2007 Program

42nd Annual Conference of the Western Finance Association

Big Sky Resort
Big Sky, Montana

June 25 - 28, 2007
WESTERN FINANCE ASSOCIATION

We are a professional society administered in the United States and Canada for academicians and practitioners with a scholarly interest in the development and application of research in finance.

Our purpose is (1) to serve as a focal point for communication among members, (2) to improve teaching and scholarship, and (3) to provide for the dissemination of information, including the holding of meetings and the support of publications.

The Association is an international organization with membership open to individuals from both the academic and professional community, and to institutions. Two classes of membership are available: lifetime membership ($150.00) and three-year membership ($50.00). Members of the Association are entitled to receive a reduction in the registration fee at the annual meetings. You are invited to join or renew on-line at the WFA's informational web site, http://www.westernfinance.org.

Correspondence regarding membership and other business aspects of the Association should be addressed to:

Professor Duane Seppi
Secretary-Treasurer, WFA
Tepper School of Business
Carnegie Mellon University
Pittsburgh, PA 15213
Email: ds64@andrew.cmu.edu
Telephone: (412) 268-2298

A call for papers and participants for the 2008 Conference of the Western Finance Association appears at the end of this program.
REGISTRATION AND HOTEL INFORMATION

All sessions and conference functions will be held in the Big Sky Resort. On-site registration for the conference will be located in the Firehole Lounge on the following schedule:

Monday, June 25, 2007, 4:00 pm – 8:00 pm
Tuesday, June 26, 2007, 8:00 am – 4:00 pm
Wednesday, June 27, 2007, 8:00 am – 12:00 noon

PRE-REGISTRATION

Pre-registration is at our web site, http://www.westernfinance.org. Those who pre-register are entitled to a discount on registration fees. To qualify for these discounted rates you must pre-register before June 4, 2007. See the web site for details. Checks must be sent to Patricia Niber or the Secretary-Treasurer at the address shown on the previous page.

FEE SCHEDULE

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<tr>
<td>WFA member</td>
<td>$ 75</td>
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<tr>
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SPECIAL EVENT REGISTRATION

Registration for the WFA Annual Meeting Luncheon and other special events will be done at the time of pre-registration on the WFA website and on-site (subject to availability) for those who do not pre-register. Because space is limited, registration is required for any of the breakfasts, luncheons, or evening receptions. The WFA makes every attempt to make these events free to registrants, but reserves the right to charge for these events if sponsorships do not cover the full cost.

SOCIETY FOR FINANCIAL STUDIES MEMBERSHIP MEETING

All members of the SFS are invited to attend the Annual Meeting to be held on Wednesday, June 27, 2007 from 5:00 pm - 6:00 pm in the Lamar/Gibbon Room. All subscribers to the Review of Financial Studies are members of the SFS.
WESTERN FINANCE ASSOCIATION

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1987-88  Robert Litzenberger  University of Pennsylvania

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### Distinguished Speakers

**WFA Annual Meeting Speakers 1979-2007**

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<th>Year</th>
<th>Location</th>
<th>Speaker</th>
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<tbody>
<tr>
<td>1979</td>
<td>San Francisco</td>
<td>Nils Hakansson</td>
</tr>
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<td>1980</td>
<td>San Diego</td>
<td>Kenneth Arrow</td>
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<tr>
<td>1981</td>
<td>Jackson Lake</td>
<td>Eugene Fama</td>
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<tr>
<td>1982</td>
<td>Portland</td>
<td>Stephen Ross</td>
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<td>1983</td>
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<td>Myron Scholes</td>
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<td>Robert Litzenberger</td>
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<td>1986</td>
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<td>Merton Miller</td>
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<td>1989</td>
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<td>William Sharpe</td>
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<td>1990</td>
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<td>Michael Brennan</td>
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<td>1995</td>
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Jeff Fleming, Rice University
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Louis Gagnon, Queen’s University
Mark Garmaise, University of California, Los Angeles
Chris Geezy, University of Pennsylvania
Simon Gervais, Duke University
Ron Giannarino, University of British Columbia
Scott Gibson, William and Mary
Itay Goldstein, University of Pennsylvania
Amando Gomes, Washington University
Amit Goyal, Emory University
John Graham, Duke University
John Griffin, University of Texas, Austin
Yaniv Grinstein, Cornell University
Gustavo Grullon, Rice University
Bruce Grundy, University of Melbourne
Dirk Hackethal, Washington University, St. Louis
Kathleen Hagerty, Northwestern University
Bing Han, University of Texas, Austin
Milton Harris, University of Chicago
Jeff Harris, University of Delaware
Larry Harris, University of Southern California
Joel Hasbrouck, New York University
John Heaton, University of Chicago
Thomas Hellmann, University of British Columbia
Jean Helwege, Penn State University
Chris Hennesy, University of California, Berkeley
Steve Heston, University of Maryland
Pierre Hillion, INSEAD
David Hirshleifer, University of California, Irvine
Yael Hochberg, Northwestern University
Craig Holden, Indiana University
Burton Hollifield, Carnegie Mellon University
Edie Hotchkiss, Boston College
Kewei Hou, Ohio State University
Ming Huang, Cornell University
Eric Hughson, University of Colorado
Chuan-Yang Hwang, Nanyang Technological University
David Ikenberry, University of Illinois, Urbana-Champaign
Ronen Israel, IDC
Narashimhan Jegadeesh, Emory University
Investor Protection and Entry
Enrico Perotti, University of Amsterdam
Paolo Volpin, London Business School

Discussants:
Reena Aggarwal, Georgetown University
Alexander Dyck, University of Toronto
Matthew Clayton, University of Virginia, McIntire

Corporate Boards – Mammoth Room
Michael Lemmon, University of Utah

Consensus in Diverse Corporate Boards
Nina Baranchuk, University of Texas, Dallas
Philip H. Dybvig, Washington University, St. Louis

CEO Dismissal Timing and Costs of Delayed Action: Do Some Boards Act Too Late?
Mine Ertugrul, University of Toledo
Karthik Krishnan, Boston College

Does the Rolodex Matter? Corporate Elite’s Small World and Effectiveness of Boards of Directors
Bang Nguyen-Dang, Chinese University of Hong Kong

Discussants:
Scott Schaefer, University of Utah
Thomas Bates, University of Arizona
Eliezer Fich, Drexel University
Home Bias – Lake / Canyon
Darius Miller, Southern Methodist University

The World Price of Home Bias
Lilian Ng, University of Wisconsin
Sie Ting Lau, Nanyang Technological University
Bohui Zhang

Do Local Investors Know More? Evidence from Mutual Fund Location and Investments
Johan Sulaeman, University of Texas, Austin

Financial Globalization, Governance, and the Evolution of the Home Bias
Bong-Chan Kho, Seoul National University
René M. Stulz, Ohio State University
Francis E. Warnock, University of Virginia

Discussants:
Michael Schill, University of Virginia, Darden
Woodrow Johnson, University of Oregon
Christian Lundblad, University of North Carolina, Chapel Hill
Law & Finance II – Talus Room
Andrew Karolyi, Ohio State University

Legal Environment and Firm Financing in India
Franklin Allen, University of Pennsylvania
Rajesh Chakrabarti, Georgia Institute of Technology
Sanjay De, Indian School of Business
Jun “QI” Qian, Boston College
Meijun Qian, National University of Singapore

The Decision to Privatize: Finance, Politics, and Patronage
I. Serdar Dinc, Northwestern University
Nandini Gupta, Indiana University

Florencio Lopez-de-Silanes Molina, University of Amsterdam
Michelle Lowry, Penn State University
Deborah Lucas, Northwestern University
Sydney Ludvigson, New York University
Anthony Lynch, New York University
Ananth Madhavan, Barclays Global Investors
Pascal Maenhout, INSEAD
Vojislav Maksimovic, University of Maryland
Ulrike Malmandier, University of California, Berkeley
Ron Masulis, Vanderbilt University
Rich Mathews, Duke University
Ernst Maug, Universität Mannheim
David Maurer, Southern Methodist University
Robert McDonald, Northwestern University
Andrew Metrick, University of Pennsylvania
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Jonathan Parker, Princeton University
Robert Parrino, University of Texas, Austin
Lubos Pastor, University of Chicago
Anna Pavlova, London Business School
Lasse Pedersen, New York University
George Pennacchi, University of Illinois
Enrico Perotti, Universiteit van Amsterdam
Lending Relationships – Amphitheatre
Robert Marquez, Arizona State University

The Bank-Firm Relationship: A Trade-off Between Better Governance and Greater Information Asymmetry
Nishant Dass, INSEAD
Massimo Massa, INSEAD

On Loan Sales, Loan Contracting, and Lending Relationships
Steven Drucker, Columbia University
Manju Puri, Duke University

Lending Relationships and Information Rents: Do Banks Exploit Their Information Advantages?
Carola Schenone, University of Virginia

Discussants:
Daniel Paravisini, Columbia University
Wei-Ling Song, Louisiana State University
Jörg Rocholl, University of North Carolina, Chapel Hill

Taxes – Dunraven / Obsidian
Clemens Sialm, University of Michigan

Do Firms Invest Savings from Net Operating Loss Carryforward Tax Shields?
Jonathan B. Cohn, University of Michigan

Taxes on Tax-Exempt Bonds
Andrew Ang, Columbia University
Vineer Bhansali, PIMCO
Yuhang Xing, Rice University

Capital Gains Taxes and Stock Return Volatility
Zhonglan Dai, University of Texas, Dallas
Douglas A. Shackelford, University of North Carolina, Chapel Hill
Harold H. Zhang, University of Texas, Dallas

Discussants:
Joshua Rauh, University of Chicago
Jeffrey Pontiff, Boston College
Richard Green, Carnegie Mellon University
Securities Auctions under Moral Hazard: Theory and Experiments
Shimon Kogan, Carnegie Mellon University
John Morgan, University of California, Berkeley

Deliberation and Security Design in Bankruptcy
Hülya K. K. Eraslan, University of Pennsylvania
Bilge Yılmaz, University of Pennsylvania

Discussants:
Zhiguo He, Northwestern University
Armando Gomes, Washington University, St. Louis
Thomas H. Noe, Tulane University

Thursday, June 28, 2007, 10:15 am – 12:00 noon

Information and Prices – Lamar / Gibbon
Antonio Bernardo, University of California, Los Angeles

Information-based Trade
Philip Bond, University of Pennsylvania
Hülya K. K. Eraslan, University of Pennsylvania

Incentives for Information Production in Markets where Prices Affect Real Investment
James Dow, London Business School
Itay Goldstein, University of Pennsylvania
Alexander Guembel, University of Oxford

Feedback Effects and Asset Prices
Emre Ozdenoren, University of Michigan
Kathy Yuan, University of Michigan

Discussants:
Diego Garcia, University of North Carolina, Chapel Hill
Martin Dierker, University of Houston
Bruce Carlin, University of California

Bhaskaran (Swami) Swaminathan, Cornell University
Chris Telmer, Carnegie Mellon University
Anjan Thakor, Washington University
Karin Thorburn, Dartmouth College
Sheri Tice, Tulane University
Stathis Tompaidis, University of Texas, Austin
Walter Torous, University of California, Los Angeles
Alex Triantis, University of Maryland
Charles Trzcinka, Indiana University
Peter Tufano, Harvard University
Raman Uppal, London Business School
Rossen Valkanov, University of California, San Diego
Dimitri Vayanos, London School of Economics
Marno Verbeek, Erasmus University Rotterdam
Pietro Veronesi, University of Chicago
Luis Viceira, Harvard University
Annette Vissing-Jørgensen, Northwestern University
S. (Vish) Viswanathan, Duke University
Ernst-Ludwig (Elu) von Thadden, University of Mannheim
Jessica Wachter, University of Pennsylvania
Neng Wang, Columbia University
Zhenyu Wang, Federal Reserve Bank of New York
Russ Wermers, University of Maryland
Ingrid Werner, Ohio State University
James Weston, Rice University
Bob Whaley, Vanderbilt University
Toni Whited, University of Wisconsin, Madison
Rohan Williamson, Georgetown University
Andrew Winton, University of Minnesota
Avi Wohl, Tel-Aviv University
Daniel Wolfenzon, New York University
Kent Womack, Dartmouth College
Jeff Wurgler, New York University
Wei Xiong, Princeton University
Amir Yaron, University of Pennsylvania
David Yermack, New York University
Bilge Yilmaz, University of Pennsylvania
Motohiro Yogo, University of Pennsylvania
Rebecca Zarutskie, Duke University
Jaime Zender, University of Colorado, Boulder
Lu Zheng, University of Michigan
Lu Zheng, University of California, Irvine
Guofu Zhou, Washington University, St. Louis
Acknowledgments

The Program Co-Chairs would also like to express their gratitude to the Tepper School of Business at Carnegie Mellon, Jeff Easter, Rosemarie Lang, and Patricia Niber for helping make this conference a success. We also appreciate all of the work of Tara Bowens at the Fuqua School of Business at Duke University.

Did New Regulations Target the Relevant Corporate Governance Attributes?
Reena Aggarwal, Georgetown University
Rohan Williamson, Georgetown University

Discussants:
Randall Heron, Indiana University
Cindy Alexander, U.S. Securities and Exchange Commission
Chester Spatt, Carnegie Mellon University

Determinants of Institutional Investor Performance – Dunraven / Obsidian
Russell Wermers, University of Maryland

The Geography of Hedge Funds
Melvyn Teo, Singapore Management University

The Determinants of Mutual Fund Performance: A Cross-Country Study
Miguel A. Ferreira, ISCTE Business School
António F. Miguel, ISCTE Business School
Sofia Ramos, ISCTE Business School

The Troves of Academe: Asset Allocation, Risk Budgeting, and Investment Performance in University Endowment Funds
Keith C. Brown, University of Texas, Austin
Lorenzo Garlappi, University of Texas, Austin
Cristian Tiu, University at Buffalo, State University of New York

Discussants:
Wayne Ferson, University of Southern California
Jenke ter Horst, Tilburg University
Frans de Roon, Tilburg University

Contracting – Lake / Canyon
Philip Bond, University of Pennsylvania

Disagreement and Learning in a Dynamic Contracting Model
Tobias Adrian, Federal Reserve Bank of New York
Mark M. Westerfield, University of Southern California
The Risk-Adjusted Performance of US Buyouts
Alexander P. Groh, *University of Navarra*
Oliver Gottschalg, *HEC School of Management*

The Performance of Reverse Leveraged Buyouts
Jerry Cao, *Boston College*
Josh Lerner, *Harvard University*

**Discussants:**
Masako Ueda, *University of Wisconsin, Madison*
Rebecca Zarutskie, *Duke University*
Ronald W. Masulis, *Vanderbilt University*

Term Structure and the Macro Economy – *Lamar / Gibbon*
Mikhail Chernov, *London Business School*

**Are Variations in Term Premia Related to the Macroeconomy?**
Gregory R. Duffee, *University of California, Berkeley*

Interest Rates, Bond Premia and Monetary Policy
Francisco Palomino, *Carnegie Mellon University*

The Demand for Treasury Debt
Arvind Krishnamurthy, *Northwestern University*
Annette Vissing-Jørgensen, *Northwestern University*

**Discussants:**
Nour Meddahi, *Imperial College London*
Valery Polkovnichenko, *University of Texas, Dallas*
Christopher Downing, *Rice University*

SOX – *Talus Room*
Yaniv Grinstein, *Cornell University*

Timing and Backdating of Executive Stock Option Exercises – Before and After Sarbanes-Oxley Act
David C. Cicero, *U.S. Securities and Exchange Commission, University of Georgia*

A Lobbying Approach to Evaluating the Sarbanes-Oxley Act of 2002
Yael V. Hochberg, *Northwestern University*
Paola Sapienza, *Northwestern University*
Annette Vissing-Jørgensen, *Northwestern University*

**PROGRAM SUMMARY**

**Monday, June 25, 2007**

4:00 pm – 8:00 pm
On-site Registration – *Firehole Lounge*

6:00 pm – 9:00 pm
Goldman Sachs Reception – *Huntley Dining Room*

**Tuesday, June 26, 2007**

7:00 am – 8:00 am
NASDAQ Breakfast – *Huntley Dining Room*

8:00 am – 4:00 pm
On-site Registration – *Firehole Lounge*

8:15 am – 10:00 am
Product Markets & Stock Prices – *Lamar / Gibbon*
Corporate Governance I – *Amphitheatre*
Analysts – *Mammoth Room*
Portfolio Choice – *Dunraven / Obsidian*
Microstructure – *Lake / Canyon*
Law & Finance I – *Talus Room*

10:00 am – 10:15 am
Wharton Research Data Services Coffee Break – *Upper Atrium*
Wednesday, June 27, 2007

7:00 am – 8:00 am
NYSE Breakfast – Huntley Dining Room

8:00 am – 12:00 noon
On-site Registration - Firehole Lounge

10:15 am – 12:00 noon
Models of the Cross-Section of Expected Returns – Amphitheatre
IPOs – Lamar / Gibbon
Disclosure – Talus Room
Behavioral Portfolio Biases – Dunraven / Obsidian
Financing Constraints – Lake / Canyon
Venture Capital – Mammoth Room

12:30 pm – 2:00 pm
LECG Luncheon – Missouri Ballroom

2:45 pm – 4:30 pm
Asset Pricing Theory I – Amphitheatre
CEOs – Lamar / Gibbon
Mutual Fund Trading Costs – Mammoth Room
Cross-Section of Expected Returns – Dunraven / Obsidian
Corporate Debt – Lake / Canyon
Banking – Talus Room

5:00 pm – 6:30 pm
WFA Executive Committee and Board of Directors Meeting
– Shoshone Boardroom

6:00 pm – 8:00 pm
Cornerstone Research Reception – Huntley Dining Room

Thursday, June 28, 2007, 8:15 am – 10:00 am
Asset Pricing Theory II – Amphitheatre
Costis Skiadas, Northwestern University

High-Speed Natural Selection in Financial Markets with Large State Spaces
Yuri Fedyk, Washington University, St. Louis
Johan Walden, University of California, Berkeley

Liquidity and Market Crashes
Jennifer Huang, University of Texas, Austin
Jiang Wang, Massachusetts Institute of Technology

Asset Pricing and Mispricing
Michael J. Brennan, University of California, Los Angeles and Manchester University
Ashley Wang, University of California, Irvine

Discussants:
Mark Loewenstein, University of Maryland
Jan Schneider, University of California
Ronnie Sadka, University of Washington

Private Equity – Mammoth Room
Morten Sorensen, University of Chicago

Economics of Private Equity Funds
Andrew Metrick, University of Pennsylvania
Ayako Yasuda, University of Pennsylvania
Investors Do Respond to Poor Mutual Fund Performance: Evidence from Inflows and Outflows
George D. Cashman, Arizona State University
Daniel N. Deli, Arizona State University
Federico Nardari, Arizona State University
Sriram V. Villupuram, Arizona State University

Discussants:
Stewart Mayhew, U.S. Securities and Exchange Commission
Sunil Wahal, Arizona State University
Kelsey Wei, University of Texas, Dallas

Dynamic Models of the Firm – Lake / Canyon
Toni Whited, University of Wisconsin

Investment Frictions and Leverage Dynamics
Sergey Tsyplakov, University of South Carolina

Temporary vs. Permanent Shocks: Explaining Corporate Financial Policies
Alexander S. Gorbenko, Stanford University
Ilya A. Strebulaev, Stanford University

A Dynamic Theory of Corporate Finance based upon Repeated Signaling
Christopher A. Hennessy, University of California, Berkeley
Dmitry Livdan, Texas A&M University
Bruno Miranda, University of California, Los Angeles

Discussants:
Yuri Tserlukevich, Hong Kong University of Science and Technology
Gustavo Manso, Massachusetts Institute of Technology
Neng Wang, Columbia University

Entrepreneurship – Mammoth Room
Annette Vissing-Jørgensen, Northwestern University

Skill vs. Luck in Entrepreneurship and Venture Capital: Evidence from Serial Entrepreneurs
Paul Gompers, Harvard University
Anna Kovner, Harvard University
Josh Lerner, Harvard University
David Scharfstein, Harvard University

8:15 am – 10:00 am
Strategic Behavior by Institutions – Lamar / Gibbon
Corporate Governance II – Amphitheatre
Production Based Asset Pricing – Dunraven / Obsidian
Retail Trading – Talus Room
Fixed Income – Mammoth Room
Product Markets & Firm Strategy – Lake / Canyon

10:00 am – 10:15 am
Addison-Wesley Coffee Break – Upper Atrium

10:15 am – 12:00 noon
Credit – Lamar / Gibbon
Payout – Dunraven / Obsidian
Hedge Funds – Amphitheatre
Long Run Risk – Lake / Canyon
Institutional Trading Incentives – Mammoth Room
Incentives – Talus Room

12:30 pm – 2:00 pm
WFA Annual Luncheon sponsored by LSV Asset Management – Missouri Ballroom
Distinguished Speaker: John Y. Campbell, Harvard University

2:45 pm – 4:30 pm
Asset Pricing Estimation (in honor of Shmuel Kandel, 1951-2007) – Amphitheatre
Mergers & Acquisitions – Lamar / Gibbon
Mortgages – Talus Room
Mutual Fund Flows – Dunraven / Obsidian
Dynamic Models of the Firm – Lake / Canyon
Entrepreneurship – Mammoth Room

5:00 pm – 6:00 pm
SFS Annual Meeting – Lamar / Gibbon Room
6:00 pm – 9:00 pm

Society for Financial Studies Reception. Sponsored by Barclays Global Investors & J.P. Morgan – Huntley Dining Room

Thursday, June 28, 2007

7:00 am – 8:00 am

WFA Breakfast – Huntley Dining Room

8:15 am – 10:00 am

Asset Pricing Theory II – Amphitheatre
Private Equity – Mammoth Room
Term Structure and the Macro Economy – Lamar / Gibbon
SOX – Talus Room
Determinants of Institutional Investor Performance
– Dunraven / Obsidian
Contracting – Lake / Canyon

10:00 am – 10:15 am

Oxford University Press Coffee Break – Upper Atrium

10:15 am – 12 noon

Information and Prices – Lamar / Gibbon
Lending Relationships – Amphitheatre
Taxes – Dunraven / Obsidian
Home Bias – Lake / Canyon
Law & Finance II – Talus Room
Corporate Boards – Mammoth Room

Mortgages – Talus Room
Mark Garmaise, University of California

Optimal Mortgage Design
Tomasz Piskorski, New York University
Alexei Tchistyi, New York University

Do Households Benefit from Financial Deregulation and Innovation? The Case of the Mortgage Market
Kristopher Gerardi, Boston University and Federal Reserve Bank of Boston
Harvey S. Rosen, Princeton University
Paul S. Willen, Federal Reserve Bank of Boston

How Do Financial Frictions Shape the Product Market?
Evidence from the Market for Home Mortgages
James Vickery, Federal Reserve Bank of New York

Discussants:
Loriana Pelizzon, Università Ca’ Foscari di Venezia
Morris Davis, University of Wisconsin
Otto van Hemert, New York University

Mutual Fund Flows – Dunraven / Obsidian
Erik Sirri, U.S. Securities and Exchange Commission

Payoff Complementarities and Financial Fragility:
Evidence from Mutual Fund Outflows
Qi Chen, Duke University
Itay Goldstein, University of Pennsylvania
Wei Jiang, Columbia University

“Old” Money Matters: The Sensitivity of Mutual Fund Redemption Decisions to Past Performance
Zoran Ivković, University of Illinois, Urbana-Champaign
Scott Weisbenner, University of Illinois, Urbana-Champaign
Estimation Risk, Information and the Conditional CAPM:
Theory and Evidence
Praveen Kumar, University of Houston
Sorin M. Sorescu, Texas A&M University
Rodney Boehme, Wichita State University
Bartley R. Danielsen, North Carolina State University

Predictive Systems: Living with Imperfect Predictors
Luboš Pástor, University of Chicago
Robert F. Stambaugh, University of Pennsylvania

Discussants:
Jessica Wachter, University of Pennsylvania
Francesco Franzoni, HEC
Rossen Valkanov, University of California, San Diego

Mergers & Acquisitions – Lamar / Gibbon
Erik Stafford, Harvard University

Corporate Asset Purchases and Sales: Theory and Evidence
Missaka Warusawitharana, Board of Governors of the Federal Reserve

Geography of Corporate Governance and Source of Target Gains in Block Acquisitions
Jun-Koo Kang, Michigan State University
Jin-Mo Kim, University of Missouri, Kansas City

Conflicts of Interests Among Shareholders: The Case of Corporate Acquisitions
Jarrad Harford, University of Washington
Dirk Jenter, Massachusetts Institute of Technology
Kai Li, University of British Columbia

Discussants:
Robin Greenwood, Harvard University
Clemens Sialm, University of Michigan
Gregor Matvos, University of Chicago

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Ding Wu
Massachusetts Institute of Technology

Macroeconomic Conditions and the Puzzles of Credit Spreads and Capital Structure
Hui Chen
University of Chicago

CRA International Award
FOR THE BEST CORPORATE FINANCE PAPER

Disagreement and Learning in a Dynamic Contracting Model
Tobias Adrian
Federal Reserve Bank of New York
Mark M. Westerfield
University of Southern California

Goldman Sachs Asset Management Award
FOR THE BEST PAPER IN EMPIRICAL INVESTMENTS

Predictive Systems: Living with Imperfect Predictors
Luboš Pástor
University of Chicago
Robert F. Stambaugh
University of Pennsylvania

Incentive Fees and Mutual Fund Volatility Timing
Joseph Golec, University of Connecticut

Payday Matters: A Look at Trader Behavior within Pay Cycles
Ryan Garvey, Duquesne University
Fei Wu, Massey University

Discussants:
Ron Kaniel, Duke University
Richard Evans, University of British Columbia
Jonathan Reuter, University of Oregon

Incentives – Talus Room
Ernst Maug, Universität Mannheim

Optimal Incentives and Industry Dynamics
Antonio Falato, Federal Reserve Board
Dalida Kadyrzhanova, University of Maryland

Managerial Incentives, Capital Reallocation, and the Business Cycle
Andrea L. Eisfeldt, Northwestern University
Adriano Rampini, Duke University

Intermediated Investment Management
Neal M. Stoughton, University of Calgary
Youchang Wu, University of Vienna
Josef Zechner, University of Vienna

Discussants:
Bhagwan Chowdhry, University of California
Peter Swan, University of New South Wales
Scott Schaefer, University of Utah

Wednesday, June 27, 2007, 2:45 pm – 4:30 pm

Asset Pricing Estimation (in honor of Shmuel Kandel, 1951-2007)
– Amphitheatre
Robert F. Stambaugh, University of Pennsylvania

Filtering Out Expected Dividends and Expected Returns
Oleg Rytchkov, Massachusetts Institute of Technology
Why is Santa so Kind to Hedge Funds? The December Return Puzzle!
Vikas Agarwal, Georgia State University
Naveen D. Daniel, Purdue University
Narayan Y. Naik, London Business School

Discussants:
Nicolas P. B. Bollen, Vanderbilt University
Xiaoyan Zhang, Cornell University
Joseph S. Chen, University of Southern California

Long Run Risk – Lake / Canyon
Robert Dittmar, University of Michigan

Long-Run Asset Allocation
Ravi Bansal, Duke University
Dana Kiku, University of Pennsylvania

Investor Information, Long-Run Risk, and the Duration of Risky Cash Flows
Mariano M. Croce, New York University
Martin Lettau, New York University
Sydney C. Ludvigson, New York University

Long-Run Risk through Consumption Smoothing
Georg Kaltenbrunner, London Business School
Lars Lochstoer, London Business School

Discussants:
Riccardo Colacito, University of North Carolina, Chapel Hill
Zhi Da, University of Notre Dame
Jessica Wachter, University of Pennsylvania

Institutional Trading Incentives – Mammoth Room
David K. Musto, University of Pennsylvania

Portfolio Pumping, Trading Activity and Fund Performance
Sugato Bhattacharyya, University of Michigan
Vikram Nanda, Arizona State University

NASDAQ Award
FOR THE BEST PAPER ON CAPITAL FORMATION
Institutional Trading, Allocation Sales, and Private Information in IPOs
Thomas J. Chemmanur
Boston College
Gang Hu
Babson College

New York Stock Exchange Award
FOR THE BEST PAPER ON EQUITY TRADING
Liquidity and Market Crashes
Jennifer Huang
University of Texas, Austin
Jiang Wang
Massachusetts Institute of Technology

Society of Quantitative Analysts Award
FOR THE BEST PAPER IN QUANTITATIVE INVESTMENTS
Attracting Flows by Attracting Big Clients: Conflicts of Interest and Mutual Fund Portfolio Choice
Lauren Cohen
Yale University
Breno Schmidt
University of Southern California
PROGRAM DETAIL

Tuesday, June 26, 2007, 8:15 am – 10:00 am

Product Markets & Stock Prices – Lamar / Gibbon
Itay Goldstein, University of Pennsylvania

**Product Market Competition and Stock Market Efficiency**
Joel Peress, INSEAD

**Real and Financial Industry Booms and Busts**
Gerard Hobberg, University of Maryland
Gordon Phillips, University of Maryland

**Do Stock Prices Influence Corporate Decisions? Evidence from the Technology Bubble**
Murillo Campello, University of Illinois
John R. Graham, Duke University

**Discussants:**
Michael Fishman, Northwestern University
Ronald Giammarino, University of British Columbia
Paul Tetlock, University of Texas, Austin

Corporate Governance I – Amphitheatre
Wei Jiang, Columbia University

**Do Shareholders Vote Strategically? Voting Behavior, Proposal Screening, and Majority Rules**
Ernst Maug, Universität Mannheim
Kristian Rydqvist, Binghamton University

**ELECTING DIRECTORS**
Jie Cai, Drexel University
Jacqueline L. Garner, Drexel University
Ralph A. Walkling, Drexel University

**MARKET VOLATILITY, INVESTOR FLOWS, AND THE STRUCTURE OF HEDGE FUND MARKETS**
Bill Ding, University at Albany, State University of New York
Mila Getmansky, University of Massachusetts
Bing Liang, University of Massachusetts
Russell Wermers, University of Maryland

**MACROECONOMIC CONDITIONS AND THE PUZZLES OF CREDIT SPREADS AND CAPITAL STRUCTURE**
Hui Chen, University of Chicago

**DISCUSSANTS:**
Nathalie Moyen, University of Colorado, Boulder
Costis Skiadas, Northwestern University
Andrew Hertzberg, Northwestern University

**PAYOUT – DUNRAVEN / OBSIDIAN**
Gustavo Grullon, Rice University

**CORPORATE DIVIDEND POLICIES: LESSONS FROM PRIVATE FIRMS**
Roni Michaely, Cornell University and IDC
Michael R. Roberts, University of Pennsylvania

**“PREPARING” THE EQUITY MARKET FOR CORPORATE EVENTS: THEORY AND EVIDENCE FROM FIRMS CUTTING DIVIDENDS**
Thomas J. Chemmanur, Boston College
Xuan Tian, Boston College

**THE TIMING OF STOCK REPURCHASES**
Amy Dittmar, University of Michigan
Robert Dittmar, University of Michigan

**DISCUSSANTS:**
David Denis, Purdue University
Katharina Lewellen, Dartmouth College
David Ikenberry, University of Illinois, Urbana-Champaign

**LESSONS FROM HEDGE FUND REGISTRATION**
Stephen Brown, New York University
William Goetzmann, Yale University
Bing Liang, University of Massachusetts
Christopher Schwarz, University of Massachusetts

**MARKET VOLATILITY, INVESTOR FLOWS, AND THE STRUCTURE OF HEDGE FUND MARKETS**
Bill Ding, University at Albany, State University of New York
Mila Getmansky, University of Massachusetts
Bing Liang, University of Massachusetts
Russell Wermers, University of Maryland
Product Markets & Firm Strategy – Lake / Canyon
Gordon Phillips, University of Maryland

Market Structure, Internal Capital Markets, and the Boundaries of the Firm
Richmond D. Mathews, Duke University
David T. Robinson, Duke University

A Theory of Strategic Mergers
Gennaro Bernile, University of Miami
Evgeny Lyandres, Rice University
Alexei Zhdanov, George Mason University

Horizontal Acquisitions and Buying Power: A Product Market Analysis
Sugato Bhattacharyya, University of Michigan
Amrita Nain, McGill University

Discussants:
Marc Martos Vila, University of California
Dirk Hack Barth, Washington University, St. Louis
Husayn Shahrur, Bentley College

Wednesday, June 27, 2007, 10:15 am – 12:00 noon

Credit – Lamar / Gibbon
Andrea L. Eisfeldt, Northwestern University

Information Asymmetry and Firms’ Credit Market Access: Evidence from Moody’s Credit Rating Format Refinement
Tony T. Tang, University of Chicago

The Levered Equity Risk Premium and Credit Spreads: A Unified Framework
Harjoat S. Bhamra, University of British Columbia
Lars-Alexander Kühn, University of British Columbia
Ilya A. Strebulaev, Stanford University

CEOs vs. Directors: Who Calls the Shots When Firms Underperform?
John C. Easterwood, Virginia Tech
Charu G. Raheja, Vanderbilt University

Discussants:
Gregor Matvos, Harvard University
Felix Meschke, University of Minnesota
Henrik Cronqvist, Ohio State University

Analysts – Mammoth Room
Kent Womack, Dartmouth College

Imitation or Information-Driven Herding? An Analysis of Analysts’ Recommendations and Market Reactions
Narasimhan Jegadeesh, Emory University
Woojin Kim, KDI School of Public Policy and Management

Affiliated Mutual Funds and Analyst Optimism
Simona Mola, Arizona State University
Massimo Guidolin, Manchester Business School and Federal Reserve Bank of St. Louis

Herding, Information Aggregation and Momentum Effects
Pengjie Gao, Northwestern University

Discussants:
Lily Fang, INSEAD
Ambrus Kecskes, University of Toronto
Leonardo Madureira, Case Western Reserve

Portfolio Choice – Dunraven / Obsidian
Ravi Jagannathan, Northwestern University

A New Explanation for Underdiversification
Hong Liu, Washington University, St. Louis

Illiquid Assets and Optimal Portfolio Choice
Eduardo S. Schwartz, University of California, Los Angeles
Claudio Tebaldi, Università degli Studi di Verona
When Can Life-Cycle Investors Benefit from Time-Varying Bond Risk Premia?
Ralph S. J. Koijen, Tilburg University
Theo E. Nijman, Tilburg University
Bas J. M. Werker, Tilburg University

Discussants:
Valery Polkovnichenko, University of Texas, Dallas
Fernando Zapatero, University of Southern California
Georgeos Skoulakis, University of Maryland

Microstructure – Lake / Canyon
Gideon Saar, Cornell University

Microstructure and Ambiguity
David Easley, Cornell University
Maureen O’Hara, Cornell University

Paying for Market Quality
Amber Anand, Syracuse University
Carsten Tanggaard, University of Arhus
Daniel G. Weaver, Rutgers University

Using Matched Samples to Test for Differences in Trade Execution Costs
Ryan J. Davies, Babson College
Sang Soo Kim, Korea Development Bank

Discussants:
Simon Gervais, Duke University
Albert Menkveld, Vrije Universiteit Amsterdam
Charles Jones, Columbia University

Law & Finance I – Talus Room
Mara Faccio, Vanderbilt University

A Law and Finance Analysis of Hedge Funds
Douglas Cumming, Rensselaer Polytechnic Institute
Li Que, Rensselaer Polytechnic Institute

The Legal Penalties for Financial Misrepresentation
Jonathan M. Karpoff, University of Washington
D. Scott Lee, Texas A&M University
Gerald S. Martin, Texas A&M University

Retail Trading – Talus Room
Brad Barber, University of California, Davis

Who Gains More by Trading – Institutions or Individuals?
Granit San, Hebrew University of Jerusalem

Do Individual Investors Learn from Their Trading Experience?
Gina Nicolosi, Northern Illinois University
Liang Peng, Leeds School of Business
Ning Zhu, University of California, Davis

Learning by Trading
Amit Seru, University of Michigan
Tyler Shumway, University of Michigan
Noah Stoffman, University of Michigan

Discussants:
Alok Kumar, University of Texas, Austin
Juhani Linnainmaa, University of Chicago
Dan Bernhardt, University of Illinois, Urbana-Champaign

Fixed Income – Mammoth Room
Pierre Collin-Dufresne, University of California, Berkeley

Correlation Risk and the Term Structure of Interest Rates
Andrea Buraschi, Imperial College
Anna Cieslak, Universität St.Gallen
Fabio Trojani, Universität St.Gallen

Can Affine Models Capture the Dynamics of Risk Premia and Volatility in Bond Yields?
Peter Feldhütter, Copenhagen Business School

Pricing and Hedging Volatility Risk in Fixed Income Markets
Scott Joslin, Stanford University

Discussants:
Jaime Casassus, Universidad Católica de Chile
Chris Jones, University of Southern California
Haitao Li, University of Michigan
Hedge Fund Activism, Corporate Governance, and Firm Performance
Alon Brav, Duke University
Wei Jiang, Columbia University
Frank Partnoy, University of San Diego
Randall Thomas, Vanderbilt University

Do U.S. Firms have the Best Corporate Governance? 
A Cross-Country Examination of the Relation between 
Corporate Governance and Shareholder Wealth
Reena Aggarwal, Georgetown University
Isil Erel, Ohio State University
René M. Stulz, Ohio State University
Rohan Williamson, Georgetown University

Blockholders, Market Efficiency, and Managerial Myopia
Alex Edmans, Massachusetts Institute of Technology

Discussants:
Martijn Cremers, Yale University
Jonathan M. Karpoff, University of Washington
Robert Marquez, Arizona State University

Production Based Asset Pricing – Dunraven / Obsidian
Jessica Wachter, University of Pennsylvania

Investment-Specific Technological Change and Asset Prices
Dimitris Papanikolaou, Massachusetts Institute of Technology

Incomplete Information and Equity Premium in Production Economies
Hengjie Ai, Duke University

A Pure Production-Based Asset Pricing Model
Frederico Belo, University of Minnesota

Discussants:
Vito Gala, London Business School
James Choi, Yale University
Murray Carlson, University of British Columbia

Institutional Investors and Shareholder Litigation
Sergey S. Barabanov, University of St. Thomas
Onem Ozocak, Brock University
H. J. Turtle, Washington State University
Thomas J. Walker, Concordia University

Discussants:
Andrew Karolyi, Ohio State University
Craig Lewis, Vanderbilt University
Laura Starks, University of Texas, Austin

Tuesday, June 26, 2007, 10:15 am – 12:00 noon
Models of the Cross-Section of Expected Returns – Amphitheatre
Hanno Lustig, University of California

Investment-Cash Flow Sensitivity and the Value Premium
Robert Novy-Marx, University of Chicago

Levered Returns
Joao F. Gomes, University of Pennsylvania
Lukas Schmid, University of Lausanne

Corporate Governance, the Cross Section of Returns, and Financing Choices
Erica Xuenan Li, University of Rochester

Discussants:
Stijn Van Nieuwerburgh, New York University
Dimitris Papanikolaou, Massachusetts Institute of Technology
Hong Yan, University of South Carolina

IPOs – Lamar / Gibbon
David Goldreich, University of Toronto

Institutional Trading, Allocation Sales, and Private Information in IPOs
Thomas J. Chemmanur, Boston College
Gang Hu, Babson College

Underpricing, Overbidding and the Effects of Entry on IPO Auctions: Evidence from Taiwan
Yao-Min Chiang, National Chengchi University
Yiming Qian, University of Iowa
Ann E. Sherman, University of Notre Dame
The Next Microsoft? Skewness, Idiosyncratic Volatility, and Expected Returns
Nishad Kapadia, University of North Carolina, Chapel Hill

Discussants:
Ekkehart Boehmer, Texas A&M
Walid Busaba, University of Western Ontario
Lukasz Pomorski, University of Toronto

Disclosure – Talus Room
Mark Lang, University of North Carolina, Chapel Hill

Management Forecasts, Disclosure Quality, and Market Efficiency
Jeffrey Ng, University of Pennsylvania
Irem Tuna, University of Pennsylvania
Rodrigo Verdi, Massachusetts Institute of Technology

Strategic Disclosure and Stock Returns: Theory and Evidence from U.S. Cross-listing
Shingo Goto, University of South Carolina
Masahiro Watanabe, Rice University
Yan Xu, University of South Carolina

The Endogeneity of Information Asymmetry and Corporate Financing Decisions
James Ang, Florida State University
Yingmei Cheng, Florida State University

Discussants:
Rick Mendenhall, University of Notre Dame
Karl Lins, University of Utah
Nagpurnanand Prabhala, University of Maryland

Behavioral Portfolio Biases – Dunraven / Obsidian
Xavier Gabaix, Massachusetts Institute of Technology

Portfolio Choice and Menu Exposure
Anders Karlsson, Stockholm University
Massimo Massa, INSEAD
Andrei Simonov, Stockholm School of Economics

An Epidemic Model of Investor Behavior
Sophie Shive, University of Notre Dame

Borrowing Beyond Borders: The Geography and Pricing of Syndicated Bank Loans
Joel Houston, University of Florida
Jennifer Itzkowitz, University of Florida
Andy Naranjo, University of Florida

Banking Competition in Developing Countries: Does Foreign Bank Entry Improve Credit Access?
Todd A. Gormley, Washington University, St. Louis

Discussants:
George Pennacchi, University of Illinois, Urbana Champaign
Shawn Cole, Harvard University
Amit Seru, University of Chicago

Wednesday, June 27, 2007, 8:15 am – 10:00 am

Strategic Behavior by Institutions – Lamar / Gibbon
John Griffin, University of Texas, Austin

Attracting Flows by Attracting Big Clients: Conflicts of Interest and Mutual Fund Portfolio Choice
Lauren Cohen, Yale University
Breno Schmidt, University of Southern California

Why Do Institutional Investors Chase Return Trends?
Aydoğan Altı, University of Texas, Austin
Ron Kaniel, Duke University
Uzi Yoeli, University of Texas Investment Management Company

Fund Flows, Performance, Managerial Career Concerns and Risk-Taking
Ping Hu, Wachovia Corporation
Jayant R. Kale, Georgia State University
Marco Pagani, San José State University
Ajay Subramanian, Georgia State University

Discussants:
Federico Nardari, Arizona State University
Michael Gallmeyer, Texas A&M University
Ilan Guedj, University of Texas, Austin
Leverage, Financial Distress and the Cross Section of Stock Returns
Thomas J. George, University of Houston
Chuan-Yang Hwang, Nanyang Technological University

In Search of Distress Risk
John Y. Campbell, Harvard University
Jens Hilscher, Brandeis University
Jan Szilagyi, Duquesne Capital Management LLC

Discussants:
Jack Favilukis, New York University
Scott Richardson, University of Pennsylvania
Zhi Da, University of Notre Dame

Corporate Debt – Lake / Canyon
Michael R. Roberts, University of Pennsylvania

The Cost of Debt
Jules H. van Binsbergen, Duke University
John R. Graham, Duke University
Jie Yang, Duke University

Access to Collateral and Corporate Debt Structure:
Evidence from a Natural Experiment
Vikrant Vig, Columbia University

External Governance and Debt Agency Costs of Family Firms
Andrew Ellul, Indiana University
Levent Guntay, Indiana University
Ugur Lel, Board of Governors, Federal Reserve System

Discussants:
Michael Lemmon, University of Utah
Andres Almazan, University of Texas, Austin
Avri Ravid, Rutgers University

Banking – Talus Room
Atif Mian, University of Chicago

Are Banks Still Special when there is a Secondary Market for Loans?
Amar Gande, Southern Methodist University
Anthony Saunders, New York University

Sensation Seeking, Overconfidence, and Trading Activity
Mark Grinblatt, University of California, Los Angeles
Matti Keloharju, Helsinki School of Economics

Discussants:
Xavier Gabaix, Massachusetts Institute of Technology
Marcin Kacperczyk, University of British Columbia
Albert Wang, University of Dayton

Financing Constraints – Lake / Canyon
Joshua Rauh, University of Chicago

Corporate Financial and Investment Policies when Future Financing is not Frictionless
Heitor Almeida, New York University
Murillo Campello, University of Illinois
Michael S. Weisbach, University of Illinois

Firms as Buyers of Last Resort: Financing Constraints, Stock Returns and Liquidity
Harrison Hong, Princeton University
Jiang Wang, Massachusetts Institute of Technology
Jialin Yu, Columbia University

Financial Constraints, R&D Investment, and Stock Returns: Theory and Evidence
Dongmei Li, University of Pennsylvania

Discussants:
Michael Faulkender, Washington University
Gustavo Grullon, Rice University
William Maxwell, University of Arizona

Venture Capital – Mammoth Room
Yael V. Hochberg, Northwestern University

Venture Capital Contracting: Staged Financing and Syndication of Later-stage Investments
Zsuzsanna Fluck, Michigan State University
Kedran Garrison, Massachusetts Institute of Technology
Stewart C. Myers, Massachusetts Institute of Technology

The Importance of Venture Capital in New Firm Creation
Manju Puri, Duke University
Rebecca Zarutskie, Duke University
Venture Capital Conflicts of Interest: Evidence from Acquisitions of Venture Backed Targets
Ronald W. Masulis, Vanderbilt University
Rajarishi Nahata, City University of New York

Discussants:
Toni Whited, University of Wisconsin
Kai Li, University of British Columbia
Laura Lindsey, Arizona State University

Tuesday, June 26, 2007, 2:45 pm – 4:30 pm
Asset Pricing Theory I – Amphitheatre
Neng Wang, Columbia University

Asset Prices Under Short-Sales Constraints
Yang Bai, University of Hong Kong
Eric C. Chang, University of Hong Kong
Jiang Wang, Massachusetts Institute of Technology

The Irrelevance of Market Incompleteness for the Price of Aggregate Risk
Dirk Krueger, University of Pennsylvania
Hanno Lustig, University of California, Los Angeles

A Model of Momentum
Ding Wu, Massachusetts Institute of Technology

Discussants:
Snehal Banerjee, Stanford University
Francisco Palomino, Carnegie Mellon University
Tim Johnson, London Business School

CEOs – Lamar / Gibbon
Jeff Coles, Arizona State University

Do CEOs Matter?
Morten Bennedsen, Copenhagen Business School
Francisco Perez-Gonzalez, Columbia University
Daniel Wolfenzon, New York University

Rising Through the Ranks: The Evolution of the Market for Corporate Executives, 1936-2003
Carola Frydman, Massachusetts Institute of Technology

Performance and Risk: How do they Affect CEO Turnover and CEO Compensation?
Robert Bushman, University of North Carolina, Chapel Hill
Zhonglan Dai, University of Texas, Dallas
Xue Wang, Emory University

Discussants:
Felix Meschke, University of Minnesota
Lalitha Naveen, Purdue University and Temple University
Michael Lemmon, University of Utah

Mutual Fund Trading Costs – Mammoth Room
Laura Starks, University of Texas, Austin

Agency Costs of Institutional Trading
Roger M. Edelen, Boston College
Gregory B. Kadlec, Virginia Tech

Valuable Information and Costly Liquidity: Evidence from Individual Mutual Fund Trades
Susan E. K. Christoffersen, McGill University
Donald B. Keim, University of Pennsylvania
David K. Musto, University of Pennsylvania

Volume-weighted Trading Costs and Mutual Fund Performance
Roger M. Edelen, Boston College
Richard Evans, Boston College
Gregory B. Kadlec, Virginia Tech

Discussants:
Robert Kosowski, Imperial College London
Lily Fang, INSEAD
Jeffrey Busse, Emory University

Cross-Section of Expected Returns – Dunraven / Obsidian
Luboš Pástor, University of Chicago

Financial Leverage and the Cross-section of Stock Returns
Iulian Obreja, Carnegie Mellon University
Venture Capital Conflicts of Interest: Evidence from Acquisitions of Venture Backed Targets
Ronald W. Masulis, Vanderbilt University
Rajarishi Nahata, City University of New York

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Corporate Financial and Investment Policies when Future Financing is not Frictionless
Heitor Almeida, New York University
Murillo Campello, University of Illinois
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The Importance of Venture Capital in New Firm Creation
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The Next Microsoft? Skewness, Idiosyncratic Volatility, and Expected Returns
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Fund Flows, Performance, Managerial Career Concerns and Risk-Taking
Ping Hu, Wachovia Corporation
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Marco Pagani, San José State University
Ajay Subramanian, Georgia State University

Discussants:
Federico Nardari, Arizona State University
Michael Gallmeyer, Texas A&M University
Ilan Guedj, University of Texas, Austin
Corporate Governance II – Amphitheatre
Diane DelGuercio, University of Oregon

Hedge Fund Activism, Corporate Governance, and Firm Performance
Alon Braf, Duke University
Wei Jiang, Columbia University
Frank Partnoy, University of San Diego
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Albert Menkveld, Vrije Universiteit Amsterdam
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Retail Trading – Talus Room
Brad Barber, University of California, Davis

Who Gains More by Trading – Institutions or Individuals?
Granit San, Hebrew University of Jerusalem

Do Individual Investors Learn from Their Trading Experience?
Gina Nicolosi, Northern Illinois University
Liang Peng, Leeds School of Business
Ning Zhu, University of California, Davis

Learning by Trading
Amit Seru, University of Michigan
Tyler Shumway, University of Michigan
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Discussants:
Alok Kumar, University of Texas, Austin
Juhani Linnainmaa, University of Chicago
Dan Bernhardt, University of Illinois, Urbana-Champaign

Fixed Income – Mammoth Room
Pierre Collin-Dufresne, University of California, Berkeley

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Anna Cieslak, Universität St.Gallen
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Discussants:
Jaime Casassus, Universidad Católica de Chile
Chris Jones, University of Southern California
Haitao Li, University of Michigan

A Law and Finance Analysis of Hedge Funds
Douglas Cumming, Rensselaer Polytechnic Institute
Li Que, Rensselaer Polytechnic Institute

The Legal Penalties for Financial Misrepresentation
Jonathan M. Karpoff, University of Washington
D. Scott Lee, Texas A&M University
Gerald S. Martin, Texas A&M University

Law & Finance I – Talus Room
Mara Faccio, Vanderbilt University

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Product Markets & Firm Strategy – Lake / Canyon
Gordon Phillips, University of Maryland

Market Structure, Internal Capital Markets, and the Boundaries of the Firm
Richmond D. Mathews, Duke University
David T. Robinson, Duke University

A Theory of Strategic Mergers
Gennaro Bernile, University of Miami
Evgeny Lyandres, Rice University
Alexei Zhdanov, George Mason University

Horizontal Acquisitions and Buying Power: A Product Market Analysis
Sugato Bhattacharyya, University of Michigan
Amrita Nain, McGill University

Discussants:
Marc Martos Vila, University of California
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Evidence from Moody’s Credit Rating Format Refinement
Tony T. Tang, University of Chicago

The Levered Equity Risk Premium and Credit Spreads:
A Unified Framework
Harjoat S. Bhamra, University of British Columbia
Lars-Alexander Kühn, University of British Columbia
Ilya A. Strebulaev, Stanford University

CEOs vs. Directors: Who Calls the Shots When Firms Underperform?
John C. Easterwood, Virginia Tech
Charu G. Raheja, Vanderbilt University

Discussants:
Gregor Matvos, Harvard University
Felix Meschke, University of Minnesota
Henrik Cronqvist, Ohio State University

Analysts – Mammoth Room
Kent Womack, Dartmouth College

Imitation or Information-Driven Herding? An Analysis of Analysts’ Recommendations and Market Reactions
Narasimhan Jegadeesh, Emory University
Woojin Kim, KDI School of Public Policy and Management

Affiliated Mutual Funds and Analyst Optimism
Simona Mola, Arizona State University
Massimo Guidolin, Manchester Business School and Federal Reserve Bank of St. Louis

Herding, Information Aggregation and Momentum Effects
Pengjie Gao, Northwestern University

Discussants:
Lily Fang, INSEAD
Ambrus Kecskes, University of Toronto
Leonardo Madureira, Case Western Reserve

Portfolio Choice – Dunraven / Obsidian
Ravi Jagannathan, Northwestern University

A New Explanation for Underdiversification
Hong Liu, Washington University, St. Louis

Illiquid Assets and Optimal Portfolio Choice
Eduardo S. Schwartz, University of California, Los Angeles
Claudio Tebaldi, Università degli Studi di Verona
PROGRAM DETAIL

Tuesday, June 26, 2007, 8:15 am – 10:00 am

Product Markets & Stock Prices – Lamar / Gibbon
Itay Goldstein, University of Pennsylvania

Product Market Competition and Stock Market Efficiency
Joel Peress, INSEAD

Real and Financial Industry Booms and Busts
Gerard Hoberg, University of Maryland
Gordon Phillips, University of Maryland

Do Stock Prices Influence Corporate Decisions? Evidence from the Technology Bubble
Murillo Campello, University of Illinois
John R. Graham, Duke University

Discussants:
Michael Fishman, Northwestern University
Ronald Giammarino, University of British Columbia
Paul Tetlock, University of Texas, Austin

Corporate Governance I – Amphitheatre
Wei Jiang, Columbia University

Do Shareholders Vote Strategically? Voting Behavior, Proposal Screening, and Majority Rules
Ernst Maug, Universität Mannheim
Kristian Rydqvist, Binghamton University

E lecting Directors
Jie Cai, Drexel University
Jacqueline L. Garner, Drexel University
Ralph A. Walkling, Drexel University

Discussants:
David Denis, Purdue University
Katharina Lewellen, Dartmouth College
David Ikenberry, University of Illinois, Urbana-Champaign

Macroeconomic Conditions and the Puzzles of Credit Spreads and Capital Structure
Hui Chen, University of Chicago

Discussants:
Nathalie Moyen, University of Colorado, Boulder
Costis Skiadas, Northwestern University
Andrew Hertzberg, Northwestern University

Payout – Dunraven / Obsidian
Gustavo Grullon, Rice University

Corporate Dividend Policies: Lessons from Private Firms
Roni Michaely, Cornell University and IDC
Michael R. Roberts, University of Pennsylvania

“Preparing” the Equity Market for Corporate Events: Theory and Evidence from Firms Cutting Dividends
Thomas J. Chemmanur, Boston College
Xuan Tian, Boston College

The Timing of Stock Repurchases
Amy Dittmar, University of Michigan
Robert Dittmar, University of Michigan

Discussants:
David Denis, Purdue University
Katharina Lewellen, Dartmouth College
David Ikenberry, University of Illinois, Urbana-Champaign

Hedge Funds – Amphitheatre
Andrew Ang, Columbia University

Lessons From Hedge Fund Registration
Stephen Brown, New York University
William Goetzmann, Yale University
Bing Liang, University of Massachusetts
Christopher Schwarz, University of Massachusetts

Bill Ding, University at Albany, State University of New York
Mila Getmansky, University of Massachusetts
Bing Liang, University of Massachusetts
Russell Wermers, University of Maryland
Why is Santa so Kind to Hedge Funds? The December Return Puzzle!
Vikas Agarwal, Georgia State University
Naveen D. Daniel, Purdue University
Narayan Y. Naik, London Business School

Discussants:
Nicolas P. B. Bollen, Vanderbilt University
Xiaoyan Zhang, Cornell University
Joseph S. Chen, University of Southern California

Long Run Risk – Lake / Canyon
Robert Dittmar, University of Michigan

Long-Run Asset Allocation
Ravi Bansal, Duke University
Dana Kiku, University of Pennsylvania

Investor Information, Long-Run Risk, and the Duration of Risky Cash Flows
Mariano M. Croce, New York University
Martin Lettau, New York University
Sydney C. Ludvigson, New York University

Long-Run Risk through Consumption Smoothing
Georg Kaltenbrunner, London Business School
Lars Lochstoer, London Business School

Discussants:
Riccardo Colacito, University of North Carolina, Chapel Hill
Zhi Da, University of Notre Dame
Jessica Wachter, University of Pennsylvania

Institutional Trading Incentives – Mammoth Room
David K. Musto, University of Pennsylvania

Portfolio Pumping, Trading Activity and Fund Performance
Sugato Bhattacharyya, University of Michigan
Vikram Nanda, Arizona State University

NASDAQ Award
For the best paper on capital formation

Institutional Trading, Allocation Sales, and Private Information in IPOs
Thomas J. Chemmanur
Boston College
Gang Hu
Babson College

New York Stock Exchange Award
For the best paper on equity trading

Liquidity and Market Crashes
Jennifer Huang
University of Texas, Austin
Jiang Wang
Massachusetts Institute of Technology

Society of Quantitative Analysts Award
For the best paper in quantitative investments

Attracting Flows by Attracting Big Clients: Conflicts of Interest and Mutual Fund Portfolio Choice
Lauren Cohen
Yale University
Breno Schmidt
University of Southern California
BEST PAPER AWARDS

Trefftz Award
for the best student paper
sponsored by the University of Southern California
Marshall School of Business

A Model of Momentum
Ding Wu
Massachusetts Institute of Technology

Macroeconomic Conditions and the Puzzles of Credit Spreads and Capital Structure
Hui Chen
University of Chicago

CRA International Award
for the best corporate finance paper

Disagreement and Learning in a Dynamic Contracting Model
Tobias Adrian
Federal Reserve Bank of New York
Mark M. Westerfield
University of Southern California

Goldman Sachs Asset Management Award
for the best paper in empirical investments

Predictive Systems: Living with Imperfect Predictors
Luboš Pástor
University of Chicago
Robert F. Stambaugh
University of Pennsylvania

Incentive Fees and Mutual Fund Volatility Timing
Joseph Golec, University of Connecticut

Payday Matters: A Look at Trader Behavior within Pay Cycles
Ryan Garvey, Duquesne University
Fei Wu, Massey University

Discussants:
Ron Kaniel, Duke University
Richard Evans, University of British Columbia
Jonathan Reuter, University of Oregon

Incentives – Talus Room
Ernst Maug, Universität Mannheim

Optimal Incentives and Industry Dynamics
Antonio Falato, Federal Reserve Board
Dalida Kadyrzhanova, University of Maryland

Managerial Incentives, Capital Reallocation, and the Business Cycle
Andrea L. Eisfeldt, Northwestern University
Adriano Rampini, Duke University

Intermediated Investment Management
Neal M. Stoughton, University of Calgary
Youchang Wu, University of Vienna
Josef Zechner, University of Vienna

Discussants:
Bhagwan Chowdhry, University of California
Peter Swan, University of New South Wales
Scott Schaefer, University of Utah

Wednesday, June 27, 2007, 2:45 pm – 4:30 pm

Asset Pricing Estimation (in honor of Shmuel Kandel, 1951-2007)
– Amphitheatre
Robert F. Stambaugh, University of Pennsylvania

Filtering Out Expected Dividends and Expected Returns
Oleg Rytchkov, Massachusetts Institute of Technology
Estimation Risk, Information and the Conditional CAPM: Theory and Evidence
Praveen Kumar, University of Houston
Sorin M. Sorescu, Texas A&M University
Rodney Boehme, Wichita State University
Bartley R. Danielsen, North Carolina State University

Predictive Systems: Living with Imperfect Predictors
Luboš Pástor, University of Chicago
Robert F. Stambaugh, University of Pennsylvania

Discussants:
Jessica Wachter, University of Pennsylvania
Francesco Franzoni, HEC
Rossen Valkanov, University of California, San Diego

Mergers & Acquisitions – Lamar / Gibbon
Erik Stafford, Harvard University

Corporate Asset Purchases and Sales: Theory and Evidence
Missaka Warusawitharana, Board of Governors of the Federal Reserve

Geography of Corporate Governance and Source of Target Gains in Block Acquisitions
Jun-Koo Kang, Michigan State University
Jin-Mo Kim, University of Missouri, Kansas City

Conflicts of Interests Among Shareholders: The Case of Corporate Acquisitions
Jarrad Harford, University of Washington
Dirk Jenter, Massachusetts Institute of Technology
Kai Li, University of British Columbia

Discussants:
Robin Greenwood, Harvard University
Clemens Sialm, University of Michigan
Gregor Matvos, University of Chicago

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Hui Chen, University of Chicago
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Scott Joslin, Stanford University
Nishad Kapadia, University of North Carolina, Chapel Hill
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Tony Tang, University of Chicago
Vikrant Vig, Columbia University
Ding Wu, Massachusetts Institute of Technology

The Western Finance Association is grateful to the New York Stock Exchange for sponsoring these students.
Thursday, June 28, 2007

6:00 pm – 9:00 pm

Society for Financial Studies Reception. Sponsored by Barclays Global Investors & J.P. Morgan – Huntley Dining Room

7:00 am – 8:00 am

WFA Breakfast – Huntley Dining Room

8:15 am – 10:00 am

Asset Pricing Theory II – Amphitheatre
Private Equity – Mammoth Room
Term Structure and the Macro Economy – Lamar / Gibbon
SOX – Talus Room
Determinants of Institutional Investor Performance
– Dunraven / Obsidian
Contracting – Lake / Canyon

10:00 am – 10:15 am

Oxford University Press Coffee Break – Upper Atrium

10:15 am – 12 noon

Information and Prices – Lamar / Gibbon
Lending Relationships – Amphitheatre
Taxes – Dunraven / Obsidian
Home Bias – Lake / Canyon
Law & Finance II – Talus Room
Corporate Boards – Mammoth Room

Mortgages – Talus Room
Mark Garmaise, University of California

Optimal Mortgage Design
Tomasz Piskorski, New York University
Alexei Tchistyi, New York University

Do Households Benefit from Financial Deregulation and Innovation? The Case of the Mortgage Market
Kristopher Gerardi, Boston University and Federal Reserve Bank of Boston
Harvey S. Rosen, Princeton University
Paul S. Willen, Federal Reserve Bank of Boston

How Do Financial Frictions Shape the Product Market?
Evidence from the Market for Home Mortgages
James Vickery, Federal Reserve Bank of New York

Discussants:
Loriana Pelizzon, Università Ca’ Foscari di Venezia
Morris Davis, University of Wisconsin
Otto van Hemert, New York University

Mutual Fund Flows – Dunraven / Obsidian
Erik Sirri, U.S. Securities and Exchange Commission

Payoff Complementarities and Financial Fragility:
Evidence from Mutual Fund Outflows
Qi Chen, Duke University
Itay Goldstein, University of Pennsylvania
Wei Jiang, Columbia University

“Old” Money Matters: The Sensitivity of Mutual Fund Redemption Decisions to Past Performance
Zoran Ivković, University of Illinois, Urbana-Champaign
Scott Weisbenner, University of Illinois, Urbana-Champaign
**Investors Do Respond to Poor Mutual Fund Performance: Evidence from Inflows and Outflows**

George D. Cashman, Arizona State University  
Daniel N. Deli, Arizona State University  
Federico Nardari, Arizona State University  
Sriram V. Villupuram, Arizona State University

**Discussants:**  
Stewart Mayhew, U.S. Securities and Exchange Commission  
Sunil Wahal, Arizona State University  
Kelsey Wei, University of Texas, Dallas

Dynamic Models of the Firm – Lake / Canyon  
Toni Whited, University of Wisconsin

**Investment Frictions and Leverage Dynamics**  
Sergey Tsyplakov, University of South Carolina

**Temporary vs. Permanent Shocks: Explaining Corporate Financial Policies**  
Alexander S. Gorbenko, Stanford University  
Ilya A. Strebulaev, Stanford University

A Dynamic Theory of Corporate Finance based upon Repeated Signaling  
Christopher A. Hennessy, University of California, Berkeley  
Dmitry Livdan, Texas A&M University  
Bruno Miranda, University of California, Los Angeles

**Discussants:**  
Yuri Tserlukevich, Hong Kong University of Science and Technology  
Gustavo Manso, Massachusetts Institute of Technology  
Neng Wang, Columbia University

Entrepreneurship – Mammoth Room  
Annette Vissing-Jørgensen, Northwestern University

**Skill vs. Luck in Entrepreneurship and Venture Capital: Evidence from Serial Entrepreneurs**  
Paul Gompers, Harvard University  
Anna Kovner, Harvard University  
Josh Lerner, Harvard University  
David Scharfstein, Harvard University
10:15 am – 12:00 noon

Models of the Cross-Section of Expected Returns – Amphitheatre
IPOs – Lamar / Gibbon
Disclosure – Talus Room
Behavioral Portfolio Biases – Dunraven / Obsidian
Financing Constraints – Lake / Canyon
Venture Capital – Mammoth Room

12:30 pm – 2:00 pm

LECG Luncheon – Missouri Ballroom

2:45 pm – 4:30 pm

Asset Pricing Theory I – Amphitheatre
CEOs – Lamar / Gibbon
Mutual Fund Trading Costs – Mammoth Room
Cross-Section of Expected Returns – Dunraven / Obsidian
Corporate Debt – Lake / Canyon
Banking – Talus Room

5:00 pm – 6:30 pm

WFA Executive Committee and Board of Directors Meeting
– Shoshone Boardroom

6:00 pm – 8:00 pm

Cornerstone Research Reception – Huntley Dining Room

Wednesday, June 27, 2007

7:00 am – 8:00 am

NYSE Breakfast – Huntley Dining Room

8:00 am – 12:00 noon

On-site Registration - Firehole Lounge

Who are Entrepreneurs and Why Do they Behave that Way?
Manju Puri, Duke University
David T. Robinson, Duke University

IPOs or Acquisitions? A Theory of the Choice of Exit Strategy by Entrepreneurs and Venture Capitalists
Onur Bayar, Boston College
Thomas J. Chemmanur, Boston College

Discussants:
Morten Sorensen, University of Chicago
Annamaria Lusardi, Dartmouth College
Mark Garmaise, University of California, Los Angeles

Thursday, June 28, 2007, 8:15 am – 10:00 am

Asset Pricing Theory II – Amphitheatre
Costis Skiadas, Northwestern University

High-Speed Natural Selection in Financial Markets with Large State Spaces
Yuri Fedyk, Washington University, St. Louis
Johan Walden, University of California, Berkeley

Liquidity and Market Crashes
Jennifer Huang, University of Texas, Austin
Jiang Wang, Massachusetts Institute of Technology

Asset Pricing and Mispricing
Michael J. Brennan, University of California, Los Angeles and Manchester University
Ashley Wang, University of California, Irvine

Discussants:
Mark Loewenstein, University of Maryland
Jan Schneider, University of California
Ronnie Sadka, University of Washington

Private Equity – Mammoth Room
Morten Sorensen, University of Chicago

Economics of Private Equity Funds
Andrew Metrick, University of Pennsylvania
Ayako Yasuda, University of Pennsylvania
The Risk-Adjusted Performance of US Buyouts
Alexander P. Groh, University of Navarra
Oliver Gottschalg, HEC School of Management

The Performance of Reverse Leveraged Buyouts
Jerry Cao, Boston College
Josh Lerner, Harvard University

Discussants:
Masako Ueda, University of Wisconsin, Madison
Rebecca Zarutskie, Duke University
Ronald W. Masulis, Vanderbilt University

Term Structure and the Macro Economy – Lamar / Gibbon
Mikhail Chernov, London Business School

Are Variations in Term Premia Related to the Macroeconomy?
Gregory R. Duffee, University of California, Berkeley

Interest Rates, Bond Premia and Monetary Policy
Francisco Palomino, Carnegie Mellon University

The Demand for Treasury Debt
Arvind Krishnamurthy, Northwestern University
Annette Vissing-Jørgensen, Northwestern University

Discussants:
Nour Meddahi, Imperial College London
Valery Polkovnichenko, University of Texas, Dallas
Christopher Downing, Rice University

SOX – Talus Room
Yaniv Grinstein, Cornell University

Timing and Backdating of Executive Stock Option Exercises – Before and After Sarbanes-Oxley Act
David C. Cicero, U.S. Securities and Exchange Commission, University of Georgia

A Lobbying Approach to Evaluating the Sarbanes-Oxley Act of 2002
Yael V. Hochberg, Northwestern University
Paola Sapienza, Northwestern University
Annette Vissing-Jørgensen, Northwestern University

PROGRAM SUMMARY

Monday, June 25, 2007
4:00 pm – 8:00 pm
On-site Registration – Firehole Lounge

6:00 pm – 9:00 pm
Goldman Sachs Reception – Huntley Dining Room

Tuesday, June 26, 2007
7:00 am – 8:00 am
NASDAQ Breakfast – Huntley Dining Room

8:00 am – 4:00 pm
On-site Registration – Firehole Lounge

8:15 am – 10:00 am
Product Markets & Stock Prices – Lamar / Gibbon
Corporate Governance I – Amphitheatre
Analysts – Mammoth Room
Portfolio Choice – Dunraven / Obsidian
Microstructure – Lake / Canyon
Law & Finance 1 – Talus Room

10:00 am – 10:15 am
Wharton Research Data Services Coffee Break – Upper Atrium
Acknowledgments

The Program Co-Chairs would also like to express their gratitude to the Tepper School of Business at Carnegie Mellon, Jeff Easter, Rosemarie Lang, and Patricia Niber for helping make this conference a success. We also appreciate all of the work of Tara Bowens at the Fuqua School of Business at Duke University.

Did New Regulations Target the Relevant Corporate Governance Attributes?

Reena Aggarwal, Georgetown University
Rohan Williamson, Georgetown University

Discussants:
Randall Heron, Indiana University
Cindy Alexander, U.S. Securities and Exchange Commission
Chester Spatt, Carnegie Mellon University

Determinants of Institutional Investor Performance – Dunraven / Obsidian
Russell Wermers, University of Maryland

The Geography of Hedge Funds
Melvyn Teo, Singapore Management University

The Determinants of Mutual Fund Performance: A Cross-Country Study
Miguel A. Ferreira, ISCTE Business School
António F. Miguel, ISCTE Business School
Sofia Ramos, ISCTE Business School

The Troves of Academe: Asset Allocation, Risk Budgeting, and Investment Performance in University Endowment Funds
Keith C. Brown, University of Texas, Austin
Lorenzo Garlappi, University of Texas, Austin
Cristian Tiu, University at Buffalo, State University of New York

Discussants:
Wayne Ferson, University of Southern California
Jenke ter Horst, Tilburg University
Frans de Roon, Tilburg University

Contracting – Lake / Canyon
Philip Bond, University of Pennsylvania

Disagreement and Learning in a Dynamic Contracting Model
Tobias Adrian, Federal Reserve Bank of New York
Mark M. Westerfield, University of Southern California
Securities Auctions under Moral Hazard: Theory and Experiments
Shimon Kogan, Carnegie Mellon University
John Morgan, University of California, Berkeley

Deliberation and Security Design in Bankruptcy
Hülya K. K. Eraslan, University of Pennsylvania
Bilge Yılmaz, University of Pennsylvania

Discussants:
Zhiguo He, Northwestern University
Armando Gomes, Washington University, St. Louis
Thomas H. Noe, Tulane University

Thursday, June 28, 2007, 10:15 am – 12:00 noon

Information and Prices – Lamar / Gibbon
Antonio Bernardo, University of California, Los Angeles

Information-based Trade
Philip Bond, University of Pennsylvania
Hülya K. K. Eraslan, University of Pennsylvania

Incentives for Information Production in Markets where Prices Affect Real Investment
James Dow, London Business School
Itay Goldstein, University of Pennsylvania
Alexander Guembel, University of Oxford

Feedback Effects and Asset Prices
Emre Ozdenoren, University of Michigan
Kathy Yuan, University of Michigan

Discussants:
Diego Garcia, University of North Carolina, Chapel Hill
Martin Dierker, University of Houston
Bruce Carlin, University of California

Bhaskaran (Swami) Swaminathan, Cornell University
Chris Telmer, Carnegie Mellon University
Anjan Thakor, Washington University
Karin Thorburn, Dartmouth College
Sheri Tice, Tulane University
Stathis Tompaidis, University of Texas, Austin
Walter Torous, University of California, Los Angeles
Alex Triantis, University of Maryland
Charles Trzcinka, Indiana University
Peter Tufano, Harvard University
Raman Uppal, London Business School
Rossen Valkanov, University of California, San Diego
Dimitri Vayanos, London School of Economics
Marno Verbeek, Erasmus University Rotterdam
Pietro Veronesi, University of Chicago
Luis Viceira, Harvard University
Annette Vissing-Jørgensen, Northwestern University
S. (Vish) Viswanathan, Duke University
Ernst-Ludwig (Elu) von Thadden, University of Mannheim
Jessica Wachter, University of Pennsylvania
Neng Wang, Columbia University
Zhenyu Wang, Federal Reserve Bank of New York
Russ Wermers, University of Maryland
Ingrid Werner, Ohio State University
James Weston, Rice University
Bob Whaley, Vanderbilt University
Toni Whited, University of Wisconsin, Madison
Rohan Williamson, Georgetown University
Andrew Winton, University of Minnesota
Avi Wohl, Tel-Aviv University
Daniel Wolfenzon, New York University
Kent Womack, Dartmouth College
Jeff Wurgler, New York University
Wei Xiong, Princeton University
Amir Yaron, University of Pennsylvania
David Yermack, New York University
Bilge Yılmaz, University of Pennsylvania
Motohiro Yogo, University of Pennsylvania
Rebecca Zarutskie, Duke University
Jaime Zender, University of Colorado, Boulder
Lu Zhang, University of Michigan
Lu Zheng, University of California, Irvine
Guofu Zhou, Washington University, St. Louis
Lending Relationships – Amphitheatre
Robert Marquez, Arizona State University

The Bank-Firm Relationship: A Trade-off Between Better Governance and Greater Information Asymmetry
Nishant Dass, INSEAD
Massimo Massa, INSEAD

On Loan Sales, Loan Contracting, and Lending Relationships
Steven Drucker, Columbia University
Manju Puri, Duke University

Lending Relationships and Information Rents: Do Banks Exploit Their Information Advantages?
Carola Schenone, University of Virginia

Discussants:
Daniel Paravisini, Columbia University
Wei-Ling Song, Louisiana State University
Jörg Rocholl, University of North Carolina, Chapel Hill

Taxes – Dunraven / Obsidian
Clemens Sialm, University of Michigan

Do Firms Invest Savings from Net Operating Loss Carryforward Tax Shields?
Jonathan B. Cohn, University of Michigan

Taxes on Tax-Exempt Bonds
Andrew Ang, Columbia University
Vineer Bhansali, PIMCO
Yuhang Xing, Rice University

Capital Gains Taxes and Stock Return Volatility
Zhonglan Dai, University of Texas, Dallas
Douglas A. Shackelford, University of North Carolina, Chapel Hill
Harold H. Zhang, University of Texas, Dallas

Discussants:
Joshua Rauh, University of Chicago
Jeffrey Pontiff, Boston College
Richard Green, Carnegie Mellon University
Home Bias – Lake / Canyon
Darius Miller, Southern Methodist University

The World Price of Home Bias
Lilian Ng, University of Wisconsin
Sie Ting Lau, Nanyang Technological University
Bohui Zhang

Do Local Investors Know More? Evidence from Mutual Fund Location and Investments
Johan Sulaeman, University of Texas, Austin

Financial Globalization, Governance, and the Evolution of the Home Bias
Bong-Chan Kho, Seoul National University
René M. Stulz, Ohio State University
Francis E. Warnock, University of Virginia

Discussants:
Michael Schill, University of Virginia, Darden
Woodrow Johnson, University of Oregon
Christian Lundblad, University of North Carolina, Chapel Hill

Law & Finance II – Talus Room
Andrew Karolyi, Ohio State University

Legal Environment and Firm Financing in India
Franklin Allen, University of Pennsylvania
Rajesh Chakrabarti, Georgia Institute of Technology
Sankar De, Indian School of Business
Jun “QI” Qian, Boston College
Meijun Qian, National University of Singapore

The Decision to Privatize: Finance, Politics, and Patronage
I. Serdar Dinc, Northwestern University
Nandini Gupta, Indiana University

Florencio Lopez-de-Silanes Molina, University of Amsterdam
Michelle Lowry, Penn State University
Deborah Lucas, Northwestern University
Sydney Ludvigson, New York University
Anthony Lynch, New York University
Ananth Madhavan, Barclays Global Investors
Pascal Maenhout, INSEAD
Vojislav Maksimovic, University of Maryland
Ulrike Malmendier, University of California, Berkeley
Ron Masulis, Vanderbilt University
Rich Mathews, Duke University
Ernst Maug, Universität Mannheim
David Maurer, Southern Methodist University
Robert McDonald, Northwestern University
Andrew Metrick, University of Pennsylvania
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Todd Milbourn, Washington University, St. Louis
Darius Miller, Southern Methodist University
Bernadette Minton, Ohio State University
Kristian Mittersen, Norwegian School of Economics and Business Administration
Erwan Morellec, University of Lausanne
Toby Moskowitz, University of Chicago
Holger Mueller, New York University
David Musto, University of Pennsylvania
Vinay Nair, University of Pennsylvania
Theo Nijman, University of Tilburg
Tom Noe, Tulane University
Kjell Nyborg, Norwegian School of Economics and Business Administration
Terrance Odean, University of California, Berkeley
Maureen O’Hara, Cornell University
Barbara Ostdiek, Rice University
Hui Ou-Yang, Lehman Brothers
Darius Palia, Rutgers University
Jun Pan, Massachusetts Institute of Technology
Stavros Panageas, University of Pennsylvania
Jonathan Parker, Princeton University
Robert Parrino, University of Texas, Austin
Lubos Pastor, University of Chicago
Anna Pavlova, London Business School
Lasse Pedersen, New York University
George Pennacchi, University of Illinois
Enrico Perotti, Universiteit van Amsterdam
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Mark Garmaise, University of California, Los Angeles
Chris Geezy, University of Pennsylvania
Simon Gervais, Duke University
Ron Giannarino, University of British Columbia
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Daniel Bergstresser, Harvard University
Elazar Berkovitch, IDC
Antonio Bernardo, University of California, Los Angeles
Distinguished Speakers

WFA Annual Meeting Speakers 1979-2007

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<td>San Francisco</td>
<td>Nils Hakansson</td>
</tr>
<tr>
<td>1980</td>
<td>San Diego</td>
<td>Kenneth Arrow</td>
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<tr>
<td>1981</td>
<td>Jackson Lake</td>
<td>Eugene Fama</td>
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<tr>
<td>1982</td>
<td>Portland</td>
<td>Stephen Ross</td>
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<td>1983</td>
<td>Long Beach</td>
<td>Myron Scholes</td>
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<tr>
<td>1984</td>
<td>Vancouver</td>
<td>Richard Roll</td>
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<tr>
<td>1985</td>
<td>Scottsdale</td>
<td>Robert Litzenberger</td>
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<tr>
<td>1986</td>
<td>Colorado Springs</td>
<td>Merton Miller</td>
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<tr>
<td>1987</td>
<td>San Diego</td>
<td>Edward Kane</td>
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<tr>
<td>1988</td>
<td>Napa</td>
<td>Sanford Grossman</td>
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<td>1989</td>
<td>Seattle</td>
<td>William Sharpe</td>
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<tr>
<td>1990</td>
<td>Santa Barbara</td>
<td>Michael Brennan</td>
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<td>1991</td>
<td>Jackson Lake</td>
<td>Fischer Black</td>
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<td>1992</td>
<td>San Francisco</td>
<td>Myron Scholes</td>
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<td>1993</td>
<td>Whistler</td>
<td>Alan Kraus</td>
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<td>1994</td>
<td>Santa Fe</td>
<td>Mark Rubinstein</td>
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<td>1995</td>
<td>Aspen</td>
<td>Kenneth French</td>
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<td>1996</td>
<td>Sunriver</td>
<td>Joseph Williams</td>
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<td>1997</td>
<td>San Diego</td>
<td>Richard Thaler</td>
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<td>1998</td>
<td>Monterey</td>
<td>Milton Harris</td>
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<td>1999</td>
<td>Santa Monica</td>
<td>Andrei Shleifer</td>
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<td>2000</td>
<td>Sun Valley</td>
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<td>2001</td>
<td>Tucson</td>
<td>Robert Shiller</td>
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<td>2002</td>
<td>Park City</td>
<td>Albert S. “Pete” Kyle</td>
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<td>2003</td>
<td>Los Cabos</td>
<td>Richard Kihlstrom</td>
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<td>2004</td>
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<td>2005</td>
<td>Portland</td>
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1993-94 Kenneth Singleton Stanford University
1994-95 Milton Harris University of Chicago
1995-96 Chester S. Spatt Carnegie Mellon University
1996-97 Michael J. Brennan University of California, Los Angeles
1997-98 Maureen O’Hara Cornell University
1998-99 Franklin Allen University of Pennsylvania
1999-00 Richard C. Green Carnegie Mellon University
2000-01 Wayne Ferson University of Washington
2001-02 Douglas W. Diamond University of Chicago
2002-03 Philip H. Dybvig Washington University, St. Louis
2003-04 René M. Stulz Ohio State University
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1983-84 Nils Hakansson University of California, Berkeley
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Call for Papers and Participants

2008 ANNUAL MEETINGS OF
THE WESTERN FINANCE ASSOCIATION
June 22, 2008 to June 25, 2008
Hilton Waikoloa Village
Waikoloa, Hawaii

Members and friends of the Western Finance Association are invited to submit papers to be considered for presentation at the 2008 Annual Meetings. Papers on any topic related to finance will be considered.

Submission of papers: Papers should be submitted electronically at the WFA web site, www.westernfinance.org, which will contain full instructions for submission, including required on-line registration, creation of the required cover page, the submission fee, and other vital instructions. We will begin taking submissions on October 1, 2007. The deadline for submissions will be midnight PST November 18, 2007. Papers will be reviewed anonymously by two members of the Program Committee, and authors will be notified of the Program Committee’s decisions in February 2008.

Best Paper Awards (subject to change):

Trefftzs Award of $2,000 for the best student paper. Ph.D. students who have neither received their degree nor assumed a regular faculty position by the submission deadline should indicate eligibility for this award with their submissions.

CRA International Award of $5,000 for the best corporate finance paper.

Goldman Sachs Asset Management Award of $5,000 for the best paper in empirical investments.

NASDAQ Award of $5,000 for the best paper on capital formation.

New York Stock Exchange Award of $5,000 for the best paper on equity trading.

Society of Quantitative Analysts Award of $5,000 for the best paper in quantitative investments.

2008 Program Chair:
Professor Artur Raviv, Northwestern University

REGISTRATION AND HOTEL INFORMATION

All sessions and conference functions will be held in the Big Sky Resort. On-site registration for the conference will be located in the Firehole Lounge on the following schedule:

Monday, June 25, 2007, 4:00 pm – 8:00 pm
Tuesday, June 26, 2007, 8:00 am – 4:00 pm
Wednesday, June 27, 2007, 8:00 am – 12:00 noon

PRE-REGISTRATION

Pre-registration is at our web site, http://www.westernfinance.org. Those who pre-register are entitled to a discount on registration fees. To qualify for these discounted rates you must pre-register before June 4, 2007. See the web site for details. Checks must be sent to Patricia Niber or the Secretary-Treasurer at the address shown on the previous page.

FEE SCHEDULE

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<tr>
<td>WFA member</td>
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SPECIAL EVENT REGISTRATION

Registration for the WFA Annual Meeting Luncheon and other special events will be done at the time of pre-registration on the WFA website and on-site (subject to availability) for those who do not pre-register. Because space is limited, registration is required for any of the breakfasts, luncheons, or evening receptions. The WFA makes every attempt to make these events free to registrants, but reserves the right to charge for these events if sponsorships do not cover the full cost.

SOCIETY FOR FINANCIAL STUDIES MEMBERSHIP MEETING

All members of the SFS are invited to attend the Annual Meeting to be held on Wednesday, June 27, 2007 from 5:00 pm - 6:00 pm in the Lamar/Gibbon Room. All subscribers to the Review of Financial Studies are members of the SFS.
WESTERN FINANCE ASSOCIATION

We are a professional society administered in the United States and Canada for academicians and practitioners with a scholarly interest in the development and application of research in finance.

Our purpose is (1) to serve as a focal point for communication among members, (2) to improve teaching and scholarship, and (3) to provide for the dissemination of information, including the holding of meetings and the support of publications.

The Association is an international organization with membership open to individuals from both the academic and professional community, and to institutions. Two classes of membership are available: lifetime membership ($150.00) and three-year membership ($50.00). Members of the Association are entitled to receive a reduction in the registration fee at the annual meetings. You are invited to join or renew on-line at the WFA’s informational web site, http://www.westernfinance.org.

Correspondence regarding membership and other business aspects of the Association should be addressed to:

Professor Duane Seppi
Secretary-Treasurer, WFA
Tepper School of Business
Carnegie Mellon University
Pittsburgh, PA 15213
Email: ds64@andrew.cmu.edu
Telephone: (412) 268-2298

A call for papers and participants for the 2008 Conference of the Western Finance Association appears at the end of this program.