

FIRS Conference
on
**BANKING,
CORPORATE FINANCE
AND INTERMEDIATION**

*June 1-3, 2006
Grand Hyatt Hotel
Shanghai, China*

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**FIRS Conference on
Banking, Corporate Finance and Intermediation**

**Shanghai, China
June 1-3, 2006**

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Conference Website: <http://www.olin.wustl.edu/firs/conf/shanghai/>

Financial Intermediation Research Society (FIRS)

The Financial Intermediation Research Society is a global society of research scholars dedicated to the purpose of stimulating, promoting and disseminating research in financial intermediation. Specifically, the society will: (1) maintain a website that will provide information on conferences on financial intermediation topics worldwide, outlines of doctoral courses taught at various schools, and research papers; (2) organize conferences on financial intermediation and related topics; and (3) appoint the board of editors of *The Journal of Financial Intermediation*.

The main goal of the society is to provide a forum for those interested in financial intermediation and corporate finance research worldwide to be able to have ready access to each others research and to be able to communicate and coordinate more efficiently on a variety of issues, including the organization of conferences. Our hope is also to bridge the gaps that exist at present in the flow of ideas across the different continents, and to also encourage research in emerging markets into the mainstream of financial intermediation and corporate finance research.

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FIRS Conference on
Banking, Corporate Finance and Intermediation
Shanghai, China, June 1-3, 2006

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 Bank for International Settlements

Program Outline

*There are 5 concurrent Meetings each Session;
each Meeting (A, B, C, D and E) will cover 3 papers*

Thursday, June 1

7:30 pm Conference Reception

Meeting A Meeting B Meeting C Meeting D Meeting E

Friday, June 2

SESSION 1 8:30 am - 10:15 am	Models of Divergent Beliefs (PA)	Going Public Decisions and IPOs (CB)	Credit Markets (C1)	Shareholder Activism and Governance (DR)	Liquidity (C2)
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Coffee Break – 10:15-10:45 am

SESSION 2 10:45 am - 12:30 pm	Competition and Lending (C1)	Bank Regulation (C2)	Political Economy and Corporate Finance (CB)	Risk Management (PA)	Mutual, Hedge and Pension Funds (DR)
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Lunch – 12:30-2:00 pm

Keynote Speaker: Professor Xiaonian Xu, CEIBS
“Institutions and Financial Intermediation in China”

SESSION 3 2:00 pm - 3:45 pm	Systemic Risk (C2)	Competition & Industry Banking Structure (C1)	Law and Finance (PA)	Credit and Financial Markets in China (CB)	Security Analysts (DR)
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Tea Break – 3:45-4:15 pm

SESSION 4 4:15 pm - 6:00 pm	Credit Risk (C2)	Finance and Geography (C1)	Issuing Securities (CB)	Venture Capital and Private Equity (PA)	Capital Markets and Market Microstructure (DR)
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Dinner – 7:00 pm

Keynote Speaker: Stuart Greenbaum,
Washington University in St. Louis, Olin School of Business
“Corporate Governance and the Evolution of Financial Economics”

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Rocholl, Jörg
Rodríguez-Fernández, Francisco
Rosen, Richard
Ross, David Gaddis
Rowe, Wei Wang
Rui, Oliver Meng
Santos, João A.
Schmeits, Anjolein
Schroth, Enrique
Shao, Pei
Shi, Charles
Skeie, David R.
Smith, Jason
Song, Fenghua
Subramanian, Ajay
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White, Lucy
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Xiong, Wei
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- (C1) Conference Room 1
- (C2) Conference Room 2
- (CB) Crystal Ballroom
- (DR) Drawing Room 2
- (PA) Pisces & Aries Room

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Program Outline

There are 5 concurrent Meetings each Session; each Meeting (A, B, C, D and E) will cover 3 papers

	Meeting A	Meeting B	Meeting C	Meeting D	Meeting E
Saturday, June 3					
SESSION 1 8:30 am - 10:15 am	Competition, Banks and Loan Pricing (C1)	Liquidity, Banks and Markets (C2)	Mergers and Acquisitions (CB)	Financial Policy and Financial Constraints (DR)	Information Disclosure (PA)
Coffee Break – 10:15-10:45 am					
SESSION 2 10:45 am - 12:30 pm	Bank Capital (C2)	Intermediation and Real Economic Activity (C1)	IPOs (CB)	Debt Financing and Bankruptcy (DR)	Executive Compensation (PA)
Lunch – 12:30-2:00 pm					
SESSION 3 2:00 pm - 3:45 pm	Finance Topics (PA)	Corporate Governance (CB)	Credit Risk Transfers (C1)	Bank Failures and Crises (C2)	Insurance (DR)
Tea Break – 3:45-4:15 pm					
SESSION 4 4:15 pm - 6:00 pm	Bank Lending and Credit Markets (C1)	Contagion and Bubbles (DR)	Information, Market Discipline and Regulation (C2)	Mutual Funds (PA)	Capital Structure (CB)
End of Conference					

- (C1)** Conference Room 1
- (C2)** Conference Room 2
- (CB)** Crystal Ballroom
- (DR)** Drawing Room 2
- (PA)** Pisces & Aries Room

Participant List

Program

Session participants are in bold

FRIDAY SESSION #1 8:30 am – 10:15 am

MODELS OF DIVERGENT BELIEFS

(PISCES & ARIES ROOM)

Chair: **Franklin Allen**, University of Pennsylvania

Does the Market Matter for More Than Investment?

Author: **Jason Smith**, Washington University in St. Louis

Discussant: **Bilge Yilmaz**, University of Pennsylvania

Optimism and Economic Choice

Authors: **Manju Puri**, Duke University
David Robinson, Duke University

Discussant: **Hong Liu**, Washington University in St. Louis

Financial Intermediation and Real Sector Innovation

Authors: **Fenghua Song**, Washington University in St. Louis
Anjan V. Thakor, Washington University in St. Louis

Discussant: **Enrique Schroth**, HEC – Lausanne

GOING PUBLIC DECISION AND IPOs

(CRYSTAL BALLROOM)

Chair: **Ronald W. Masulis**, Vanderbilt University

Shareholder Diversification and the Decision to Go Public

Authors: **Andriy Bodnaruk**, Maastricht University
Eugene Kandel, Hebrew University

Massimo Massa, INSEAD

Andrei Simonov, Stockholm School of Economics

Discussant: **Tim Jenkinson**, University of Oxford

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Authors: ***The (Bad?) Timing of Mutual Funds Investors***
Oded Braverman, Tel-Aviv University
Shmuel Kandel, Hebrew University of Jerusalem
Avi Wohl, Tel-Aviv University
Discussant: **Qi Chen**, Duke University

Authors: ***The ABCs of Mutual Funds: On the Introduction of Multiple Share Classes***
Vikram Nanda, Arizona State University
Jay Wang, University of Illinois at Urbana – Champaign
Lu Zheng, University of Michigan
Discussant: **Xinge Zhao**, CEIBS

CAPITAL STRUCTURE (CRYSTAL BALLROOM)

Chair: **Anup Agrawal**, University of Alabama

Authors: ***Does Asymmetric Information Drive Capital Structure Decisions?***
Sreedhar T. Bharath, University of Michigan
Paolo Pasquariello, University of Michigan
Guojun Wu, University of Houston
Discussant: **Pei Shao**, York University

Authors: ***Capital Structure, Risk and Asymmetric Information***
Nikolay Halov, New York University
Florian Heider, European Central Bank
Discussant: **Nengjiu Ju**, HKUST

Authors: ***Determinants of the Floating-to-Fixed Rate Debt Structure of Firms***
Sudheer Chava, University of Houston
Amiyatosh K. Purnanandam, University of Michigan
Discussant: **Laura Liu**, HKUST

Authors: ***The Role of the Media in the Internet IPO Bubble***
Utpal Bhattacharya, Indiana University
Neal Galpin, Indiana University
Rina Ray, Indiana University
Xiaoyun Yu, Indiana University
Discussant: **Wei Xiong**, Princeton University

Authors: ***Dual Class IPOs, Share Recapitalizations, and Unifications: A Theoretical Analysis***
Thomas J. Chemmanur, Boston College
Yawen Jiao, Boston College
Discussant: **Jacob Oded**, Boston University

CREDIT MARKETS

(CONFERENCE ROOM 1)

Chair: **Yuk-Shee Chan**, HKUST

Authors: ***Bank Loans, Bond, and Information Monopolies across the Business Cycle***
João A. Santos, Federal Reserve Bank of New York
Andrew Winton, University of Minnesota
Discussant: **Gabriella Chiesa**, University of Bologna

Authors: ***Capital Constraints, Asymmetric Information and Internal Capital Markets in Banking: New Evidence***
Dmytro Holod, SUNY – Stony Brook
Joe Peek, University of Kentucky
Discussant: **Jan Pieter Krahen**, Goethe – University of Frankfurt

Authors: ***What You Sell is What You Lend? Explaining Trade Credit Contracts***
Mike Burkart, Stockholm School of Economics
Tore Ellingsen, Stockholm School of Economics
Mariassunta Giannetti, Stockholm School of Economics
Discussant: **Gregory Udell**, Indiana University

SHAREHOLDER ACTIVISM AND GOVERNANCE

(DRAWING ROOM 2)

Chair: **Oren Sussman**, University of Oxford

Costly Communication, Shareholder Activism, and Limits to Arbitrage

Authors: Michael Bradley, Duke University
Alon Brav, Duke University
Itay Goldstein, University of Pennsylvania
Wei Jiang, Columbia University

Discussant: **Ayla Kayhan**, Louisiana State University

Mutual Fund Governance: What Works and What Doesn't?

Authors: Sophie Xiaofei Kong, Kansas State University
Dragon Yongjun Tang, Kennesaw State University

Discussant: **Renée Adams**, Stockholm School of Economics

Directors' Ownership in the U.S. Mutual Fund Industry

Authors: **Qi Chen**, Duke University
Itay Goldstein, University of Pennsylvania
Wei Jiang, Columbia University

Discussant: **Dragon Yongjun Tang**, Kennesaw State University

LIQUIDITY

(CONFERENCE ROOM 2)

Chair: **Viral V. Acharya**, London Business School

Bank Capital and Liquidity Creation

Authors: Allen N. Berger, Federal Reserve Board of Governors
Christa H.S. Bouwman, Case Western Reserve University

Discussant: **Richard Rosen**, Federal Reserve Bank of Chicago

Managing Bank Liquidity Risk: How Deposit-Loan Synergies Vary with Market Conditions

Authors: **Evan Gatev**, Boston College
Til Schuermann, Federal Reserve Bank of New York
Philip E. Strahan, Boston College

Discussant: **Yang Chen**, University of Victoria

How Does a Shock Propagate: A Model of Contagion in the Interbank Market Due to Financial Linkages

Authors: **José Luis Peydró-Alcalde**, European Central Bank
Rajkamal Iyer, University of Amsterdam

Discussant: **Yaron Leitner**, Federal Reserve Bank of Philadelphia

INFORMATION, MARKET DISCIPLINE AND REGULATION

(CONFERENCE ROOM 2)

Chair: **Bent Vale**, Norges Bank

Stale Information, Shocks and Volatility

Authors: Lorenzo Cappiello, European Central Bank
Reint Gropp, European Central Bank
Arjan Kadareja, European Central Bank

Discussant: **Adam B. Ashcraft**, Federal Reserve Bank of New York

Using Price Information as an Instrument of Market Discipline in Regulating Bank Risk

Authors: **Alfred Lehar**, University of Calgary
Duane Seppi, Carnegie Mellon University
Günter Strobl, University of North Carolina

Discussant: **Simon Kwan**, Federal Reserve Bank of San Francisco

On the Market Discipline of Informationally-Opaque Firms: Evidence from Bank Borrowers in the Federal Funds Market

Authors: **Adam B. Ashcraft**, Federal Reserve Bank of New York
Hoyt Bleakley, University of Chicago

Discussant: **Raoul Minetti**, Michigan State University

MUTUAL FUNDS

(PISCES & ARIES ROOM)

Chair: **Mihir A. Desai**, Harvard University

Portfolio Performance, Discount Dynamics and the Turnover of the Closed-End Fund Managers

Authors: Russ Wermers, University of Maryland
Youchang Wu, University of Vienna
Josef Zechner, University of Vienna

Discussant: **Dragon Yongjun Tang**, Kennesaw State University

SATURDAY SESSION #4
4:15 pm – 6:00 pm

BANK LENDING AND CREDIT MARKETS

(CONFERENCE ROOM 1)

Chair: **Elena Carletti**, Center for Financial Studies

***Bank's Equity Holdings and the Soft Budget Problem:
Evidence from Major Japanese Banks***

Authors: Kathryn Dewenter, University of Washington
Yasushi Hamao, University of Southern California
Alan Hess, University of Washington

Discussant: **Munehisa Kasuya**, Bank of Japan

Foreign Banks in Poor Countries: Theory and Evidence

Authors: Enrica Detragiache, International Monetary Fund
Poonam Gupta, International Monetary Fund
Thierry Tresselt, International Monetary Fund

Discussant: **Astrid A. Dick**, Federal Reserve Bank of New York

***Understanding the Rise and Decline of the Japanese Main
Bank System: Corporate Investment and Financing under
Bank Rent Extraction***

Authors: Xueping Wu, City University of Hong Kong
Jun Yao, City University of Hong Kong

Discussant: **Yasushi Hamao**, University of Southern California

CONTAGION AND BUBBLES

(DRAWING ROOM 2)

Chair: **S. Viswanathan**, Duke University

***Advisors and Asset Prices: A Model of the Origins of
Bubbles***

Authors: Harrison Hong, Princeton University
José Scheinkman, Princeton University
Wei Xiong, Princeton University

Discussant: **Huining “Henry” Cao**, Cheung Kong Graduate School of
Business

Money and Modern Banking without Bank Runs

Author: **David R. Skeie**, Federal Reserve Bank of New York

Discussant: **Falko Fecht**, Deutsche Bundesbank

***Episodic Liquidity Crises: The Effects of Cooperative and
Predatory Trading***

Authors: Bruce Ian Carlin, Duke University
Miguel Sousa Lobo, Duke University
S. Viswanathan, Duke University

Discussant: **Jinghua Yan**, University of Pennsylvania

COFFEE BREAK
10:15 am – 10:45 am

FRIDAY SESSION #2
10:45 am – 12:30 pm

COMPETITION AND LENDING

(CONFERENCE ROOM 1)

Chair: **Richard Rosen**, Federal Reserve Bank of Chicago

Investment and Competition

Authors: Evrim Akdoğan, Southern Methodist University
Peter Mackay, HKUST

Discussant: **Ayla Kayhan**, Louisiana State University

Predatory Lending in a Rational World

Authors: Philip Bond, University of Pennsylvania
David K. Musto, University of Pennsylvania
Bilge Yilmaz, University of Pennsylvania

Discussant: **Florian Heider**, European Central Bank

Informal Finance: A Theory of Moneylenders

Author: **Andreas Madestam**, Stockholm School of Economics

Discussant: **Marcel Tyrell**, Goethe – University of Frankfurt

BANK REGULATION

(CONFERENCE ROOM 2)

Chair: **Stuart Greenbaum**, Washington University in St. Louis

Endogenous Financial Fragility and Prudential Regulation

Author: Charles M. Kahn, University of Illinois
João A. Santos, Federal Reserve Bank of New York
Discussant: **Stefan Arping**, University of Amsterdam

Regulating Financial Conglomerates

Authors: Xavier Freixas, Universitat Pompeu Fabra
Gyöngyi Lóránth, University of Cambridge
Alan D. Morrison, University of Oxford
Discussant: **David Gaddis Ross**, New York University

Is Deposit Insurance a Good Thing, and if so, Who Should Pay for It?

Authors: Alan D. Morrison, University of Oxford
Lucy White, Harvard Business School
Discussant: **Hassan Naqvi**, National University of Singapore

POLITICAL ECONOMY AND CORPORATE FINANCE

(CRYSTAL BALLROOM)

Chair: **Ernst-Ludwig von Thadden**, University of Mannheim

Tycoons Turned Leaders: Investigating the Incentives for Holding Public Office

Authors: **Pramuan Bunkanwanicha**, ESCP – EAP
Yupana Wiwattanakantang, Hitotsubashi University
Discussant: **Craig Brown**, University of Michigan

Sovereign Debt without Default Penalties

Authors: Alexander Guembel, University of Oxford
Oren Sussman, University of Oxford
Discussant: **Erik Feijen**, University of Amsterdam

A Political Economy of Investor Protection

Authors: **Lucian Bebchuk**, Harvard University
Zvika Neeman, Boston University
Discussant: **Sudipto Dasgupta**, HKUST

Impaired Bank Health and Default Risk

Authors: Kentaro Akashi, University of Tokyo
Shin-ichi Fukuda, University of Tokyo
Munehisa Kasuya, Bank of Japan
Discussant: **Jie Gan**, HKUST

INSURANCE

(DRAWING ROOM 2)

Chair: **Loretta J. Mester**, Federal Reserve Bank of Philadelphia

U.S. Banking Deregulation, Small Business, and Interstate Insurance of Personal Income

Authors: Yuliya Demyanyk, University of Houston
Charlotte Ostergaard, Norwegian School of Management
Bent E. Sørensen, University of Houston
Discussant: **Dmytro Holod**, SUNY – Stony Brook

Empirical Evidence on Relationships in Insurance

Authors: Greg Nini, Federal Reserve Board of Governors
Paul Kofman, University of Melbourne
Discussant: **Tomas Cipra**, Charles University

Mutual vs. Stock Insurers: Fair Premium, Capital, and Solvency

Authors: **Christian Laux**, Goethe – University of Frankfurt
Alexander Muermann, University of Pennsylvania
Discussant: **Paul Kofman**, University of Melbourne

TEA BREAK
3:45 pm – 4:15 pm

Corporate Performance, Board Structure and its Determinants in the Banking Industry

Authors: **Renée Adams**, Stockholm School of Economics
Hamid Mehran, Federal Reserve Bank of New York
Discussant: **Ohad Kadan**, Washington University in St. Louis

CREDIT RISK TRANSFER

(CONFERENCE ROOM 1)

Chair: **Guofu Zhou**, Washington University in St. Louis

Loan Sales as a Trade-Off between Ex Post Verification and Ex Ante Monitoring

Authors: Patrick Behr, Goethe – University of Frankfurt
Samuel Lee, Stockholm School of Economics
Discussant: **Falko Fecht**, Deutsche Bundesbank

Optimal Risk Transfer, Monitored Finance and Real Investment Activity

Author: **Gabriella Chiesa**, University of Bologna
Discussant: **Jianping Qi**, University of South Florida

Insider Trading in Credit Derivatives

Authors: **Viral V. Acharya**, London Business School
Timothy C. Johnson, London Business School
Discussant: **Lars Norden**, University of Mannheim

BANK FAILURES AND CRISES

(CONFERENCE ROOM 2)

Chair: **Reint Gropp**, European Central Bank

The Effect of Banking Crisis on Bank-Dependent Borrowers: Evidence from the Russian Crisis of Fall 1998

Authors: Sudheer Chava, University of Houston
Amiyatosh K. Purnanandam, University of Michigan
Discussant: **Bent Vale**, Norges Bank

Do Incumbents Manipulate Access to Finance During Banking Crises?

Author: **Erik Feijen**, University of Amsterdam
Discussant: **Rajkamal Iyer**, University of Amsterdam

RISK MANAGEMENT

(PISCES & ARIES ROOM)

Chair: **Jan Pieter Krahenen**, Goethe – University of Frankfurt

Corporate Hedging and Speculation with Derivatives

Authors: **Söhnke M. Bartram**, Lancaster University
Gregory W. Brown, University of North Carolina at Chapel Hill
Discussant: **Reint Gropp**, European Central Bank

The Many Facets of Exchange Rate Exposure

Authors: **Söhnke M. Bartram**, Lancaster University
Gregory W. Brown, University of North Carolina at Chapel Hill
Bernadette A. Minton, Ohio State University
Discussant: **Yrjö Koskinen**, Boston University

Why Are Securitization Issues Tranched?

Authors: Maciej Firla-Cuchra, University of Oxford
Tim Jenkinson, University of Oxford
Discussant: **Charlotte Ostergaard**, Norwegian School of Management

MUTUAL, HEDGE AND PENSION FUNDS

(DRAWING ROOM 2)

Chair: **Huining “Henry” Cao**, Cheung Kong Graduate School of Business

Do Fund Managers Use Private Information in their Asset Allocation Decisions? Evidence from Macroeconomic Announcements

Authors: Bill B. Francis, Rensselaer Polytechnic Institute
Delroy M. Hunter, University of South Florida
Boyce D. Watkins, Syracuse University
Discussant: **Lu Zheng**, University of Michigan

Hedge Funds as Investors of Last Resort

Authors: **David J. Brophy**, University of Michigan
Paige P. Ouimet, University of Michigan
Clemens Sialm, University of Michigan
Discussant: **Vinay B. Nair**, University of Pennsylvania

The Return to Pension Funds' Private Equity Investments: Another Piece to the Private Equity Premium Puzzle?

Author: **Kasper Meisner Nielsen**, Copenhagen Business School
Discussant: **David J. Brophy**, University of Michigan

LUNCH

12:30 PM – 2:00 PM

KEYNOTE SPEAKER: SHAWN (XIAONIAN) XU,
Professor of Economics and Finance, China Europe International Business School
“**INSTITUTIONS AND FINANCIAL INTERMEDIATION IN CHINA**”

FRIDAY SESSION #3
2:00 pm – 3:45 pm

SYSTEMIC RISK

(CONFERENCE ROOM 2)

Chair: **Lucy White**, Harvard Business School

Authors: **Banking System Stability: A Cross-Atlantic Perspective**
Philipp Hartmann, European Central Bank
Stefan Straetmans, Maastricht University
Casper de Vries, Erasmus University Rotterdam
Discussant: **Evan Gatev**, Boston College

Authors: **Interbank Contagion: Evidence from Real Transactions**
Rajkamal Iyer, University of Amsterdam
José Luis Peydró-Alcalde, European Central Bank
Discussant: **Erlend Neir**, Bank of England

Authors: **Order Consolidation, Price Efficiency, and Extreme Liquidity Shocks**
Michael J. Barclay, University of Rochester
Terrence Hendershott, University of California – Berkeley
Charles M. Jones, Columbia University
Discussant: **Isabel Tkatch**, Georgia State University

SATURDAY SESSION #3
2:00 pm – 3:45 pm

FINANCE TOPICS

(PISCES & ARIES ROOM)

Chair: **Paolo Fulghieri**, University of North Carolina

Authors: **Side-by-Side Management of Hedge Funds and Mutual Funds**
Tom Nohel, Loyola University
Zhi Wang, University of Illinois
Lu Zheng, University of Michigan
Discussant: **Kasper Meisner Nielsen**, Copenhagen Business School

Authors: **CEO-Firm Match and Principal-Agent Theory**
Fei Li, University of Wisconsin – Madison
Masako Ueda, University of Wisconsin – Madison
Discussant: **Alexander Guembel**, University of Oxford

Authors: **Stock Exchange Competition in a Simple Model of Capital Market Equilibrium**
Sofia B. Ramos, ISCTE-Business School
Ernst-Ludwig von Thadden, University of Mannheim
Discussant: **Hong Liu**, Washington University in St. Louis

CORPORATE GOVERNANCE

(CRYSTAL BALLROOM)

Chair: **David J. Brophy**, University of Michigan

Authors: **Reputation and Spillovers: Evidence from Indian Business Groups**
Radhakrishnan Gopalan, University of Michigan
Vikram Nanda, Arizona State University
Amit Seru, University of Michigan
Discussant: **Lily Fang**, INSEAD

Authors: **Corporate Governance and Acquirer Returns**
Ronald W. Masulis, Vanderbilt University
Cong Wang, Vanderbilt University
Fei Xie, Vanderbilt University
Discussant: **Christa H.S. Bouwman**, Case Western Reserve University

Are Longer Bankruptcies Really More Costly?
Authors: Daniel M. Covitz, Federal Reserve Board of Governors
Song Han, Federal Reserve Board of Governors
Beth Anne Wilson, Federal Reserve Board of Governors
Discussant: **Ning Zhu**, University of California – Davis

EXECUTIVE COMPENSATION

(PISCES & ARIES ROOM)

Chair: **Elazar Berkovitch**, Interdisciplinary Center Herzliya

Stocks or Options? Moral Hazard, Firm Viability and the Design of Compensation Contracts
Authors: **Ohad Kadan**, Washington University in St. Louis
Jeroen Swinkels, Washington University in St. Louis
Discussant: **Mariassunta Giannetti**, Stockholm School of Economics

Executive Pay and Shareholder Litigation
Authors: **Lin Peng**, Baruch College/CUNY
Ailsa Röell, Columbia University
Discussant: **Ning Gong**, University of Melbourne

Executive Stock Options and Earnings Management: A Theoretical and Empirical Analysis
Authors: **Ohad Kadan**, Washington University in St. Louis
Jun Yang, Washington University in St. Louis
Discussant: **Christian Laux**, Goethe – University of Frankfurt

LUNCH

12:30 PM – 2:00 PM

COMPETITION AND INDUSTRY BANKING STRUCTURE

(CONFERENCE ROOM 1)

Chair: **Dar-Yeh Hwang**, National Taiwan University

Entry into Banking Markets and the Early-Mover Advantage
Authors: Allen N. Berger, Federal Reserve Board of Governors
Astrid A. Dick, Federal Reserve Bank of New York
Discussant: **Kris Mitchener**, Santa Clara University

Switching Costs in Local Credit Markets
Authors: Guglielmo Barone, Bank of Italy
Roberto Felici, Bank of Italy
Marcello Pagnini, Bank of Italy
Discussant: **Yoshiaki Ogura**, Hitotsubashi University

Switching Costs and Adverse Selection in the Market for Credit Cards: New Evidence
Authors: Paul S. Calem, LoanPerformance
Michael B. Gordy, Federal Reserve Board of Governors
Loretta J. Mester, Federal Reserve Bank of Philadelphia
Discussant: **Marcello Pagnini**, Bank of Italy

LAW AND FINANCE

(PISCES & ARIES ROOM)

Chair: **William Christie**, Vanderbilt University

Legality and Venture Governance Around the World
Authors: Douglas Cumming, Rensselaer Polytechnic Institute
Daniel Schmidt, Goethe – University of Frankfurt
Uwe Walz, Goethe – University of Frankfurt
Discussant: **Ronald W. Masulis**, Vanderbilt University

Courts and Contractual Innovations
Authors: **Mitchell Berlin**, Federal Reserve Bank of Philadelphia
Yaron Leitner, Federal Reserve Bank of Philadelphia
Discussant: **Uwe Walz**, Goethe – University of Frankfurt

Investor Protection and the Demand for Equity
Authors: Mariassunta Giannetti, Stockholm School of Economics
Yrjö Koskinen, Boston University
Discussant: **Oren Sussman**, University of Oxford

CREDIT AND FINANCIAL MARKETS IN CHINA

(CRYSTAL BALLROOM)

Chair: **Jianping Qi**, University of South Florida

Law, Finance, and Administrative Governance: Evidence from Chinese Stock Markets

Authors: **Julan Du**, Chinese University of Hong Kong
Katharina Pistor, Columbia Law School
Chenggang Xu, London School of Economics

Discussant: **Wei Wang Rowe**, University of Nebraska

The Impact of Bank and Non-Bank Financial Institutions on Local Economic Growth in China

Authors: **Xiaoqiang Cheng**, Catholic University of Leuven
Hans Degryse, Catholic University of Leuven

Discussant: **Alfred Lehar**, University of Calgary

Rent Seeking and Corporate Finance: Evidence from Corruption Cases

Authors: **Joseph P. H. Fan**, Chinese University of Hong Kong
Oliver Meng Rui, Chinese University of Hong Kong
Mengxin Zhao, Bentley College

Discussant: **Julan Du**, Chinese University of Hong Kong

SECURITY ANALYSTS

(DRAWING ROOM 2)

Chair: **Yasushi Hamao**, University of Southern California

Do Analyst Conflicts Matter? Evidence from Stock Recommendations

Authors: **Anup Agrawal**, University of Alabama
Mark A. Chen, University of Maryland

Discussant: **Ning Gao**, University of Manchester

Analyst Hype in IPOs: Explaining the Popularity of Bookbuilding

Authors: François Degeorge, University of Lugano
François Derrien, University of Toronto
Kent L. Womack, Dartmouth College

Discussant: **Re-Jin Guo**, University of Illinois

IPOs

(CRYSTAL BALLROOM)

Chair: **Tim Jenkinson**, University of Oxford

Underwriter Manipulation in IPOs

Authors: **Rajesh K. Aggarwal**, University of Minnesota

Amiyatosh K. Purnanandam, University of Michigan
Guojun Wu, University of Houston

Discussant: **Debarshi K. Nandy**, York University

Financial Regulations, Investment Risks, and Determinants of the Excess Chinese IPO Underpricing

Author: **“George” Lihui Tian**, Peking University

Discussant: **Qiao Liu**, University of Hong Kong

Is IPO Underperformance a Peso Problem?

Authors: Andrew Ang, Columbia University

Li Gu, Fordham University

Yael V. Hochberg, Northwestern University

Discussant: **Vassil Mihov**, Texas Christian University

DEBT FINANCING AND BANKRUPTCY

(DRAWING ROOM 2)

Chair: **Vikram Nanda**, Arizona State University

The Costs of Bankruptcy: Chapter 7 Liquidation vs. Chapter 11 Reorganization

Authors: Arturo Bris, Yale School of Management

Ivo Welch, Brown University

Ning Zhu, University of California – Davis

Discussant: **Viral V. Acharya**, London Business School

Financing and Debt Maturity Choices by Undiversified Owner-Managers: Theory and Evidence

Authors: Richard Fu, Georgia Institute of Technology

Ajay Subramanian, Georgia State University

Discussant: **Tom Nohel**, Loyola University

SATURDAY SESSION #2
10:45 am – 12:30 pm

BANK CAPITAL

(CONFERENCE ROOM 2)

Chair: **Haibin Zhu**, Bank for International Settlements

Credit Market Competition and Capital Regulation

Authors: **Franklin Allen**, University of Pennsylvania
Elena Carletti, Center for Financial Studies
Robert Marquez, University of Maryland

Discussant: **Lucy White**, Harvard Business School

Competition and Entry in Banking: Implications for Stability and Capital Regulation

Authors: **Arnoud W.A. Boot**, University of Amsterdam
Matej Marinč, University of Amsterdam

Discussant: **José Luis Peydró-Alcalde**, European Central Bank

From Basel I to Basel II: An Analysis of the Three Pillars

Author: **Abel Elizalde**, CEMFI

Discussant: **Patrick Behr**, Goethe – University of Frankfurt

INTERMEDIATION AND REAL ECONOMIC ACTIVITY

(CONFERENCE ROOM 1)

Chair: **Chun Chang**, China Europe International Business School

Foreign Direct Investment and Domestic Economic Activity

Author: **Mihir A. Desai**, Harvard University
C. Fritz Foley, Harvard University
James R. Hines Jr., University of Michigan

Discussant: **Thierry Tressel**, International Monetary Fund

Financial Integration and Systemic Risk

Authors: **Falko Fecht**, Deutsche Bundesbank
Hans Peter Grüner, University of Mannheim

Discussant: **Gyöngyi Lóránth**, Cambridge University

Bank Credit Cycles

Authors: Gary B. Gorton, University of Pennsylvania
Ping He, University of Illinois – Chicago

Discussant: **David R. Skeie**, Federal Reserve Bank of New York

Reputation as Discipline in Sell-Side Research

Authors: **Lily Fang**, INSEAD

Ayako Yasuda, University of Pennsylvania

Discussant: **Jun “QJ” Qian**, Boston College

TEA BREAK

3:45 pm – 4:15 pm

FRIDAY SESSION #4

4:15 pm – 6:00 pm

CREDIT RISK

(CONFERENCE ROOM 2)

Chair: **Mitchell Berlin**, Federal Reserve Bank of Philadelphia

Explaining Credit Default Swap Spreads with Equity Volatility and Jump Risks of Individual Firms

Authors: Benjamin Yibin Zhang, Fitch Ratings

Hao Zhou, Federal Reserve Board of Governors

Haibin Zhu, Bank for International Settlements

Discussant: **Guofu Zhou**, Washington University in St. Louis

Modeling the Role of Credit Rating Agencies: Do They Spark Off a Virtuous Circle?

Authors: Christina E. Bannier, Goethe – University of Frankfurt

Marcel Tyrell, Goethe – University of Frankfurt

Discussant: **Anjolein Schmeits**, New York University

Tightening Credit Standards: Fact or Fiction?

Authors: Philippe Jorion, University of California at Irvine

Charles Shi, University of California at Irvine

Sanjian Zhang, University of California at Irvine

Discussant: **Sreedhar T. Bharath**, University of Michigan

FINANCE AND GEOGRAPHY

(CONFERENCE ROOM 1)

Chair: **Philipp Hartmann**, European Central Bank

Geographic Diversification, Distance, BHC Return and Risk

Authors: Saiying (Esther) Deng, University of Minnesota

Elyas Elyasiani, Temple University

Discussant: **Santiago Carbó-Valverde**, University of Granada

How Banks Go Abroad: Branches or Subsidiaries?

Author: Eugenio Cerutti, Johns Hopkins University

Giovanni Dell’Ariccia, International Monetary Fund

Maria Soledad Martinez Peria, World Bank

Discussant: **Dar-Yeh Hwang**, National Taiwan University

Geographic Dispersion and Corporate Decision-Making

Authors: Augustin Landier, New York University

Vinay B. Nair, University of Pennsylvania

Julie Wulf, University of Pennsylvania

Discussant: **Rajesh K. Aggarwal**, University of Minnesota

ISSUING SECURITIES

(CRYSTAL BALLROOM)

Chair: **Ronen Israel**, Interdisciplinary Center Herzliyah

Bank Relationships and Underwriter Competition: Evidence from Japan

Author: **Ayako Yasuda**, University of Pennsylvania

Discussant: **Shin-ichi Fukuda**, University of Tokyo

Small Investor Demand and Allocation in Commercial Bank Managed IPOs

Authors: **Manju Puri**, Duke University

Jörg Rocholl, University of North Carolina

Discussant: **Jinghua Yan**, University of Pennsylvania

Seasoned Equity Issues with “Soft” Information: Theory and Empirical Evidence

Authors: **Thomas J. Chemmanur**, Boston College

Yawen Jiao, Boston College

Discussant: **Xiaoyun Yu**, Indiana University

Optimal Execution of Open-Market Stock Repurchase Programs

Author: **Jacob Oded**, Boston University

Discussant: **Douglas Foster**, HKUST

INFORMATION DISCLOSURE

(PISCES & ARIES ROOM)

Chair: **Shmuel Kandel**, Tel-Aviv University

Real Investment and Corporations’ Incentive to Misreport

Author: **Tracy Yue Wang**, University of Minnesota

Discussant: **Joseph P.H. Fan**, Chinese University of Hong Kong

Lumpy Information Disclosure and Stock Return Synchronicity: Evidence from ADR Listings

Authors: **Jie Gan**, HKUST

Sudipto Dasgupta, HKUST

Ning Gao, University of Manchester

Discussant: **Wei Jiang**, Columbia University

Conflicts of Interest and Stock Recommendation: The Effect of Global Settlement and Related Regulations

Authors: **Ohad Kadan**, Washington University in St. Louis

Leonardo Madureira, Case Western Reserve University

Rong Wang, Washington University in St. Louis

Tzachi Zach, Washington University in St. Louis

Discussant: **Ayako Yasuda**, University of Pennsylvania

COFFEE BREAK

10:15 am – 10:45 am

Collateral and Market Liquidity

Authors: V. Ravi Anshuman, Indian Institute of Management
S. Viswanathan, Duke University
Discussant: **Cornelia Holthausen**, European Central Bank

MERGERS AND ACQUISITIONS

(CRYSTAL BALLROOM)

Chair: **Arnoud W.A. Boot**, University of Amsterdam

IPOs or Acquisitions? A Theory of the Choice of Exit Strategy by Entrepreneurs and Venture Capitalists

Authors: Onur Bayar, Boston College
Thomas J. Chemmanur, Boston College
Discussant: **Masako Ueda**, University of Wisconsin – Madison

Bidder Returns and Merger Anticipation: Evidence from Banking Deregulation

Author: **David A. Becher**, Drexel University
Discussant: **Mengxin Zhao**, Bentley College

Are Fairness Options Fair?

Authors: Darren J. Kisgen, Boston College
Jun “QJ” Qian, Boston College
WeiHong Song, University of Cincinnati
Discussant: **Anup Agrawal**, University of Alabama

FINANCIAL POLICY AND FINANCIAL CONSTRAINTS

(DRAWING ROOM 2)

Chair: **Manju Puri**, Duke University

New Insights on the Dividend Clienteles Hypothesis: Evidence from Brazilian Data

Authors: **Jairo Laser Procianoy**, Universidade Federal do Rio Grande do Sul
Rodrigo S. Verdi, University of Pennsylvania
Discussant: **Yaniv Grinstein**, Cornell University

Cash Breeds Success: The Role of Financing Constraints in Patent Races

Authors: **Enrique Schroth**, HEC – Lausanne
Dezső Szalay, HEC – Lausanne
Discussant: **An Yan**, Fordham University

VENTURE CAPITAL AND PRIVATE EQUITY

(PISCES & ARIES ROOM)

Chair: **Masako Ueda**, University of Wisconsin – Madison

Size and Focus of a Venture Capitalist’s Portfolio

Authors: **Paolo Fulghieri**, University of North Carolina
Merih Sevilir, University of North Carolina
Discussant: **Sanjay Banerji**, University of Durham

Debt Financing, Venture Capital, and Initial Public Offerings

Authors: Christopher B. Barry., Texas Christian University
Vassil Mihov, Texas Christian University
Discussant: **Jun Yang**, Washington University in St. Louis

Institutional Investors and Private Equity

Author: **Kasper Meisner Nielsen**, Copenhagen Business School
Discussant: **Re-Jin Guo**, University of Illinois at Chicago

CAPITAL MARKETS AND MARKET MICROSTRUCTURE

(DRAWING ROOM 2)

Chair: **Douglas Foster**, HKUST

Demand for Immediacy: Time is Money

Authors: **Isabel Tkatch**, Georgia State University
Eugene Kandel, Hebrew University
Discussant: **William Christie**, Vanderbilt University

Commitment to Overinvest and Price Informativeness

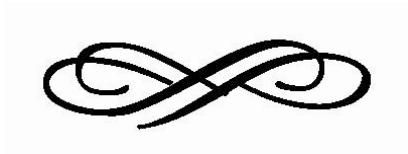
Authors: James Dow, London Business School
Itay Goldstein, University of Pennsylvania
Alexander Guembel, University of Oxford
Discussant: **Jianping Qi**, University of South Florida

Substitute Trading and the Effectiveness of Insider Trading Regulations

Author: **Hui Huang**, Victoria University of Wellington
Discussant: **Oliver Meng Rui**, Chinese University of Hong Kong

DINNER
7:00 PM

KEYNOTE SPEAKER: STUART GREENBAUM,
Washington University in St. Louis, Olin School of Business
“CORPORATE GOVERNANCE AND THE EVOLUTION OF FINANCIAL
ECONOMICS”



SATURDAY SESSION #1

8:30 am – 10:15 am

COMPETITION BANKS AND LOAN PRICING

(CONFERENCE ROOM 1)

Chair: **Gabriella Chiesa**, University of Bologna

Authors: **The Determinants of Bank Margins in European Banking**
Santiago Carbó-Valverde, University of Granada
Francisco Rodríguez-Fernández, University of Granada
Discussant: **Victoria Ivashina**, New York University

Authors: **How Bank Regulation, Supervision and Lender Identity
Impact Loan Pricing: A Cross-Country Comparison**
Li Hao, York University
Debarshi K. Nandy, York University
Gordon S. Roberts, York University
Discussant: **Zhishu Yang**, Tsinghua University

Authors: **Bank Market Power and Real Sector Performance: A
Financial Intermediation Approach**
Stefan Arping, University of Amsterdam
Armin Schwienbacher, University of Amsterdam
Discussant: **Yoshiaki Ogura**, Hitotsubashi University

LIQUIDITY, BANKS AND MARKETS

(CONFERENCE ROOM 2)

Chair: **Gregory Udell**, Indiana University

Authors: **The Role of Interbank Markets in Monetary Policy: A
Model with Rationing**
Xavier Freixas, Universitat Pompeu Fabra
José Manuel Peres Jorge, Universidade do Porto
Discussant: **Ping He**, University of Illinois – Chicago

Authors: **Cash-in-the-Market Pricing and Optimal Bank Bailout
Policy**
Viral V. Acharya, London Business School
Tanju Yorulmazer, Bank of England
Discussant: **Lixin Huang**, City University of Hong Kong