benefits $\varphi_s C$ but on forgone pecuniary benefits as well. Let q be the discounted cash flows generated by the company, N^T be the number of shares in the block, N_s be the number of shares held after the transaction and N be the total number of shares in the company. Before selling his block, his pecuniary benefits equal $\frac{q}{N}\left(N_S + N^T\right)$ and the seller's valuation of his shares is:

(1) $$V_S \equiv \varphi_S C + \frac{q}{N}\left(N_S + N^T\right)$$

After the transaction, his valuation amounts to:

(2) $$V'_S \equiv \varphi'_S C + \frac{q}{N} N_S$$

where we assume that φ'_S measures his new voting power and that both total private benefits and the expected stream of future profits are unaffected by the transaction. The seller's valuation of his block equals the difference between (1) and (2). The sum PN^T received from the block sale cannot be lower than his valuation:

(3) $$PN^T \geq \left(\varphi_S - \varphi'_S\right)C + \frac{q}{N} N^T.$$

By following a similar reasoning for the buyer we deduce the buyer's valuation of the block, which cannot be smaller than the amount paid for the block:

(4) $$PN^T \leq \left(\varphi'_b - \varphi_b\right)C + \frac{q}{N} N^T,$$