transactions. Hence, these transactions have potentially different valuation consequences for both sellers and acquirers. In this context, the Blumberg and Owers (1996) findings for sellers in cross-border transactions were surprising. However, their overall findings included a range of outcomes for when selling to firms domiciled in different countries. Over the (-1,0) announcement window, the returns ranged from a high of 2.5% (when selling to West German acquirers) to a low of 0.5% (when selling to Swiss acquirers). More relevantly to this study, in the subsample of transactions involving sales to Canadian firms, the U.S. divesting firms experienced an average abnormal return over the (-1,0) announcement window of 0.88%, which was not significantly different from zero.

III. HYPOTHESES

This paper analyzes the division of gains between buyers and sellers in Canadian/U.S. sell-off transactions. It examines subsamples of both U.S. sellers and Canadian buyers. In addition, where information and data are available for both firms in particular transactions, it further examines a subsample of "matched pairs" of Canadian buyers and U.S. sellers. Finally, it measures and analyzes the effects of the cross-border divestitures on transacting firms in terms of both percentage and dollar abnormal returns.

Examination of the subsamples of Canadian buyers and U.S. divestors will provide the basis for testing hypotheses relating to the overall valuation consequences of U.S./Canadian divestitures. In addition, hypotheses relating to the creation of synergy related gains (and the division of any such gains), will be tested using the matched pairs subsample.