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 15213-3890
Email: ds64@andrew.cmu.edu
Telephone: (412) 268-2298

A call for papers and participants for the 2009 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 Hilton Waikoloa Village. On-site registration for the conference will be located in the Waikoloa Promenade on the following schedule:

Sunday, June 22, 2008, 4:00 pm – 8:00 pm
Monday, June 23, 2008, 8:00 am – 4:00 pm
Tuesday, June 24, 2008, 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, 2008. See the web site for details. Checks must be sent to Patricia Niber or to the Secretary-Treasurer at the address shown on the previous page.

FEE SCHEDULE

<table>
<thead>
<tr>
<th></th>
<th>Pre-Registration</th>
<th>On-site Registration</th>
</tr>
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<tbody>
<tr>
<td>WFA member</td>
<td>$ 75</td>
<td>$125</td>
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<tr>
<td>Non-member</td>
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<tr>
<td>Student</td>
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<td>$ 30</td>
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</table>

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 Tuesday, June 24 from 5:00 – 6:00 pm in Kona 2. All subscribers to the Review of Financial Studies are members of the SFS.
WESTERN FINANCE ASSOCIATION

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1970-71  Harold Stevenson Arizona State University
1971-72  W. Scott Bauman University of Oregon
1972-73  David Eiteman University of California, Los Angeles
1973-74  James Wert University of Arizona
1974-75  George Kaufman University of Oregon
1975-76  John Herzog Simon Fraser University
1976-77  A. Blaine Huntsman University of Utah
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1978-79  Guilford Babcock University of Southern California
1979-80  Donald Farrar University of Utah
1980-81  Charles D’Ambrosio University of Washington
1981-82  James Van Horne Stanford University
1982-83  Edward Dyl University of Wyoming
1983-84  Nils Hakansson University of California, Berkeley
1984-85  Seha Tinic University of Texas, Austin
1985-86  Alan Kraus University of British Columbia
1986-87  Gerald Bierwag University of Arizona
1987-88  Robert Litzenberger University of Pennsylvania
1988-89  Alan Hess University of Washington
1989-90  Lemma Senbet University of Maryland
1990-91  Eduardo Schwartz University of California, Los Angeles
<table>
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<tr>
<th>Year</th>
<th>Name</th>
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<tr>
<td>1992-93</td>
<td>Hans Stoll</td>
<td>Vanderbilt University</td>
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<td>1993-94</td>
<td>Kenneth Singleton</td>
<td>Stanford University</td>
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<td>1994-95</td>
<td>Milton Harris</td>
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<td>1995-96</td>
<td>Chester S. Spatt</td>
<td>Carnegie Mellon University</td>
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<td>1996-97</td>
<td>Michael J. Brennan</td>
<td>University of California, Los Angeles</td>
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<td>1997-98</td>
<td>Maureen O’Hara</td>
<td>Cornell University</td>
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<tr>
<td>1998-99</td>
<td>Franklin Allen</td>
<td>University of Pennsylvania</td>
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<tr>
<td>1999-00</td>
<td>Richard C. Green</td>
<td>Carnegie Mellon University</td>
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<td>2000-01</td>
<td>Wayne Ferson</td>
<td>University of Washington</td>
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<td>2001-02</td>
<td>Douglas W. Diamond</td>
<td>University of Chicago</td>
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<td>2002-03</td>
<td>Philip H. Dybvig</td>
<td>Washington University, St. Louis</td>
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<td>2003-04</td>
<td>René M. Stulz</td>
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<td>2004-05</td>
<td>Ravi Jagannathan</td>
<td>Northwestern University</td>
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<td>2005-06</td>
<td>Mark Grinblatt</td>
<td>University of California, Los Angeles</td>
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<td>2006-07</td>
<td>Sheridan Titman</td>
<td>University of Texas, Austin</td>
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<td>2007-08</td>
<td>Campbell R. Harvey</td>
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## Distinguished Speakers

**WFA Annual Meeting Speakers 1979-2008**

<table>
<thead>
<tr>
<th>Year</th>
<th>Location</th>
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<tr>
<td>1979</td>
<td>San Francisco</td>
<td>Nils Hakansson</td>
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<tr>
<td>1980</td>
<td>San Diego</td>
<td>Kenneth Arrow</td>
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<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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<tr>
<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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<td>1986</td>
<td>Colorado Springs</td>
<td>Merton Miller</td>
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<td>1987</td>
<td>San Diego</td>
<td>Edward Kane</td>
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<td>1988</td>
<td>Napa</td>
<td>Sanford Grossman</td>
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<tr>
<td>1989</td>
<td>Seattle</td>
<td>William Sharpe</td>
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<td>1990</td>
<td>Santa Barbara</td>
<td>Michael Brennan</td>
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<td>1992</td>
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<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>
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<td>Richard Thaler</td>
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<td>Monterey</td>
<td>Milton Harris</td>
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<td>1999</td>
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<td>Andrei Shleifer</td>
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<td>2001</td>
<td>Tucson</td>
<td>Robert Shiller</td>
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<td>Albert S. “Pete” Kyle</td>
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<td>Douglas Breeden</td>
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<td>2006</td>
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<td>Douglas Diamond</td>
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<td>2007</td>
<td>Big Sky</td>
<td>John Y. Campbell</td>
</tr>
<tr>
<td>2008</td>
<td>Waikoloa</td>
<td>René M. Stulz</td>
</tr>
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</table>
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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
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Lu Zhang, University of Michigan
Lu Zheng, University of California, Irvine
Guofu Zhou, Washington University, St. Louis

Acknowledgments

The Program Chair would like to express his gratitude to the Tepper School of Business at Carnegie Mellon, Jeff Easter, Rosemarie Lang, and Patricia Niber for helping make this conference a success. I also would like to thank the Kellogg School of Management at Northwestern University for supporting this conference and Nancy M. Cunniff for her dedicated assistance and contribution.
PROGRAM SUMMARY

Sunday, June 22, 2008

4:00 pm – 8:00 pm

On-site Registration – Waikoloa Promenade

6:00 pm – 8:00 pm

Goldman Sachs Reception – Kona Pool*

Monday, June 23, 2008

7:00 am – 8:00 am

NASDAQ Breakfast – Monarchy Ballroom

8:00 am – 4:00 pm

On-site Registration – Waikoloa Promenade

8:15 am – 10:00 am

General Equilibrium Models of Bond Pricing - King’s 1
Predicting Stock Returns and Dividends – King’s 2
Executive Compensation – King’s 3
Structural Models in Corporate Finance – Queen’s 5
Private Equity – Queen’s 4
Trading and the Limit Order Book – Queen’s 6

10:00 am – 10:15 am

Shidler College of Business, University of Hawaii at Manoa
Coffee Break – Lagoon Lanai

10:15 am – 12:00 noon

Portfolio Choice – King’s 1
Liquidity – King’s 2
Theories of New and Newly Public Firms – King’s 3
Corporate Finance and Political Connections – Queen’s 4
Mergers and Acquisitions – Queen’s 5
Informed Trading – Queen’s 6

* Water’s Edge Ballroom in case of rain
12:30 pm – 2:00 pm

LECG Luncheon – *Monarchy Ballroom*

2:45 pm – 4:30 pm

Heterogeneity and Bond Pricing – *King’s 1*
Credit Risk – *King’s 2*
Fraud and Scandals – *King’s 3*
Real Assets – *Queen’s 5*
Corporate Debt and Access to Finance – *Queen’s 4*
Stock Market Liquidity – *Queen’s 6*

5:00 pm – 6:30 pm

WFA Executive Committee and Board of Directors Meeting – *Kona 3*

6:00 pm – 8:00 pm

Cornerstone Research Reception – *Kona Pool* *

**Tuesday, June 24, 2008**

7:00 am – 8:00 am

NYSE Euronext Breakfast – *Monarchy Ballroom*

8:00 am – 12:00 noon

On-site Registration – *Waikoloa Promenade*

8:15 am – 10:00 am

Liquidity and Risk Management – *King’s 1*
Hedge Fund and Mutual Fund Incentives – *King’s 2*
Dynamic Debt Decisions – *King’s 3*
Cross Section of Stock Returns – *Queen’s 5*
Household Finance – *Queen’s 4*
Empirical Microstructure – *Queen’s 6*

* *Water’s Edge Ballroom* in case of rain
10:00 am – 10:15 am

Wharton Research Data Services Coffee Break – Lagoon Lanai

10:15 am – 12:00 noon

Option Pricing – King’s 1
Hedge Fund Performance – King’s 2
Corporate Governance A – King’s 3
Corporate Governance B – Queen’s 5
Behavioral and Experimental Finance – Queen’s 4
Exchange Rate Determination – Queen’s 6

12:30 pm – 2:00 pm

WFA Annual Luncheon sponsored by Analysis Group –
Monarchy Ballroom
Distinguished Speaker: René Stulz, Ohio State University

2:45 pm – 4:30 pm

Dynamic Managerial Incentives – King’s 1
Mutual Fund Performance – King’s 2
Ownership and Control – King’s 3
Empirical Corporate Finance – Queen’s 5
Executive Compensation – Queen’s 4
Time-Varying Expected Returns – Queen’s 6

5:00 pm – 6:00 pm

SFS Annual Meeting – Kona 2

6:00 pm – 9:00 pm

Wednesday, June 25, 2008

7:00 am – 8:00 am

WFA Breakfast – Monarchy Ballroom

8:15 am – 10:00 am

Incentives and Information Asymmetries – King’s 1
Portfolio Choice and Taxes – King’s 2
Dividends – King’s 3
Law and Regulation – Queen’s 4
Payout Policy – Queen’s 5
Financial Intermediation – Queen’s 6

10:00 am – 10:15 am

Oxford University Press Coffee Break – Lagoon Lanai

10:15 am – 12 noon

Information and Prices – King’s 1
Consumption Based Asset Pricing – King’s 2
Interest Rates – King’s 3
Capital Structure – Queen’s 4
Commercial Banking – Queen’s 5
IPOs – Queen’s 6
NYSE EURONEXT STUDENT TRAVEL GRANT RECIPIENTS

2008 Ph.D. Travel Grant Recipients

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Huasheng Gao, The University of British Columbia

Alexander Gorbenko, Stanford University

Zhiguo He, Northwestern University

David Hunter, University of Maryland

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Hamed Mahmudi, University of Toronto

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Matej Marinc, University of Ljubljana

Alexi Savov, University of Chicago

Carles Vergara-Alert, IESE Business School

Zhaodong Zhong, Pennsylvania State University

Julie Zhu, Columbia University

Paul Zurek, University of Pennsylvania

The Western Finance Association is grateful to the NYSE Euronext for sponsoring these students.
BEST PAPER AWARDS

USC MARSHALL SCHOOL OF BUSINESS TREFFTZS AWARD
FOR THE BEST STUDENT PAPER

Endogenous Technological Progress and the
Cross Section of Stock Returns

Xiaoji Lin
University of Minnesota

CRA INTERNATIONAL AWARD
FOR THE BEST CORPORATE FINANCE PAPER

Does Access to Finance Improve Productivity? Evidence
from a Natural Experiment

Alexander Butler
University of Texas, Dallas
Jess Cornaggia
University of Texas, Dallas

GOLDMAN SACHS ASSET MANAGEMENT AWARD
FOR THE BEST PAPER IN EMPIRICAL INVESTMENTS

Predictive Regressions: A Present-Value Approach

Ralph Koijen
New York University
Jules van Binsbergen
Duke University
NASDA AWARD
FOR THE BEST PAPER ON CAPITAL FORMATION

*Entrepreneurial Learning, the IPO Decision, and the Post-IPO Drop in Firm Profitability*

**Lubos Pastor**
University of Chicago

**Lucian Taylor**
University of Chicago

**Pietro Veronesi**
University of Chicago

NYSE EURONEXT AWARD
FOR THE BEST PAPER ON EQUITY TRADING

*Does Algorithmic Trading Improve Liquidity?*

**Terrence Hendershott**
University of California, Berkeley

**Charles Jones**
Columbia University

**Albert Menkveld**
VU University Amsterdam

SOCIETY OF QUANTITATIVE ANALYSTS AWARD
FOR THE BEST PAPER IN QUANTITATIVE INVESTMENTS

*Missing the Marks: Dispersion in Corporate Bond Valuations Across Mutual Funds*

**Gjergji Cici**
College of William and Mary

**Scott Gibson**
College of William and Mary

**John Merrick**
College of William and Mary
PROGRAM DETAIL

Monday, June 23, 2008, 8:15 am – 10:00 am

General Equilibrium Models of Bond Pricing – King’s 1
Nicolae Garleanu, University of Pennsylvania

State Uncertainty Aversion and the Term Structure of Interest Rates
Frode Brevik, VU Amsterdam

The Term Structure of Interest Rates in an Equilibrium Economy with Short Term and Long Term Investments
Carles Vergara-Alert, IESE Business School

Examining the Bond Premium Puzzle with a DSGE Model
Glenn Rudebusch, Federal Reserve Bank, San Francisco
Eric Swanson, Federal Reserve Bank, San Francisco

Discussants:
David Feldman, University of New South Wales
Igor Makarov, London Business School
Benjamin Croitoru, McGill University

Predicting Stock Returns and Dividends – King’s 2
Kent Daniel, Goldman Sachs

The Cross-Section of Stock Price Jumps and Return Predictability
George Jiang, University of Arizona
Tong Yao, University of Arizona

What Drives Stock Price Movement
Xinlei Zhao, Kent State University
Long Chen, Michigan State University

Predictive Regressions: A Present-Value Approach
Ralph Koijen, New York University
Jules van Binsbergen, Duke University
Discussants:
Claudia Moise, *Case Western Reserve University*
Pengjie Gao, *University of Notre-Dame*
Halla Yang, *Goldman Sachs*

Executive Compensation – *King’s 3*
Ronen Israel, *IDC*

**Executive Pay, Hidden Compensation and Managerial Entrenchment**
Camelia Kuhnen, *Northwestern University*
Jeffrey Zwiebel, *Stanford University*

**Stock-Based Compensation and CEO (Dis)Incentives**
Efraim Benmelech, *Harvard University*
Eugene Kandel, *Hebrew University*
Pietro Veronesi, *University of Chicago*

**A Multiplicative Model of Optimal CEO Incentives in Market Equilibrium**
Alex Edmans, *University of Pennsylvania*
Xavier Gabaix, *New York University*
Augustin Landier, *New York University*

Discussants:
Elazar Berkovitch, *IDC*
Dirk Hackbarth, *Washington University, St. Louis*
Yaniv Grinstein, *Cornell University*

Structural Models in Corporate Finance – *Queen’s 5*
Ronald Giammarino, *University of British Columbia*

**What Gives? A Study of Firms’ Reactions to Cash Shortfalls**
Toni Whited, *University of Wisconsin, Madison*
Tor-Erik Bakke, *University of Wisconsin, Madison*

**Dynamic Agency and the Q Theory of Investment**
Neng Wang, *Columbia University*
Peter DeMarzo, *Stanford University*
Michael Fishman, *Northwestern University*
Zhiguo He, *Northwestern University*
IT, Corporate Payouts, and the Growing Inequality in Managerial Compensation
Stijn Van Nieuwerburgh, New York University
Hanno Lustig, University of California, Los Angeles
Chad Syverson, University of Chicago

Discussants:
Natalie Moyen, University of Colorado
Gustavo Manso, MIT
Murray Carlson, University of British Columbia

Private Equity – Queen’s 4
Ayako Yasuda, University of Pennsylvania

The Private Equity Advantage: Leveraged Buyout Firms and Relationship Banking
Victoria Ivashina, Harvard University
Anna Kovner, Harvard University

On the Interaction of Private Equity Funds and Their Investors
Yael Hochberg, Northwestern University and NBER
Alexander Ljungqvist, New York University and CEPR
Annette Vissing-Jorgensen, Northwestern University

Private Equity and Long-Run Investment: The Case of Innovation
Josh Lerner, Harvard University
Morten Sorensen, University of Chicago
Per Stromberg, Stockholm Institute for Financial Research

Discussants:
Raghuram G. Rajan, University of Chicago
Viral Acharya, London Business School
Laura Lindsey, Arizona State University

Trading and the Limit Order Book – Queen’s 6
Holden Craig, Indiana University

A Challenger to the Limit Order Book: The NYSE Specialist
Sabrina Buti, University of Toronto
Liquidity Beyond The Best Quote: A Study Of The NYSE Limit Order Book
Wenjin Kang, National University of Singapore
Wee Yong Yeo, National University of Singapore

The Shrinking New York Stock Exchange Floor and the Hybrid Market
Terrence Hendershott, University of California, Berkeley
Pamela Moulton, Fordham University

Discussants:
Charles Jones, Columbia University
Pankaj Jain, University of Memphis
Ekkehart Boehmer, Texas A&M University

Monday, June 23, 2008, 10:15 am – 12:00 noon
Portfolio Choice – King’s I
David Feldman, University of New South Wales, Sydney, Australia

Efficient Solutions to Portfolio Choice Problems: A State-Variable Decomposition Approach
Lorenzo Garlappi, University of Texas, Austin
Georgios Skoulakis, University of Maryland

Portfolio and Consumption Decisions under Ambiguity for Regime Switching Mean Returns
Hening Liu, Northern Illinois University

Bounds on the Autocorrelation of Admissible Stochastic Discount Factors
Stephane Chretien, Laval University

Discussants:
Alexandre Ziegler, University of Lausanne
Frederik Lundtofte, Lund University
Marcel Rindisbacher, University of Toronto
Liquidity – King’s 2
Lubos Pastor, University of Chicago

Liquidity Risk and Correlation Risk: A Clinical Study of the General Motors and Ford Downgrade of May 2005
Viral Acharya, London Business School
Stephen Schaefer, London Business School
Yili Zhang, London Business School

Liquidity and Liquidity Risk Premia in the CDS Market
Dion Bongaerts, University of Amsterdam
Frank de Jong, Tilburg University
Joost Driessen, University of Amsterdam

Common Patterns in Commonality in Returns, Liquidity, and Turnover Around the World
Andrew Karolyi, Ohio State University
Kuan-Hui Lee, Rutgers University
Mathijs van Dijk, Erasmus University Rotterdam

Discussants:
Masahiro Watanabe, Rice University
Long Chen, Michigan State University
Akiko Watanabe, University of Alberta

Theories of New and Newly Public Firms – King’s 3
Todd Gormley, Washington University, St. Louis

A Theory of Merger-Driven IPOs
Evgeny Lyandres, Rice University
Alexei Zhdanov, University of Lausanne
Jim Hsieh, George Mason University

The Dynamics of Going Public
Maria Cecilia Bustamante, University of Lausanne - SFI

Investment in Human Capital and New Firm Creation
Merih Sevilir, University of North Carolina, Chapel Hill

Discussants:
Marc Martos-Vila, University of California, Los Angeles
Günter Strobl, University of North Carolina, Chapel Hill
Gustavo Manso, MIT
Political Connections and the Allocation of Procurement Contracts
Eitan Goldman, *Indiana University*
Jorg Rocholl, *ESMT, Berlin*
Jong Il So, *University of North Carolina, Chapel Hill*

Corporate Political Contributions: Investment or Agency?
Rajesh Aggarwal, *University of Minnesota*
Felix Meschke, *University of Minnesota*
Tracy Wang, *University of Minnesota*

Landed Interests and Financial Underdevelopment in the United States
Raghuram G. Rajan, *University of Chicago*
Rodney Ramcharan, *International Monetary Fund*

Discussants:
Jonathan Karpoff, *University of Washington*
Eliezer Fich, *Drexel University*
Michael Stutzer, *University of Colorado*

Mergers and Acquisitions – *Queen’s 5*
John Graham, *Duke University*

The Quality of Earnings Momentum and Performance of Mergers and Acquisitions
Julie Zhu, *Columbia University*

Industry Shocks and Merger Activity: An Analysis of U.S. Public Utilities
David Becher, *Drexel University*
Harold Mulherin, *University of Georgia*
Ralph Walkling, *Drexel University*

What Happens in Acquisitions? Evidence From Brand Ownership Changes and Advertising
C. Edward Fee, *Michigan State University*
Charles Hadlock, *Michigan State University*
Joshua Pierce, *University of South Carolina*
Discussants:
Sanjai Bhagat, University of Colorado
Jarrad Harford, University of Washington
Paige Parker Ouimet, University of North Carolina

Informed Trading – Queen’s 6
Lin Peng, Baruch College

Insiders-Outsiders, Transparency and the Value of the Ticker
Giovanni Cespa, Queen Mary University
Thierry Foucault, HEC Paris

Informed Trading, Information Asymmetry and Pricing of Information Risk: Empirical Evidence from the NYSE
Florian Bardong, Barclays Global Investors
Sohnke Bartram, Lancaster University
Pradeep Yadav, University of Oklahoma

Viral Acharya, London Business School
Tim Johnson, University of Illinois, Urbana-Champaign

Discussants:
Bin Wei, Baruch College
Michael Pagano, Villanova University
Amil Dasgupta, London School of Economics

Monday, June 23, 2008, 2:45 pm – 4:30 pm

Heterogeneity and Bond Pricing – King’s 1
Greg Duffee, University of California, Berkeley

Bond Pricing, Habits, and a Simple Policy Rule
Michael Gallmeyer, Texas A&M University
Burton Hollifield, Carnegie-Mellon University
Francisco Palomino, University of Michigan
Stanley Zin, Carnegie-Mellon University

Preferred Habitat and the Optimal Maturity Structure of Government Debt
Stephane Guibaud, London School of Economics
Yves Nosbusch, London School of Economics
Dimitri Vayanos, London School of Economics
Heterogeneous Expectations and Bond Markets
Wei Xiong, Princeton University
Hongjun Yan, Yale University

Discussants:
Motohiro Yogo, University of Pennsylvania
Jacob Sagi, Vanderbilt University
Xavier Gabaix, New York University

Credit Risk – King’s 2
Ilan Kremer, Stanford University

Economic Catastrophe Bonds
Joshua Coval, Harvard University
Jakub Jurek, Harvard University
Erik Stafford, Harvard University

Credit Contagion from Counterparty Risk
Philippe Jorion, University of California, Irvine
Gaiyan Zhang, University of Missouri, St. Louis

Cash Holdings and Credit Risk
Viral Acharya, London Business School
Sergei Davydenko, University of Toronto
Ilya Strebulaev, Stanford University

Discussants:
Chester Spatt, Carnegie Mellon University
Pierre Collin-Dufresne, Goldman Sachs
Ronald Giammarino, University of British Columbia

Fraud and Scandals – King’s 3
Jeffrey Coles, Arizona State University

The Impact of the Options Backdating Scandal on Shareholders
Gennaro Bernile, University of Miami
 Gregg Jarrell, University of Rochester

The Strategic Interaction between Committing and Detecting Fraudulent Misreporting
Buhui Qiu, University of Cincinnati
Steve Slezak, University of Cincinnati
Brokerage Commissions, Perquisites, and Delegated Portfolio Management
Fei Ding, *Hong Kong University of Science and Technology*

**Discussants:**
Jennifer Carpenter, *New York University*
Raj Singh, *University of Minnesota*
George Aragon, *Arizona State University*

Real Assets – *Queen’s 5*
David Ikenberry, *University of Illinois, Urbana-Champaign*

**Vintage Capital and Creditor Protection**
Nittai Bergman, *MIT*
Efraim Benmelech, *Harvard University*

**Liquidity in Real Asset Markets**
Alessandro Gavazza, *Yale University*

**Corporate Hedging, Investment and Value**
Uday Rajan, *University of Michigan*
Jose Berrospide, *University of Michigan, Federal Reserve Board*
Amiyatosh Purnanandam, *University of Michigan*

**Discussants:**
Adriano Rampini, *Duke University*
Liu Yang, *University of California, Los Angeles*
Heitor Almeida, *University of Illinois, Urbana-Champaign*

Corporate Debt and Access to Finance – *Queen’s 4*
Thomas Chemmanur, *Boston College*

**Has the CDS Market Lowered the Cost of Corporate Debt?**
Adam Ashcraft, *Federal Reserve Bank, New York*
Joao Santos, *Federal Reserve Bank, New York*

**Does Access to Finance Improve Productivity? Evidence from a Natural Experiment**
Alexander Butler, *University of Texas, Dallas*
Jess Cornaggia, *University of Texas, Dallas*

**Contingency and Renegotiation of Financial Contracts:**
**Evidence from Private Credit Agreements**
Michael Roberts, *University of Pennsylvania*
Amir Sufi, *University of Chicago*
Discussants:
Amar Gande, *Southern Methodist University*
Debarshi Nandy, *York University*
Ronald Masulis, *Vanderbilt University*

Stock Market Liquidity – *Queen’s 6*
Simon Gervais, *Duke University*

**Information vs. Liquidity: Evidence from Portfolio Transition Trades**
Anna Obizhaeva, *University of Maryland*

**Stock Price Synchronicity and Liquidity**
Kalok Chan, *Hong Kong University of Science and Technology*
Allaudeen Hameed, *National University of Singapore*
Wenjin Kang, *National University of Singapore*

**Does Algorithmic Trading Improve Liquidity?**
Terrence Hendershott, *University of California, Berkeley*
Charles Jones, *Columbia University*
Albert Menkveld, *VU University Amsterdam*

Discussants:
Ron Kaniel, *Duke University*
Günter Strobl, *University of North Carolina, Chapel Hill*
Patrik Sandås, *University of Virginia*

**Tuesday, June 24, 2008, 8:15 am – 10:00 am**

Liquidity and Risk Management – *King’s 1*
Adriano Rampini, *Duke University*

**Bailouts, the Incentive to Manage Risk, and Financial Crises**
Stavros Panageas, *University of Pennsylvania*

**Moral Hazard, Collateral and Liquidity**
Viral Acharya, *London Business School*
S. Viswanathan, *Duke University*

**Learning by Holding and Liquidity**
Guillaume Plantin, *London Business School*
Discussants:
Peter DeMarzo, Stanford University
Martin Oehmke, Princeton University
Peter Kondor, University of Chicago

Hedge Fund and Mutual Fund Incentives – King’s 2
William Goetzmann, Yale University

**Missing the Marks: Dispersion in Corporate Bond Valuations Across Mutual Funds**
Gjergji Cici, College of William and Mary
Scott Gibson, College of William and Mary
John Merrick, College of William and Mary

**Side-by-Side Management of Mutual Funds and Hedge Funds**
Tom Nohel, Loyola University, Chicago
Zhi Wang, University of Illinois, Urbana-Champaign
Lu Zheng, University of California, Irvine

**Do Hedge Fund Managers Misreport Returns? Evidence From the Pooled Distribution**
Nick Bollen, Vanderbilt University
Veronica Pool, Indiana University

Discussants:
Dion Bongaerts, University of Amsterdam
Antti Petajisto, Yale University
Bing Liang, University of Massachusetts, Amherst

Dynamic Debt Decisions - King’s 3
Toni Whited, University of Wisconsin, Madison

**Dynamic Competition, Innovation and Strategic Financing**
Heather Tookes, Yale University
Matthew Spiegel, Yale University

**Debt Maturity and the Dynamics of Leverage**
Josef Zechner, University of Vienna
Thomas Dangl, Vienna University of Technology

**Corporate Financing and Investment: On the Dynamics of the Credit Multiplier**
Dirk Hack Barth, Washington University, St. Louis
Murillo Campello, University of Illinois, Urbana-Champaign
Discussants:
Alex Edmans, University of Pennsylvania
Marc Martos-Vila, University of California, Los Angeles
Yuri Tserlukevich, HKUST

Cross Section of Stock Returns – Queen’s 5
Neng Wang, Columbia University

Capital, Contracts and the Cross Section of Stock Returns
Christine Parlour, University of California, Berkeley
Johan Walden, University of California, Berkeley

Endogenous Technological Progress and the Cross Section of Stock Returns
Xiaoji Lin, University of Minnesota

Learning About Technologies and Technological Progress
Joel Peress, INSEAD

Discussants:
Dimitris Papanikolaou, Northwestern University
Lukas Schmid, University of Pennsylvania
Hui Chen, MIT

Household Finance – Queen’s 4
Motohiro Yogo, University of Pennsylvania

Housing Wealth and Consumption Growth: Evidence from a Large Panel of Households
Jie Gan, Hong Kong University of Science and Technology

A Multiplier Approach to Understanding the Macro Implications of Household Finance
YiLi Chien, Purdue University
Hal Cole, University of Pennsylvania
Hanno Lustig, University of California, Los Angeles

Payday Lenders: Heroes or Villains
Adair Morse, University of Chicago

Discussants:
Enrichetta Ravina, New York University
Francisco Gomes, London Business School
Nikolai Roussanov, University of Pennsylvania
Empirical Microstructure – *Queen’s 6*
Charles Jones, *Columbia University*

**The Effects of Market Design on the Informational Efficiency and Manipulation of Prices**
Avraham Kamara, *University of Washington*
Itzik Shurki, *Israel Securities Authority*
Shmuel Hauser, *Ben Gurion University, Beer Sheva, Israel*

**Geographic Proximity and Price Discovery: Evidence from Nasdaq**
Amber Anand, *Syracuse University*
Vladimir Gatchev, *University of Central Florida*
Leonardo Madureira, *Case Western Reserve University*
Christo Pirinsky, *California State University, Fullerton*
Shane Underwood, *Rice University*

**Equity Trading and the Allocation of Market Data Revenue**
Cecilia Caglio, *George Washington University*
Stewart Mayhew, *Securities and Exchange Commission*

**Discussants:**
Sunil Wahal, *Arizona State University*
Ingrid Werner, *Ohio State University*
Marc Lipson, *University of Virginia*

**Tuesday, June 24, 2008, 10:15 am – 12:00 noon**

Option Pricing – *King’s 1*
Yacine Ait-Sahalia, *Princeton University*

**The Sensitivity of American Options to Suboptimal Exercise Strategies**
Alfredo Ibáñez, *Universidad Carlos III de Madrid*
Ioannis Paraskevopoulos, *Caja Madrid, Spain*

**Simple Robust Linkages Between CDS and Equity Options**
Peter Carr, *New York University*
Liuren Wu, *Baruch College*

**The Shape and Term Structure of the Index Option Smirk: Why Multifactor Stochastic Volatility Models Work so Well**
Peter Christoffersen, *McGill University*
Steven Heston, *University of Maryland*
Kris Jacobs, *McGill University*
Discussants:
Mark Loewenstein, University of Maryland
Antje Berndt, Carnegie-Mellon University
Haitao Li, University of Michigan

Hedge Fund Performance – King’s 2
Richard Roll, University of California, Los Angeles

The Secondary Market for Hedge Funds
Tarun Ramadorai, Oxford University

Why Does Hedge Fund Alpha Decrease Over Time? Evidence from Individual Hedge Funds
Zhaodong Zhong, Penn State University

Derivatives Use and Risk Taking: Evidence from the Hedge Fund Industry
Yong Chen, Virginia Tech

Discussants:
Charles Trzcinka, Indiana University
Jonathan Berk, University of California, Berkeley
William Goetzmann, Yale University

Corporate Governance A – King’s 3
Murillo Campello, University of Illinois, Urbana-Champaign

Quiet Life or Managerial Myopia: Is the Threat of Hostile Takeovers Beneficial for Technological Innovation?
Julian Atanassov, University of Oregon

Does Corporate Governance Matter in Competitive Industries?
Xavier Giroud, New York University
Holger Mueller, New York University

Managerial Attitudes and Corporate Actions
John Graham, Duke University
Cambell Harvey, Duke University
Manju Puri, Duke University

Discussants:
Gustavo Manso, MIT
Gordon Phillips, University of Maryland
Morten Sorensen, University of Chicago
Determinants of Private Benefits of Control
Rui Albuquerque, Boston University
Enrique Schroth, University of Lausanne

Endogeneity and the Dynamics of Corporate Governance
Modupe Wintoki, University of Georgia
James Linck, University of Georgia
Jeffry Netter, University of Georgia

Corporate Governance, Norms and Practices
Vidhi Chhaochharia, University of Miami
Luc Laeven, International Monetary Fund

Discussants:
Urs Peyer, INSEAD
Dirk Jenter, Stanford University
Francisco Perez-Gonzalez, University of Texas, Austin

Behavioral and Experimental Finance – Queen’s 4
S. Abraham (Avri) Ravid, Cornell University and Rutgers University

Exploring the Nature of “Trading Intuition”
Antoine Bruguier, California Institute of Technology
Steven Quartz, California Institute of Technology
Peter Bossaerts, Ecole Polytechnique Federale Lausanne

Superior Information or a Psychological Bias? A Unified Framework with Cognitive Abilities Resolves Three Puzzles
George Korniotis, Federal Reserve Board, Washington DC
Alok Kumar, University of Texas, Austin

The Impact of Affect on Beliefs, Preferences and Financial Decisions
Camelia Kuhnen, Northwestern University
Brian Knutson, Stanford University

Discussants:
Heather Tookes, Yale University
Ming Huang, Cornell University
Devin Shanthikumar, Harvard University
Rare Disasters and Exchange Rates
Emmanuel Farhi, Harvard University
Xavier Gabaix, New York University

Exchange Rate Forecasting, Order Flow and Macroeconomic Information
Elvira Sojli, University of Warwick
Dagfinn Rime, Norges Bank
Lucio Sarno, University of Warwick

Common Risk Factors in Currency Markets
Adrien Verdelhan, Boston University
Hanno Lustig, University of California, Los Angeles
Nikolai Roussanov, University of Pennsylvania

Discussants:
Francis X. Diebold, University of Pennsylvania
Burton Hollifield, Carnegie Mellon University
Hongjun Yan, Yale University

Tuesday, June 24, 2008, 2:45 pm – 4:30 pm

Manager Characteristics and Capital Structure: Theory and Evidence
Sanjai Bhagat, University of Colorado, Boulder
Brian Bolton, University of New Hampshire
Ajay Subramanian, Georgia State University

Dynamic Compensation Contracts with Private Savings
Zhiguo He, Northwestern University

Optimal Managerial Ownership Dynamics: Theory and Evidence
Antonio Falato, Federal Reserve Board
Dalida Kadyrzhanova, University of Maryland

Discussants:
Gustav Sigurdsson, University of Pennsylvania
Adriano Rampini, Duke University
S. Abraham (Avri) Ravid, Cornell University and Rutgers University
Mutual Fund Performance – King’s 2
Jonathan Berk, University of California, Berkeley

Mind the Gap: Unmapped Holdings and the Performance of U.S. Equity Mutual Funds
David Hunter, University of Maryland

An Empirical Investigation of Short-Selling by Actively Managed Mutual Funds
Honghui Chen, University of Central Florida
Hemang Desai, Southern Methodist University
Srinivasan Krishnamurthy, SUNY, Binghamton University

Informed Trading, Liquidity Provision, and Mutual Fund Stock Selection
Zhi Da, University of Notre Dame
Pengjie Gao, University of Notre Dame
Ravi Jagannathan, Northwestern University

Discussants:
Diane Del Guercio, University of Oregon
Lu Zheng, University of California, Irvine
Christine Parlour, University of California, Berkeley

Ownership and Control – King’s 3
Bruce Carlin, University of California, Los Angeles

Control of Corporate Decisions: Shareholders vs. Management
Milton Harris, University of Chicago
Artur Raviv, Northwestern University

Inheritance Law and Investment in Family Firms
Andrew Ellul, Indiana University
Marco Pagano, University of Naples Federico II
Fausto Panunzi, Bocconi University

Ownership and Corporate Investment in Private Firms
Ridha Mahfoudhi, Laval University

Discussants:
Gustavo Manso, MIT
Uday Rajan, University of Michigan
Rich Mathews, Duke University
Strategic Proxy Voting
Gregor Matvos, University of Chicago
Michael Ostrovsky, Stanford University

Beyond Cash Flow and Voting Rights: Valuation and Performance of Firms in Complex Ownership Structures
Heitor Almeida, University of Illinois, Urbana-Champaign
Sang Yong Park, Yonsei University
Marti Subrahmanyam, New York University
Daniel Wolfenzon, New York University

Organizational Structure, R&D Intensity, and Firm Value
Jan Mahrt-Smith, University of Toronto

Discussants:
Charu Raheja, Wake Forest University
Raghavendra Rau, Purdue University
Jarrad Harford, University of Washington

Executive Compensation – Queen’s 4
Dirk Jenter, Stanford University

Optimal Compensation Contract When Managers Can Hedge
Huasheng Gao, University of British Columbia

Backdating Executive Stock Option Grants: An Agency Problem or Just Optimal Contracting?
Huasheng Gao, University of British Columbia
Hamed Mahmudi, University of Toronto

Offsetting Compensation Reform: Lessons from the Demise of ESO Repricing
Nemmara Chidambaran, Rutgers University
Nagpurnanand Prabhala, University of Maryland

Discussants:
Jeffrey Coles, Arizona State University
Michael L. Lemmon, University of Utah
Efraim Benmelech, Harvard University
Opposing Seasonalities in Treasury versus Bond Returns
Lisa Kramer, University of Toronto
Kamstra Mark, York University
Levi Maurice, University of British Columbia

Time Varying Default Risk Premia in Corporate Bond Markets
Redouane Elkamhi, McGill University
Jan Ericsson, McGill University

Stock Prices under Pressure: How Tax and Interest Rates Drive Returns at the Turn of the Year
Tapio Pekkala, Blue White Alternative Investments
Christopher Polk, London School of Economics
Ruy Ribeiro, JP Morgan

Discussants:
Alex Edmans, University of Pennsylvania
Jingzhi Huang, Pennsylvania State University
Paul Tetlock, Columbia University

Wednesday, June 25, 2008, 8:15 am – 10:00 am
Incentives and Information Asymmetries – King’s 1
Jennifer Huang, University of Texas, Austin

Monitoring and Manipulation: Asset Prices When Agents are Marked-to-Market
Gary Gorton, University of Pennsylvania
Ping He, Tsinghua University
Lixin Huang, Georgia State University

Does More Informed Trading Necessarily Lead to Higher Expected Returns?
Eric Hughson, Claremont McKenna College
Moonsoo Kang, Loyola College in Maryland

Incentive Contracts in Delegated Portfolio Management
Wei Li, Louisiana State University
Ashish Tiwari, University of Iowa
Discussants:
Peter Kondor, University of Chicago
Ron Kaniel, Duke University
David Musto, University of Pennsylvania

Portfolio Choice and Taxes – King’s 2
Chester Spatt, Carnegie Mellon University

Taxes and Portfolio Choice: Evidence from JGTRRA’s Treatment of International Dividends
Mihir Desai, Harvard University
Dhammika Dharmapala, University of Connecticut

Investment Taxation and Portfolio Performance
Daniel Bergstresser, Harvard University
Jeffrey Pontiff, Boston College

Portfolio Choice with Capital Gain Taxation and the Limited Use of Losses
Paul Ehling, BI Norwegian School of Management
Michael Gallmeyer, Texas A&M University
Sanjay Srivastava
Stathis Tompaidis, University of Texas, Austin

Discussants:
Burton Hollifield, Carnegie Mellon University
Robert Dammon, Carnegie Mellon University
Harold Zhang, University of Texas, Dallas

Dividends – King’s 3
Kose John, New York University

A Theory of Dividend Smoothing
Ilan Guttman, Stanford University
Ohad Kadan, Washington University, St. Louis
Eugene Kandel, Hebrew University

The Impact of Taxation on Dividends: A Cross-Country Analysis
Mohammed Alzahrani, City University, London
Meziane Lasfer, City University, London

Ex-Dividend Arbitrage in Option Markets
Jia Hao, Wayne State University
Avner Kalay, University of Utah
Stewart Mayhew, Securities and Exchange Commission
Discussants:
Zsuzsanna Fluck, Michigan State University
Lubomir Litov, Washington University
Claudia Moise, Case Western Reserve University

Law and Regulation – Queen’s 4
Yael Hochberg, Northwestern University

The Changing Nature of Chapter 11
Sreedhar Bharath, University of Michigan
Venky Panchapagesan, Goldman Sachs
Ingrid Werner, Ohio State University

Mandatory IFRS Reporting Around the World: Early Evidence on the Economic Consequences
Holger Daske, University of Mannheim
Luzi Hail, University of Pennsylvania
Christian Leuz, University of Chicago
Rodrigo Verdi, MIT

Foreign Listings, US Equity Markets, and the Impact of the Sarbanes-Oxley Act
Jefferson Duarte, University of Washington
Katie Kong, University of Washington
Stephan Siegel, University of Washington
Lance Young, University of Washington

Discussants:
Kimberly Rodgers, American University
Itzhak Ben-David, Ohio State University
Eliezer Fich, Drexel University

Payout Policy – Queen’s 5
Yaniv Grinstein, Cornell University

Has the Propensity to Pay Out Declined?
Gustavo Grullon, Rice University
Bradley Paye, Rice University
Shane Underwood, Rice University
James Weston, Rice University

Payout Policy, Financial Flexibility, and Agency Costs of Free Cash Flow
Jacob Oded, Boston University and Tel Aviv University
Institutional Tax Clienteles and Payout Policy
Mihir Desai, Harvard University
Li Jin, Harvard University

Discussants:
Yaniv Grinstein, Cornell University
Amiyatosh Purnanandam, University of Michigan
Edie Hotchkiss, Boston College

Financial Intermediation – Queen’s 6
Mark Weinstein, University of Southern California

Market-Based Corrective Actions: The Case of Bank Supervision
Philip Bond, University of Pennsylvania
Itay Goldstein, University of Pennsylvania
Edward S. Prescott, Federal Reserve Bank, Richmond

How Should Acquirers Select Advisors? Persistence in Investment Bank Performance
Jack Bao, MIT
Alex Edmans, University of Pennsylvania

Information, Sell-Side Research, and Market Making
Leonardo Madureira, Case Western Reserve University
Shane Underwood, Rice University

Discussants:
Thomas Chemmanur, Boston College
Micah Officer, University of Southern California
Larry Harris, University of Southern California

Wednesday, June 25, 2008, 10:15 am – 12:00 noon
Information and Prices – King’s 1
Mark Grinblatt, University of California, Los Angeles

Entrepreneurial Learning, the IPO Decision, and the Post-IPO Drop in Firm Profitability
Lubos Pastor, University of Chicago
Lucian Taylor, University of Chicago
Pietro Veronesi, University of Chicago
Endogenous Information Flows and the Clustering of Announcements
Viral Acharya, London Business School
Peter DeMarzo, Stanford University
Ilan Kremer, Stanford University

Competition Among Sellers in Securities Auctions
Alexander Gorbenko, Stanford University
Andrei Malenko, Stanford University

Discussants:
Thomas Chemmanur, Boston College
Martin Dierker, University of Houston
Bhagwan Chowdhry, University of California, Los Angeles

Consumption Based Asset Pricing – King’s 2
Amir Yaron, University of Pennsylvania

Asset Pricing Tests with Long Run Risks in Consumption Growth
George Constantinides, University of Chicago
Anisha Ghosh, London School of Economics

Asset Pricing with Garbage
Alexi Savov, University of Chicago

Momentum and Long Run Risks
Paul Zurek, University of Pennsylvania

Discussants:
Dana Kiku, University of Pennsylvania
Robert Dittmar, University of Michigan
Hui Chen, MIT

Interest Rates – King’s 3
Ravi Jagannathan, Northwestern University

The Role of No-Arbitrage on Forecasting: Lessons from a Parametric Term Structure Model
Caio Almeida, Getulio Vargas Foundation
José Vicente, Central Bank of Brazil
A Structural Decomposition of the US Yield Curve
Ferre De Graeve, Ghent University
Marina Emiris, National Bank of Belgium
Raf Wouters, National Bank of Belgium

Real Interest Rates, Expected Inflation, and Real Estate Returns: A Comparison of the U.S. and Canada
Kuntara Pukthuanthong-Le, San Diego State University
Richard Roll, University of California, Los Angeles

Discussants:
Haitao Li, University of Michigan
Jefferson Duarte, University of Washington
Selale Tuzel, University of Southern California

Capital Structure – Queen’s 4
David Matsa, Northwestern University

Financial Structure, Liquidity, and Firm Locations
Andres Almazan, University of Texas, Austin
Adolfo de Motta, McGill University
Sheridan Titman, University of Texas, Austin
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The Product Market Competition and Capital Structure: Evidence from Import Penetration
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International Sourcing and Capital Structure: Evidence from U.S. Manufacturing Firms
Cheol Eun, Georgia Institute of Technology
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Jay Hartzell, University of Texas, Austin
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Commercial Banking – Queen’s 5
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Information and Incentives Inside the Firm: Evidence from Loan Officer Rotation
Andrew Hertzberg, Northwestern University
Jose Liberti, DePaul University
Daniel Paravisini, Columbia University

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Sumit Agarwal, Federal Reserve Bank of Chicago
Robert Hauswald, American University

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David Skeie, Federal Reserve Bank, New York
Bruce Carlin, University of California, Los Angeles
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Directed Share Programs in IPO Underwriting - Agency Problem or Supply Assurance
Rina Ray, Norwegian School of Economics and Business Admin (NHH)

Short Selling in Initial Public Offerings
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Kathleen Hanley, Securities and Exchange Commission

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Members and friends of the Western Finance Association are invited to submit papers to be considered for presentation at the 2009 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, 2008. The deadline for submissions will be midnight PST November 18, 2008. Papers will be reviewed anonymously by two members of the Program Committee, and authors will be notified of the Program Committee’s decisions at the end of February 2009.

**Best Paper Awards** (subject to change):

USC Marshall School of Business Trefftzs Award of $5,000 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.

NYSE Euronext 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.

**2009 Program Chair:**

Professor William Goetzmann, Yale University