Crisis*, L.A. TIMES (Mar. 16, 2020, 10:19 PM), <https://www.latimes.com/entertainment-arts/business/story/2020-03-16/as-l-a-theaters-close-due-to-coronavirus-amc-reduces-capacity-to-50> [<https://perma.cc/EF6Y-ZPZP>] (discussing closure of movie theaters during an already trying time and stating that at least the short-term effects of the closure are "sure to be devastating").

company was teetering on the edge of bankruptcy.⁹² In March 2021, Adam Aron, AMC's CEO and Chair of the Board, stated, "Five times in the [previous] eleven months, AMC was within somewhere between six and twelve weeks of running out of cash."⁹³

As AMC struggled with cash issues and attempted to ward off creditors, millions of new retail investors poured into the stock market, fueled by boredom, social media, commission-free trading apps, and pandemic checks.⁹⁴ Many of these new investors gathered on WSB, where they called themselves Apes and rallied around certain company stocks.⁹⁵ As Gramitto Ricci and I detailed in *Corporate Governance Gaming: The Collective Power of Retail Investors*, in 2020, the WSB Apes began heavily investing in GameStop shares, ultimately forcing a short squeeze of the company's shares in January 2021.⁹⁶

Aron and AMC saw an opportunity with retail investors pouring into the market and with the vibrant stock market and went for it.⁹⁷ From August 2020 through January 2021, the company engaged in several at-the-market share offerings that raised "hundreds of millions of dollars."⁹⁸ This turned the tide for AMC, causing the company's shares, which before 2021 had been at least 80% owned by institutional investors, to be controlled by retail investors.⁹⁹ Moreover, Aron no longer had to engage with the creditors urging a restructuring of AMC.¹⁰⁰ AMC quickly found a following among WSB Apes, who began investing in AMC shares, many with the hope of causing a short

92. Kevin Burwick, *AMC Theatres May Never Recover and Shut Down for Good*, MOVIEWEB (Apr. 5, 2020), <https://movieweb.com/amc-theatres-reopening/> [<https://perma.cc/K4U8-BZUZ>] (noting AMC's credit rating had been downgraded to CCC-meaning "Default imminent, with little prospect for recovery" and stating that it was unclear when theatres would be reopening).

93. THE JOURNAL PODCAST, *How an Army of Retail Investors Helped Save AMC Movie Theatres*, WALL ST. J., at 00:41–00:51 (Mar. 2, 2021, 4:06 PM), <https://www.wsj.com/podcasts/the-journal/how-an-army-of-retail-investors-helped-save-amc-movie-theaters/EB2C6896-FFBB-4884-9FB3-8456DD70EB0C> [<https://perma.cc/FL7E-GF5H>].

94. *Id.* at 04:55–06:40.

95. Gramitto Ricci & Sautter, *Corporate Governance Gaming*, *supra* note 8, at 59 n.64 (describing how WSB users called themselves "apes").

96. *Id.* at 59.

97. THE JOURNAL PODCAST, *supra* note 93, at 08:32–09:50; Alexander Gladstone, *How Reddit Renegades Helped Theater Giant AMC Avoid a Tragic Ending*, WALL ST. J. (Feb. 26, 2021, 4:40 PM ET), https://www.wsj.com/articles/how-reddit-renegades-helped-theater-giant-amc-avoid-a-tragic-ending-11614358803?mod=article_inline [<https://perma.cc/2AZ8-MSZL>] (noting that retail investors showed a willingness to invest in struggling companies during the pandemic betting they would benefit if the companies recovered).

98. THE JOURNAL PODCAST, *supra* note 93, at 10:30–10:52, 11:25–11:32 (discussing the success of the first at-the-market offering and the decision to engage in more).

99. Alex Morrell, *How AMC CEO Adam Aron Conquered Twitter, Embraced the 'Apes' of Reddit, and Won Over a Generation of Investors*, BUS. INSIDER (Dec. 14, 2021, 3:41 PM), <https://www.businessinsider.com/amc-adam-aron-twitter-reddit-investors-meme-stock-2021-12> [<https://perma.cc/AF8A-MJHH>].

100. THE JOURNAL PODCAST, *supra* note 93, at 10:45–11:24.

squeeze as had occurred with GameStop. In contrast, others expressed an emotional attachment to the company.¹⁰¹ The hashtag #SaveAMC started appearing on Reddit and Twitter around January 2021, and AMC became the subject of discussion across various social media venues.¹⁰² As GameStop experienced a short squeeze at the end of January, AMC stock tripled in price over three days after it announced it would be able to avoid bankruptcy.¹⁰³ As luck would have it, AMC was in the middle of another at-the-market offering, which allowed AMC to raise another \$300 million.¹⁰⁴ Over six weeks, AMC raised more than \$1 billion in the stock market.¹⁰⁵

On March 5, 2021, AMC filed a preliminary proxy statement for its May 4, 2021, annual shareholders meeting, with a record date set for the following week on March 11.¹⁰⁶ Proposal number one on the agenda was to approve an amendment to the company's charter to increase the total number of Class A Common Stock by 500,000,000 shares to 1,024,173,073 Class A Common Stock shares.¹⁰⁷ Conversations immediately commenced on Reddit and other social media venues regarding the advisability of authorizing the amendment, with some against it as they were concerned about a dilution of their shares, while others were in favor as they welcomed the record date as a way of counting the outstanding shares.¹⁰⁸ In addition, a mega thread was created on WSB to discuss voting on Proposal 1 and other items on the agenda, receiving 3,200 upvotes and 3,200 comments.¹⁰⁹

101. *Id.*; Gladstone, *supra* note 97.

102. THE JOURNAL PODCAST, *supra* note 93, at 11:32–12:22; Gladstone, *supra* note 97 (discussing the proliferation of the hashtag across social media). *See also* Jack Ruello, *Insurgent Intentions: Are Retail Investors on Social Media Subject to Market Manipulation Laws?*, 83 LA. L. REV. 1017, 1043–45 (2023) (discussing influencer Trey Collins, who was a supporter of AMC on YouTube, Twitter, and Reddit).

103. THE JOURNAL PODCAST, *supra* note 93, at 12:24–13:06.

104. *Id.* at 13:09–13:45; *AMC Completes At the Market Equity Program*, AMC ENT. HOLDINGS, INC. (Jan. 27, 2021 12:08 PM EST) <https://investor.amctheatres.com/news-events/press-releases/detail/119/amc-completes-at-the-market-equity-program> [<https://perma.cc/Y85U-P35L>] (Announcing on Jan. 2021, AMC had sold 63.3 million shares with proceeds of \$304.8 million).

105. THE JOURNAL PODCAST, *supra* note 93, at 13:24–13:29.

106. AMC Ent. Holdings, Inc., Schedule 14A (Preliminary Proxy Statement) (Mar. 5, 2021).

107. AMC Ent. Holdings, Inc., Schedule 14A (Proxy Statement) (Mar. 19, 2021).

108. *See, e.g.*, u/Jump-Ad9268, *AMC Filed w/SEC Today to Increase Common Stock Shares by 500,000,000 to 1,024,173,073 – Shareholders Vote May 4 – Effective Immediately if Approved. Please Read*, REDDIT (Mar. 6, 2021, 1:27 AM), https://www.reddit.com/r/wallstreetbets/comments/lywljx/amc_files_wsec_today_to_increase_common_stock/ [<https://perma.cc/2LDL-C5M6>] (discussing in thread of comments).

109. u/OPINION_IS_UNPOPULAR, *AMC Voting Megathread for Saturday, March 20th 2021*, REDDIT (Mar. 21, 2021, 9:14 AM), https://www.reddit.com/r/wallstreetbets/comments/m97v39/amc_voting_megathread_for_saturday_march_20th_2021/ [<https://perma.cc/BR5B-DQF4>]. Other posts were created on Reddit, including in the r/amcstock community, discussing the vote with opinions varying. *See, e.g.*,

Around April 2021, Aron and AMC decided to lean into social media and embrace retail investors, determining it was essential to be in an “active dialogue” with AMC’s investors.¹¹⁰ They chose Twitter as they realized that was where their investors were.¹¹¹ Since Aron reactivated his Twitter account, Aron has actively engaged with his followers on Twitter, earning the nickname “Silverback” as a nod to being the leader of the self-named AMC Apes.¹¹² In addition to his Twitter presence, Aron was leveraging YouTube to reach retail investors.¹¹³ Aron was particularly drawn to YouTube due to its reach, the ability to have in-depth interviews, and the feedback viewers can provide by a thumbs up/down function.¹¹⁴ On April 14, he appeared on influencer Trey Collin’s *Trey Trade’s* YouTube channel.¹¹⁵ Regarding the concern of retail investors in authorizing the 500 million additional shares, Aron said that he had been reading what retail investors were saying and stated,

I’m just hereby pledging, we will not use a single one of these 500 million additional shares in calendar 2021. . . . I’m just telling you right now, AMC will not use any of these 500 million

u/sluffman, *Voting on the Additional 50,000,000 Shares*, REDDIT (Mar. 21, 2021, 9:38:06 PM CDT),

https://www.reddit.com/r/amcstock/comments/macv79/voting_on_the_additional_50000000_shares/ [<https://perma.cc/G56C-DJ47>] (noting the 1,700 upvotes and discussing in responsive comments); u/Fair_Fly8928, *This Is Why I Changed My No Vote to Yes*, REDDIT (Apr. 15, 2021, 8:16 PM),

https://www.reddit.com/r/amcstock/comments/mrso7h/this_is_why_i_changed_my_no_vote_to_yes/ [<https://perma.cc/4FJD-BF5C>] (discussing in post and comments in response).

110. Caitlin McCabe, *The Meme Lords Who Are Taking Over the C-Suite*, WALL ST. J. (Aug. 27, 2021, 5:30 AM), <https://www.wsj.com/articles/the-meme-lords-who-are-taking-over-the-c-suite-11630056603> [<https://perma.cc/L6KY-ZMYC>].

111. *Id.*

112. Morrell, *supra* note 99.

113. *AMC Entertainment Holdings, Inc.’s (AMC) CEO Adam Aron on Q1 2021 Results – Earnings Call Transcript*, SEEKING ALPHA (May 6, 2021, 10:55 PM) [hereinafter *AMC CEO Adam Aron on Q1 2021 Results*], <https://seekingalpha.com/article/4425374-amc-entertainment-holdings-inc-s-amc-ceo-adam-aron-on-q1-2021-results-earnings-call> [<https://perma.cc/AX7G-GJXG>].

114. *Id.* In particular, Aron stated:

Some of you saw – you may have seen a YouTube interview that I did, try getting four minutes on CNBC. That’s pretty hard. Well, we got 90 minutes on YouTube and it had 250,000 views. And on YouTube, they get to grade it. They give you a thumbs up or a thumbs down. And the last time I looked, over 20,000 people took the time to rate it this 90-minute interview and 99.4% of them gave us the thumbs up.

Id.

115. AMC Ent. Holdings, Inc. Definitive Proxy Statement (Schedule 14A) (Apr. 19, 2021).

new shares in calendar '21, just will not do it, and that's not only a pledge that I'm making on Trey's Trades¹¹⁶

Despite this promise, across social media, many shareholders indicated they were voting against the share increase.¹¹⁷ On April 27, 2021, the AMC board withdrew its proposal to amend the company's charter to increase the total number of authorized shares by 500 million.¹¹⁸ In the press release announcing the withdrawal, Aron stated, "Many of our stockholders are telling us to wait."¹¹⁹ At the same time, AMC announced it would sell up to 43 million shares in another at-the-market offering.¹²⁰ That offering was completed on May 13 and raised \$428 million with an average price of \$9.94 per share.¹²¹

On May 4, the morning of the scheduled annual meeting, AMC announced it was postponing the meeting until July 29, 2021, and setting a new record date of June 2.¹²² The announcement stated, "[t]he date change will provide additional time for its millions of current individual shareholders to have their voices heard and more time to cast ballots on important shareholder matters."¹²³ At least one social media user believed the meeting was postponed because

116. AMC Ent. Holdings, Inc., Definitive Proxy Statement (Schedule 14A) (Apr. 19, 2021).

117. See, e.g., AMC to Da Moon! 🐼 🐼 🐼 🐼 🐼 🐼 (@cgracia101), X (Apr. 17, 2021, 9:27 PM), <https://x.com/cgracia101/status/1383608171084750851?s=20> [<https://perma.cc/567H-LUVB>] ("Marketwatch just came out with how good an idea to vote yes for 500 million shares. Guess I know how I am voting ion question 1! NO!!!"); u/ZoM_4life, *Vote for 25 Million Share*, REDDIT (June 23, 2021, 10:59:18 PM CDT), https://www.reddit.com/r/amcstock/comments/o6t3eb/vote_for_25_million_share/ [<https://perma.cc/7U3G-RMYZ>] (indicating no vote in original post and thread of responses); u/Drago3220, *AMC CEO Adam Aron Confirmed if They Get Approved to Sell 500 Million Shares, They Will Not Use It on Calendar Year 2021! Woosoo*, REDDIT (Apr. 14, 2021, 7:00:06 PM), https://www.reddit.com/r/amcstock/comments/mr2ssc/comment/gujrw1j/?utm_source=share&utm_medium=web3x&utm_name=web3xcss&utm_term=1&utm_content=share_button [<https://perma.cc/FL6C-TZKA>] (indicating a no vote).

118. *AMC Entertainment Announces At-The-Market Offering Program and Withdraws Proposal to Increase Authorized Shares*, AMC ENT. HOLDINGS, INC. (Apr. 27, 2021, 6:19 PM), <https://investor.amctheatres.com/news-events/press-releases/detail/113/amc-entertainment-announces-at-the-market-offering-program-and-withdraws-proposal-to-increase-authorized-shares> [<https://perma.cc/Q89H-JY5Q>].

119. *Id.*

120. *Id.*

121. *AMC Entertainment Holdings, Inc. Completes 43 Million Share At-The-Market Equity Offering and Raises \$428 Million in Additional Equity Capital*, AMC ENT. HOLDINGS, INC. (May 13, 2021, 11:42 AM), <https://investor.amctheatres.com/news-events/press-releases/detail/109/amc-entertainment-holdings-inc-completes-43-million-share-at-the-market-equity-offering-and-raises-428-million-in-additional-equity-capital> [<https://perma.cc/K8VN-WFRA>].

122. AMC Ent. Holdings, Inc., Definitive Proxy Statement (Schedule 14A) (May 4, 2021).

123. *Id.*

shareholders had been voting against all the agenda items.¹²⁴ During a May 6 earnings call, when asked about the share increase, Aron responded,

If management thinks something and the owners of our business thinks something else, in the free market system, guess who wins? Guess who always win? The owners of the business, because the management work for the owners. Now, we can try to explain, and we can try to persuade. And we can also listen, and we can adjust our strategies. There are a lot of ways to skin a cat. And I'm quite optimistic about the new shareholder base of AMC. Just go on Twitter, just go on Reddit, just go on YouTube, read what these people write. They love AMC. . . . So, I love the idea that we have a compassionate, committed, enthusiastic shareholder base, and I'm sure that as we work together, management and ownership, we'll come to the right answer.¹²⁵

However, Aron's hope that AMC shareholders could be convinced about the benefits of the share increase did not pan out as Aron expected.

On June 1, 2021, AMC announced it had sold 8.5 million shares to Mudrick Capital Management for \$230.5 million.¹²⁶ This caused the trading price of AMC shares to rise approximately twenty percent that day.¹²⁷ The following day, June 2, the trading price shot up 120% to reach an all-time high above seventy dollars and closed at \$62.55.¹²⁸ This represented a ninety-five percent increase over the day.¹²⁹ Although the share price was rising, social media users pointed out that in April, Aron had previously promised not to sell shares if the AMC shareholders had authorized the charter amendment for 500 million more shares.¹³⁰ Even though Aron spoke explicitly about the 500 million share proposal, which had been withdrawn after he made the statement, some social

124. See Kris Jay (@KrisJAllDay), X (May 4, 2021, 1:25 PM), <https://x.com/KrisJAllDay/status/1389632293505884163?s=20>.

125. See *AMC CEO Adam Aron on Q1 2021 Results*, *supra* note 113.

126. See AMC Ent. Holdings, Inc., Definitive Proxy Statement (Schedule 14A) (June 1, 2021). Several days earlier, on May 27, AMC's share price increased approximately 36%, being pushed higher by Redditors. See Paul R. La Monica, *AMC Soars Nearly 40% Thanks to More Reddit Love*, CNN BUS. (May 27, 2021, 4:24 PM), <https://www.cnn.com/2021/05/27/investing/amc-stock-reddit-wallstreetbets/index.html> [<https://perma.cc/7VL7-SMZ6>].

127. See Frank Pallotta, *AMC Shares Soar Again Thanks to Reddit and a Huge Box Office Weekend*, CNN BUS. (June 2, 2021, 9:40 AM), <https://www.cnn.com/2021/06/01/media/amc-stock-price-increase/index.html> [<https://perma.cc/3JWF-TCMB>].

128. See Frank Pallotta, *AMC Shares Jump More Than 120% to an All-time High*, CNN BUS. (June 2, 2021, 4:26 PM), <https://www.cnn.com/2021/06/02/media/amc-stock-investors/index.html> [<https://perma.cc/KL7R-8PD6>].

129. *Id.*

130. See u/illachrymable, *A Reminder That CEOs Are Not WSB'ers*, REDDIT (June 1, 2021, 12:28 PM), https://www.reddit.com/r/wallstreetbets/comments/npzfx/a_reminder_that_ceos_are_not_wsbers/ [<https://perma.cc/YP3X-QNTA>].

media users interpreted the issuance of already authorized shares negatively as the issuance was made to Mudrick, who promptly sold the shares.¹³¹ Then, on June 3, 2021, AMC completed another at-the-market offering of 11.550 million shares, which raised \$587.4 million with an average of \$50.85 per share.¹³²

These additional share issuances were significant as it was against this backdrop that AMC again asked the shareholders to authorize another share increase. More specifically, on June 4, AMC filed its preliminary proxy statement for the July meeting, which included another proposal to amend the corporate charter to increase the authorized shares.¹³³ This time, the request was for an additional 25 million shares.¹³⁴ Aron used social media to campaign in favor of the proposal, again joining Trey Collins for a YouTube interview.¹³⁵ The social media response appeared to be negative, with one user posting on Twitter, “Please vote to dilute yourself AMC shareholders to enrich C-suiters.”¹³⁶

Several days later, AMC announced that as of June 2, there were over 501 million shares outstanding, and eighty percent of its outstanding shares were held “by a broad base of retail investors with an average holding of around 120 shares.”¹³⁷ Many in this broad base of retail investors took to social media, indicating they were against the share authorization until there was a short squeeze of AMC stock.¹³⁸ Aron also used Twitter to try and persuade AMC shareholders to vote in favor of the share authorization. For example, on June 23, he posted,

Some of you fear dilution, but may be neglecting that equity raising is a powerful tool to strengthen a company and help shareholders. AMC said 5 times in Jan, May and June 2021 that

131. *Id.*

132. See AMC Ent. Holdings, Inc., Preliminary Proxy Statement (Schedule 14A) (June 3, 2021).

133. See AMC Ent. Holdings, Inc., Preliminary Proxy Statement (Schedule 14A) (June 4, 2021).

134. *Id.*

135. See Sarah Whitten, *AMC CEO Adam Aron Urges Shareholders to Support Plan to Issue 25 Million More Shares*, CNBC (June 4, 2021, 8:36 AM), <https://www.cnbc.com/2021/06/03/amc-ceo-adam-aron-urges-support-for-plan-to-issue-25-million-shares.html> [https://perma.cc/4S79-HNY7].

136. Shaun Q. (@quayle_shaun), X (June 4, 2021, 9:00 AM), https://x.com/quayle_shaun/status/1400799720721764359?s=20 [https://perma.cc/SRT9-K97V].

137. See AMC Ent. Holdings, Inc., Soliciting Material (Schedule 14A) (June 9, 2021).

138. See Abraham (@AbrahamCepa1), X (June 19, 2021, 10:35 AM), <https://x.com/AbrahamCepa1/status/1406259223789543429?s=20> [https://perma.cc/2RSX-UDL3]; Joseph Rosado (@JosephRosado164), X (June 30, 2021, 4:11 PM), <https://x.com/JosephRosado164/status/1410330250261708801?s=20> [https://perma.cc/EH6L-2UUN]; TUA MVP (@MikeAloe1973), X (June 24, 2021, 8:06 AM), <https://x.com/MikeAloe1973/status/1408033797602488323?s=20> [https://perma.cc/3VET-RMW7].

we diluted shares, but as a result raised \$2.5 billion. AMC is so much stronger because we did.¹³⁹

The almost 2,000 responses to this tweet appeared to be largely negative. Responses varied from stating that retail investors had saved AMC from bankruptcy and now they wanted to be rewarded¹⁴⁰ to asking why AMC had sold to Mudrick and saying that AMC had lost their trust with that sale.¹⁴¹ Many expressed that they believed short sellers were manipulating the AMC shares and believed there to be synthetic shares in the market and demanded the company take action.¹⁴² Others said they were done with the diluted shares and wanted concrete plans for raising money that did not include share issuances.¹⁴³ Similarly, others inquired as to when AMC would launch other measures to make the company profitable.¹⁴⁴

The online opposition to the share issuance proved to be too much. On July 6, Aron took to Twitter to announce that the proposal to increase the authorized shares was being withdrawn.¹⁴⁵ In the announcement, he shared a meme stating, “I see you, I hear you, I value you” and wrote,

It’s no secret I think shareholders should authorize 25 million more AMC shares. But what YOU think is important to us. Many yes, many no. AMC does not want to proceed with such a split. So, we’re canceling the July vote on more shares. And no more such requests in 2021.¹⁴⁶

139. Adam Aron (@CEOAdam), X (June 23, 2021, 9:59 PM), <https://x.com/CEOAdam/status/1407881140371968001?s=20> [<https://perma.cc/424W-4C8V>].

140. See Twilight Trades (@TradesTwilight), X (June 23, 2021, 10:03 PM), <https://x.com/TradesTwilight/status/1407881958294700036?s=20> [<https://perma.cc/4P5X-N8ZJ>]; AMC Moon Traveler (@AMCmoonTraveler), X (June 23, 2021, 10:23 PM), <https://x.com/AMCmoonTraveler/status/1407887191293022209?s=20> [<https://perma.cc/M48A-HAYQ>].

141. See Saint_Can_Sam (@SamCanSuperman), X (June 23, 2021, 10:04 PM), <https://x.com/SamCanSuperman/status/1407882306887561217?s=20> [<https://perma.cc/YWH6-U4N6>].

142. See aPeWisDOm (@ZMan7779), X (June 23, 2021 11:28 PM), <https://x.com/ZMan7779/status/1407903507731128325?s=20> [<https://perma.cc/4VSG-VTSR>]; Ernesto Vasquez (@Ernestvs1), X (June 24, 2021, 1:49 PM), <https://x.com/Ernestvs1/status/1408120111421181955?s=20> [<https://perma.cc/QU5A-9MV4>].

143. See ParlayJay (@M3Ktv), X (June 23, 2021, 10:55 PM), <https://x.com/M3Ktv/status/1407895087611142145?s=20> [<https://perma.cc/8UUF-NRG4>].

144. See SnittyKitty (@_SnittyKitty_), X (June 24, 2021, 10:59 AM), https://x.com/_SnittyKitty_/status/1408077407437955073?s=20 [<https://perma.cc/VPK5-HF48>]; the_holistic_creatrix (@nonna_yogi), X (June 24, 2021, 8:25 AM), https://x.com/nonna_yogi/status/1408038517666627589?s=20 [<https://perma.cc/FAC9-QVKT>].

145. Adam Aron (@CEOAdam), X (July 6, 2021, 7:44 AM), <https://twitter.com/CEOAdam/status/1412376829688680453> [<https://perma.cc/DM2P-MBZ2>].

146. *Id.*

The withdrawal of the proposal was met with appreciation and celebration from many social media users.¹⁴⁷ So, the AMC Apes successfully blocked two share authorization requests due mainly to collective gathering and their vocal opposition on social media. This ultimately led AMC to seek an alternative method to issuing more shares.¹⁴⁸ The AMC story displays wireless stakeholders' power to impact corporate governance via the digital frontier which companies should not ignore in the Twenty-First Century.

CONCLUSION

Julia Ott has argued that the separation of ownership and control that Berle and Means famously identified is *not* an unintended consequence of the growth in share ownership.¹⁴⁹ Instead, she contends that corporate executives have calculated issuing shares “to as many investors as possible—in blocks as small as possible—in order to augment their power vis-à-vis financial intermediaries and large shareholders.”¹⁵⁰ In doing so, corporate executives may not have foreseen the significant power of the internet and social media to unite strangers across thousands of miles. The internet and social media have changed the paradigm so disruptively that the modern Berle and Means corporation can be

147. See, e.g., u/moneyshot691, *AA Removal of 25 Million Share Voting Say Whaaaattttttt Woo!!*, REDDIT (July 6, 2021 8:16 AM), https://www.reddit.com/r/amcstock/comments/oeuqba/aa_removal_of_25_million_share_voting_say/ [<https://perma.cc/DU3V-C7VC>]; u/Haters_Gunner_Hate, *25 Million Share Vote Canceled. Diamond Back Gorilla*, REDDIT (July 6, 2021 7:15 AM) https://www.reddit.com/r/amcstock/comments/oetpwu/25_million_share_vote_canceled_diamond_back/ [<https://perma.cc/YQ6A-LY7K>].

148. In 2022, AMC found a way to issue more shares without obtaining a shareholder vote. See Neal Farmer, *What Exactly Are AMC's New APE Units?*, INVS. OBSERVER (Aug. 26, 2022, 2:39 PM), <https://www.investorsobserver.com/news/featured/what-exactly-are-amcs-new-ape-units/> [<https://perma.cc/7LXN-QCVN>]. It issued preferred shares that it dubbed APE shares as a dividend to each share of AMC common stock. *Id.* The APE shares were convertible to shares of common stock and had the same voting and dividend rights as shares of common stock. *Id.* Moreover, the AMC board was authorized to issue more APE shares than had been issued during the special dividend. *Id.* In the issuance, “AMC did not prominently disclose” that its transfer agent “was required to vote uninstructed APEs proportionally with instructed APEs.” *In re AMC Entertainment Holdings, Inc. Stockholder Litig.*, 299 A.3d 501, 512 (Del. Ch. 2023). This meant that APE shares had more voting power than common stock as APE shares because all of the APE shares would be deemed to be present at a meeting. *Id.* In a lawsuit arguing the APE shares were dilutive of AMC common shares, which ultimately resulted in a settlement, AMC shareholders used more traditional means of communication (telephone, letters, and filings) to voice their opinions on the case and the settlement to the court. *Id.* at 518. The court interpreted this as a “sign of unprecedented interest” and engaged a special master to review the communications and to provide a summary and recommendations to the court. *Id.*

149. See JULIA C. OTT, *WHEN WALL STREET MET MAIN STREET: THE QUEST FOR INVESTORS' DEMOCRACY* 166 (2011).

150. *Id.*

crowd-governed.¹⁵¹ As Gramitto Ricci and I have noted, “[t]he internet . . . aids in both creating social connectedness, through networks, and creating likely the most expansive mechanism for communication in existence.”¹⁵² Others have observed that the use of social media could lead to a “digital democracy” in companies.¹⁵³ Social media has undoubtedly made society more aware of corporations’ practices, behaviors, and actions.¹⁵⁴

Many wireless stakeholders are actively and loudly voicing their opinions on social media. The real questions are: Do corporations *want* to hear them? Is the corporate system going to evolve to harness the power of corporate governance through social media?¹⁵⁵ Or, as Griffin has eloquently detailed in *Humanizing Corporate Governance*, is the system going to build up yet more structural barriers to diminish the voices of individual investors, many of whom have toiled countless hours as low-wage employees, furthering the growth of the corporate system?

As we look to the future, the likelihood is high that Millennials and GenZ’ers will continue to invest using commission-free trading apps and continue to gather collectively on social media. They will soon be joined by Generation Alpha, the generation born between 2013 and 2025 who has grown up fully immersed in technology.¹⁵⁶ As stakeholders continue to use social media to voice their opinions, advocate for change, and think of new ways to challenge the system, their power is unlimited.¹⁵⁷ Alexis Ohanian, co-founder of Reddit, observed from his experience with Reddit that when larger groups collaborate, they outperform the creativity of smaller “centralized groups of people.”¹⁵⁸ It is time to meet investors (and other stakeholders) where they are—on social media—as the future of corporate governance is through social media.

151. See Sergio Alberto Gramitto Ricci, *The Vitruvian Shareholder*, 75 FLA. L. REV. F. 113, 120 (2024).

152. Gramitto Ricci & Sautter, *Wireless Investors*, *supra* note 8, at 1681.

153. Lepore et al., *supra* note 10, at 775.

154. Gramitto Ricci, *supra* note 37 (arguing that social media and global instant communication subject corporations to unprecedented public scrutiny).

155. Gramitto Ricci & Sautter, *Harnessing*, *supra* note 8.

156. See generally *What is Generation Alpha*, THE ANNIE E. CASEY FOUND., <https://www.aecf.org/blog/what-is-generation-alpha> (Jan. 19, 2024) (defining the birth years of Generation Alpha and noting the cohort “views digital tools as omnipresent”).

157. To be clear, there are several societal and corporate advantages in making the voices of everyday people heard by corporations. See Gramitto Ricci & Sautter, *Harnessing*, *supra* note 8. Human shareholders need to balance their interests as investors and as human beings. This is inherently positive for humankind and also functions to *humanize* corporate governance. See Gramitto Ricci, *supra* note 155.

158. See Ohanian & Sidgmore, *supra* note 47, at 03:12.