2012 Program

47th Annual Conference of the Western Finance Association

Wynn Las Vegas Hotel
Las Vegas, Nevada

June 18 - 21, 2012
WESTERN FINANCE ASSOCIATION

We are a professional society 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 individual 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 2013 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 Wynn Las Vegas Hotel. On-site registration for the conference will be located in the Wynn Las Vegas Hotel at Registration Desk 3 on the following schedule:

Monday, June 18, 2012, 4:00 pm – 8:00 pm
Tuesday, June 19, 2012, 8:00 am – 4:00 pm
Wednesday, June 20, 2012, 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 by May 24, 2012. See the web site for details. Checks must be sent to MaryAnn O’Brien or to the Secretary-Treasurer at the address referenced on page 1.

FEE SCHEDULE

<table>
<thead>
<tr>
<th></th>
<th>Pre-Registration</th>
<th>On-site Registration</th>
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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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<td>$175</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 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 Society for Financial Studies are invited to attend the Annual Meeting to be held on Wednesday, June 20 from 4:45-5:45 pm in the Montrachet Room at the Wynn Las Vegas Hotel. All subscribers to the Review of Financial Studies are members of the Society for Financial Studies.
WESTERN FINANCE ASSOCIATION

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Jiang Wang, Massachusetts Institute of Technology
Toni Whited, University of Rochester

Presidents: 1965-2012

<table>
<thead>
<tr>
<th>Year</th>
<th>Name</th>
<th>University</th>
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<tbody>
<tr>
<td>1965-66</td>
<td>Kenneth L. Trefftzs</td>
<td>University of Southern California</td>
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<tr>
<td>1966-67</td>
<td>Edward Reed</td>
<td>University of Oregon</td>
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<tr>
<td>1967-68</td>
<td>Robert Carr</td>
<td>Fresno State College</td>
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<td>1968-69</td>
<td>Burton Kolb</td>
<td>University of Colorado</td>
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<td>1969-70</td>
<td>Lester Stickler</td>
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<td>1970-71</td>
<td>Harold Stevenson</td>
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<td>1971-72</td>
<td>W. Scott Bauman</td>
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<td>1972-73</td>
<td>David Eiteman</td>
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<td>1973-74</td>
<td>James Wert</td>
<td>University of Arizona</td>
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<td>1974-75</td>
<td>George Kaufman</td>
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<td>1975-76</td>
<td>John Herzog</td>
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<td>1976-77</td>
<td>A. Blaine Huntsman</td>
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<td>1977-78</td>
<td>David Pyle</td>
<td>University of California, Berkeley</td>
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<td>1978-79</td>
<td>Guilford Babcock</td>
<td>University of Southern California</td>
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<td>1979-80</td>
<td>Donald Farrar</td>
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<tr>
<td>1980-81</td>
<td>Charles D’Ambrosio</td>
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<td>1981-82</td>
<td>James Van Horne</td>
<td>Stanford University</td>
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<td>1982-83</td>
<td>Edward Dyl</td>
<td>University of Wyoming</td>
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<tr>
<td>1983-84</td>
<td>Nils Hakansson</td>
<td>University of California, Berkeley</td>
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<td>1984-85</td>
<td>Seha Tinic</td>
<td>University of Texas at Austin</td>
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<td>1985-86</td>
<td>Alan Kraus</td>
<td>University of British Columbia</td>
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<td>1986-87</td>
<td>Gerald Bierwag</td>
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<td>1987-88</td>
<td>Robert Litzenberger</td>
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<td>1988-89</td>
<td>Alan Hess</td>
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<td>1989-90</td>
<td>Lemma Senbet</td>
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<td>1990-91</td>
<td>Eduardo Schwartz</td>
<td>University of California, Los Angeles</td>
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<tr>
<td>Year</td>
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<tr>
<td>1992-93</td>
<td>Hans Stoll</td>
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<td>1993-94</td>
<td>Kenneth Singleton</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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<tr>
<td>1996-97</td>
<td>Michael J. Brennan</td>
<td>University of California, Los Angeles</td>
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<tr>
<td>1997-98</td>
<td>Maureen O’Hara</td>
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<tr>
<td>1998-99</td>
<td>Franklin Allen</td>
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<td>1999-00</td>
<td>Richard C. Green</td>
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<td>2000-01</td>
<td>Wayne Ferson</td>
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<td>2001-02</td>
<td>Douglas W. Diamond</td>
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<td>2002-03</td>
<td>Philip H. Dybvig</td>
<td>Washington University in St. Louis</td>
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<tr>
<td>2003-04</td>
<td>René M. Stulz</td>
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<tr>
<td>2004-05</td>
<td>Ravi Jagannathan</td>
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<tr>
<td>2005-06</td>
<td>Mark Grinblatt</td>
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<td>2006-07</td>
<td>Sheridan Titman</td>
<td>University of Texas at Austin</td>
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<td>2007-08</td>
<td>Campbell R. Harvey</td>
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<td>2008-09</td>
<td>Artur Raviv</td>
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<td>2009-10</td>
<td>William Goetzmann</td>
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<td>2010-11</td>
<td>Peter DeMarzo</td>
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<td>2011-12</td>
<td>Francis Longstaff</td>
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### Distinguished Speakers

#### WFA Annual Meeting Speakers 1979-2012

<table>
<thead>
<tr>
<th>Year</th>
<th>Location</th>
<th>Speaker</th>
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<tr>
<td>1979</td>
<td>San Francisco</td>
<td>Nils Hakansson</td>
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<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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<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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<td>1984</td>
<td>Vancouver</td>
<td>Richard Roll</td>
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<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>
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<td>Edward Kane</td>
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<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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<td>1990</td>
<td>Santa Barbara</td>
<td>Michael Brennan</td>
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<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>Milton Harris</td>
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<td>1999</td>
<td>Santa Monica</td>
<td>Andrei Shleifer</td>
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<td>Kenneth Singleton</td>
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<td>2001</td>
<td>Tucson</td>
<td>Robert Shiller</td>
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<td>2002</td>
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<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>Michael C. Jensen</td>
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<td>2005</td>
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<td>Douglas Breeden</td>
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<td>2006</td>
<td>Keystone</td>
<td>Douglas Diamond</td>
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<td>2007</td>
<td>Big Sky</td>
<td>John Y. Campbell</td>
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<td>Victoria</td>
<td>Mark Grinblatt</td>
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Paolo Fulghieri, University of North Carolina, Chapel Hill
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Louis Gagnon, Queens University
Vito Gala, London Business School
Amar Gande, Southern Methodist University
Pengjie Gao, University of Notre Dame
Lorenzo Garlappi, University of British Columbia
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Simon Gervais, Duke University
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Itay Goldstein, University of Pennsylvania
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Brett Green, University of California, Berkeley
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Steve Grenadier, Stanford University
John Griffin, University of Texas, Austin
Yaniv Grinstein, Cornell University
Gustavo Grullon, Rice University
Bruce Grundy, University of Melbourne
Yaron Leitner, Federal Reserve Bank of Philadelphia
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Martin Lettau, University of California, Berkeley
Doron Levit, University of Pennsylvania
Jonathan Lewellen, Dartmouth College
Katharina Lewellen, Dartmouth College
Bing Liang, University of Massachusetts
Erik Lie, University of Iowa
Eva Liljeblom, Hanken School of Economics
James Linck, University of Georgia
Laura Lindsey, Arizona State University
Juhani Linnainmaa, University of Chicago
Karl Lins, University of Utah
Marc Lipson, University of Virginia
Crocker Liu, Cornell University
Jun Liu, University of California, San Diego
Tingjun Liu, Cheung Kong Graduate School of Business
Qianqiu Liu, University of Hawaii
Dmitry Livdan, University of California, Berkeley
Alexander Ljungqvist, New York University
Andrew Lo, Massachusetts Institute of Technology
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Evgeny Lyandres, Boston University
Anthony Lynch, New York University
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Igor Makarov, London Business School
Vojislav Maksimovic, University of Maryland
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Andrey Malenko, Massachusetts Institute of Technology
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Ulrike Malmendier, University of California, Berkeley
Gustavo Manso, Massachusetts Institute of Technology
Robert Marquez, Boston University
Spencer Martin, University of Melbourne
Marc Martos-Vila, University of California, Los Angeles
Massimo Massa, INSEAD
Ron Masulis, University of New South Wales  
Pedro Matos, University of Virginia  
Gregor Matvos, University of Chicago  
David Mauer, University of Texas, Dallas  
William Maxwell, Southern Methodist University  
Robert McDonald, Northwestern University  
David McLean, University of Alberta  
Albert Menkveld, VU University Amsterdam  
Andrew Metrick, Yale University  
Roni Michaely, Cornell University  
Todd Milbourn, Washington University, St. Louis  
Darius Miller, Southern Methodist University  
Kristian Miltersen, Copenhagen Business School  
Bernadette Minton, Ohio State University  
Erwan Morellec, Ecole Polytechnique Fédérale de Lausanne  
Adair Morse, University of Chicago  
Pamela Moulton, Cornell University  
Holger Mueller, New York University  
Justin Murfin, Yale University  
David Musto, University of Pennsylvania  
Brett Myers, Texas Tech University  
Stefan Nagel, Stanford University  
Gregory Nini, University of Pennsylvania  
Thomas Noe, Oxford University  
Kjell Nyborg, University of Zurich  
Terrance Odean, University of California, Berkeley  
Maureen O’Hara, Cornell University  
Christian Opp, University of Pennsylvania  
Marcus Opp, University of California, Berkeley  
Hernan Ortiz-Molina, University of British Columbia  
Barbara Ostdiek, Rice University  
Paige Parker Ouimet, University of North Carolina, Chapel Hill  
Oguzhan Ozbas, University of Southern California  
Marco Pagano, Università di Napoli Federico II  
Darius Palia, Rutgers University  
Stavros Panageas, University of Chicago  
Marios Panayides, University of Pittsburgh  
Dimitris Papanikolaou, Northwestern University  
Jonathan Parker, Northwestern University  
Christine Parlour, University of California, Berkeley  
Robert Parrino, University of Texas, Austin  
Christopher Parsons, University of California, San Diego  
Lubos Pastor, University of Chicago  
Anna Pavlova, London Business School  
Lasse H. Pedersen, New York University
Liang Peng, University of Colorado, Boulder
George Pennacchi, University of Illinois, Urbana, Champaign
Francisco Perez-Gonzalez, Stanford University
Enrico Perotti, University of Amsterdam
Mitchell Petersen, Northwestern University
Gordon Phillips, University of Southern California
Kate Phylaktis, City University, London
Guillaume Plantin, Toulouse University
Christopher Polk, London School of Economics
Joshua Pollet, Michigan State University
N.R. Prabhal, University of Maryland
Manju Puri, Duke University
Uday Rajan, University of Michigan
Adriano Rampini, Duke University
Raghavendra Rau, University of Cambridge
S. Abraham (Avri) Ravid, Rutgers University
Mark Ready, University of Wisconsin, Madison
Adam Reed, University of North Carolina, Chapel Hill
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Michael Roberts, University of Pennsylvania
David Robinson, Duke University
Tavy Ronen, Rutgers University
Ehud I. Ronn, University of Texas, Austin
Ioanid Rosu, HEC Paris
Nikolai Roussanov, University of Pennsylvania
Bryan Routledge, Carnegie Mellon University
Geert Rouwenhorst, Yale University
Kristian Rydqvist, Binghamton University
Gideon Saar, Cornell University
Ronnie Sadka, Boston College
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Pedro Santa-Clara, Universidade Nova de Lisboa
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Jan Schneider, University of Texas, Austin
Paul Schultz, University of Notre Dame
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Mark Seasholes, Hong Kong University of Science and Technology
Lemma Senbet, University of Maryland
Duane Seppi, Carnegie Mellon University
Piet Sercu, Catholic University of Leuven
Amit Seru, University of Chicago
Henri Servaes, London Business School
Ivan Shaliastovich, University of Pennsylvania
Jay Shanken, Emory University
Ann Sherman, Depaul University
Anil Shivdasani, University of North Carolina, Chapel Hill
Tyler Shumway, University of Michigan
Clemens Sialm, University of Texas, Austin
Raj Singh, University of Minnesota
Erik Sirri, Babson College
Georgios Skoulakis, University of Maryland
Sorin Sorescu, Texas A&M University
Chester Spatt, Carnegie Mellon University
Bharath Sreedhar, Arizona State University
Richard Stanton, University of California, Berkeley
Laura Starks, University of Texas, Austin
Hans Stoll, Vanderbilt University
Neal Stoughton, Wirtschaftsuniversität Wien
Ilya Streibulaev, Stanford University
Per Strömberg, Stockholm School of Economics
Michael Stutzer, University of Colorado, Boulder
Avanidhar Subrahmanyam, University of California, Los Angeles
Adi Sunderam, Harvard University
Geoffrey Tate, University of California, Los Angeles
Lucian Taylor, University of Pennsylvania
Alexei Tchistyi, University of California, Berkeley
Chris Telmer, Carnegie Mellon University
Melvyn Teo, Singapore Management University
Paul Tetlock, Columbia University
Anjan Thakor, Washington University, St. Louis
Karin Thorburn, Norwegian School of Economics and Business Admin (NHH)
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
Margarita Tsoutsoura, University of Chicago
Sergey Tsyplakov, University of South Carolina
Selale Tuzel, University of Southern California
Andrey Ukhov, Cornell University
Raman Uppal, London Business School
Rossen Valkanov, University of California, San Diego
Stijn Van Nieuwerburgh, New York University
Dimitri Vayanos, London School of Economics
Adrien Verdelhan, Massachusetts Institute of Technology
Vikrant Vig, London Business School
Annette Vissing-Jorgensen, Northwestern University
S. (Vish) Viswanathan, Duke University
Paolo Volpin, London Business School
Ernst-Ludwig (Elu) von Thadden, University of Mannheim
Jessica Wachter, University of Pennsylvania
Sunil Wahal, Arizona State University
Johan Walden, University of California, Berkeley
Nancy Wallace, University of California, Berkeley
Tan Wang, University of British Columbia
Jiang Wang, Massachusetts Institute of Technology
Neng Wang, Columbia University
Zhenyu Wang, Federal Reserve Bank of New York
Akiko Watanabe, University of Alberta
Masahiro Watanabe, University of Alberta
Pierre-Oliver Weill, University of California, Los Angeles
Michael Weisbach, Ohio State University
Scott Weisbenner, University of Illinois, Urbana, Champaign
Russ Wermers, University of Maryland
Ingrid Werner, Ohio State University
Mark Westerfield, University of Southern California
Bob Whaley, Vanderbilt University
Lucy White, Harvard University
Toni Whited, University of Rochester
Robert Whitelaw, New York University
Rohan Williamson, Georgetown University
Avi Wohl, Tel, Aviv University
Daniel Wolfenzon, Columbia University
Jeff Wurgler, New York University
Wei Xiong, Princeton University
Yuhai Xuan, Harvard University
Pradeep Yadav, University of Oklahoma
Hongjun Yan, Yale University
Hong Yan, University of South Carolina
Liu Yang, University of California, Los Angeles
Amir Yaron, University of Pennsylvania
Ayako Yasuda, University of California, Davis
David Yermack, New York University
Bilge Yilmaz, University of Pennsylvania
Motohiro Yogo, Federal Reserve Bank of Minneapolis
Lance Young, University of Washington
Fernando Zapatero, University of Southern California
Rebecca Zarutskie, Duke University
Josef Zeckhauser, Vienna University of Economics and Business
Jaime Zender, University of Colorado, Boulder
Acknowledgments

As Program Chair I would like to express my deep gratitude to my colleagues and Associate Chairpersons at Northwestern who were key participants in all aspects of the program logistics. Thanks also to Carol Smith and Leigh Ann Clark for their dedicated assistance, and to the Tepper School of Business at Carnegie Mellon and Jeff Easter, Rosemarie Lang, and MaryAnn O’Brien for their invaluable help and support. I would like to extend particular thanks to Peter DeMarzo, John Graham, Francis Longstaff, Bryan Routledge, Duane Seppi, and Josef Zechner for their help, advice, and guidance. Finally, a deep appreciation to the many sponsors and donors for their continuing support of the WFA.
SAC CAPITAL PHD CANDIDATE AWARD FOR OUTSTANDING RESEARCH 2012

Kristle Cortes, Boston College
Andras Danis, Vienna Graduate School of Finance
Erik Gilje, Boston College
Nicholas Hirschey, University of Texas-Austin
Hyunseob Kim, Duke University
Taejin Kim, Northwestern University
Mauricio Larrain, University of California-Berkeley
Matteo Maggiori, University of California-Berkeley
Vishal Mangla, Northwestern University
Clemens Otto, London Business School
Or Shachar, New York University
Elena Simintzi, London Business School
Quan Wen, Emory University
BEST PAPER AWARDS

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

Does Financial Liberalization Contribute to Wage Inequality?

Mauricio Larrain
University of California-Berkeley

CHARLES RIVER ASSOCIATES AWARD
FOR THE BEST PAPER ON CORPORATE FINANCE

The Evolution of Capital Structure and Operating Performance after Leveraged Buyouts: Evidence from U.S. Corporate Tax Returns

Jonathan Cohn
University of Texas-Austin
Lillian Mills
University of Texas-Austin
Erin Towery
University of Texas-Austin

JP MORGAN AWARD FOR THE BEST PAPER ON
FINANCIAL INSTITUTIONS AND MARKETS

Too-Systemic-To-Fail: What Option Markets Imply About Sector-Wide Government Guarantees

Bryan Kelly
University of Chicago
Hanno Lustig
University of California-Los Angeles
Stijn Van Nieuwerburgh
New York University
NASDAQ OMX AWARD
FOR THE BEST PAPER ON ASSET PRICING

CDS Auctions

Mikhail Chernov
London School of Economics
Alexander Gorbenko
London Business School
Igor Makarov
London Business School

WHARTON SCHOOL-WRDS AWARD
FOR THE BEST EMPIRICAL FINANCE PAPER

Executive Networks and Firm Policies: Evidence from the Random Assignment of MBA Peers

Kelly Shue
University of Chicago
PROGRAM SUMMARY

Monday, June 18, 2012

4:00 pm – 8:00 pm

On-site Registration – Registration Desk 3

6:00 pm – 8:00 pm

Research Affiliates LLC Reception – Margaux Ballroom

Tuesday, June 19, 2012

8:00 am – 4:00 pm

On-site Registration – Registration Desk 3

8:15 am – 10:00 am

Liquidity – Chambertin 1
Learning and Asset Prices – Chambertin 2
Private Equity & Venture Capital – Latour 4
Volatility – Latour 5
Real Estate – Latour 6
Boards, CEOs, and Employees – Latour 7

10:00 am – 10:15 am

Cambridge University Press Coffee Break – Latour Foyer

10:15 am – 12:00 noon

Bond Markets – Chambertin 1
Price Pressure and Liquidity – Chambertin 2
CEOs & Other Top Executives – Latour 4
Corporate Investment – Latour 5
Financial Regulation I – Latour 6
Equilibrium Models with Production – Latour 7

12:30 pm – 2:00 pm

NASDAQ OMX Luncheon – Latour Ballrooms 2 & 3
2:45 pm – 4:30 pm

Dynamic Agency – *Chambertin 1*
Financial Intermediaries and Leverage – *Chambertin 2*
Bond Yields and the Economy – *Latour 4*
Labor & Finance – *Latour 5*
Long Run Risk and Discount Rates – *Latour 6*
Politics & Finance I – *Latour 7*

5:00 pm – 6:30 pm

WFA Executive Committee and Board of Directors Meeting – *St. Pierre Boardroom*

6:00 pm – 8:00 pm

Cornerstone Research Reception – *Margaux Ballroom*

**Wednesday, June 20, 2012**

8:00 am – 12:00 noon

On-site Registration – *Registration Desk 3*

8:15 am – 10:00 am

Financial Frictions – *Chambertin 1*
Conglomerates & Pyramids – *Chambertin 2*
Compensation – *Latour 4*
Experimental – *Latour 5*
Momentum/Herding – *Latour 6*
Corporate Fixed Income – *Latour 7*

10:00 am – 10:15 am

Kepos Capital Coffee Break – *Latour Foyer*

10:15 am – 12:00 noon

Credit – *Chambertin 1*
Treasury Bonds – *Chambertin 2*
Mortgages – *Latour 4*
Lending & Financial Constraints – *Latour 5*
Boards of Directors and Governance – *Latour 6*
Prospect Theory/Skewness – *Latour 7*
12:30 pm – 2:00 pm

WFA Annual Luncheon Sponsored by AFE Consulting – Latour Ballrooms 2 & 3
Distinguished Speaker: Campbell Harvey, Duke University

2:45 pm – 4:30 pm

Financial Regulation II – Chambertin 1
CDS Markets – Chambertin 2
Hedge Funds – Latour 4
Corporate Control – Latour 5
Term Structure of the ERP – Latour 6
Microstructure – Latour 7

4:45 pm – 5:45 pm

Society for Financial Studies Annual Meeting – Montrachet Room

6:00 pm – 8:00 pm

Society for Financial Studies Reception, co-sponsored by BlackRock and The Society for Financial Studies – Margaux Ballroom

Thursday, June 21, 2012

8:15 am – 10:00 am

Structured Finance – Chambertin 1
Financial Crisis – Chambertin 2
International Finance – Latour 4
Private Equity – Latour 5
Politics and Finance II – Latour 6
Risk Taking – Latour 7

10:00 am – 10:15 am

Oxford University Press Coffee Break – Latour Foyer
10:15 am – 12:00 noon

Pension and Mutual Funds – Chambertin 1
The Equity Risk Premium – Chambertin 2
Bank Lending – Latour 4
Competition & Finance – Latour 5
Sovereign Debt – Latour 6
Informed Trading – Latour 7
PROGRAM DETAILS

Tuesday, June 19, 2012, 8:15 am – 10:00 am

Liquidity – Chambertin 1
Ernst Ludwig Von-Thadden, Universität Mannheim

**Liquidity Flooding, Asset Prices and the Real Economy**
Alexander Bleck, Booth School of Business, University of Chicago
Xuewen Liu, Hong Kong University of Science and Technology

**A Theory of Bank Liquidity Requirements**
Charles Calomiris, Columbia University
Florian Heider, European Central Bank
Marie Hoerova, European Central Bank

**Dynamic Risk Management**
Adriano Rampini, Duke University
Amir Sufi, University of Chicago
S. Viswanathan, Duke University

**Discussants:**
Jaime Zender, University of Colorado-Boulder
Christine Parlour, University of California-Berkeley
Andrey Malenko, Massachusetts Institute of Technology

Learning and Asset Prices – Chambertin 2
Jiang Wang, Massachusetts Institute of Technology

**Asset Return Dynamics Under Bad Environment-Good Environment Fundamentals**
Geert Bekaert, Columbia University
Eric Engstrom, Federal Reserve Board

**The Effect of Learning on Equity Returns in Financial Distress**
Christian Opp, University of Pennsylvania

**Political Uncertainty and Risk Premia**
Lubos Pastor, University of Chicago
Pietro Veronesi, University of Chicago

**Discussants:**
Jessica Wachter, University of Pennsylvania
Hui Chen, Massachusetts Institute of Technology
Jules van Binsbergen, Northwestern University
**Venture Capitalists in Mature Public Firms**  
Merih Sevilir, *Indiana University*  
Ugur Celikyurt, *Koc University*  
Anil Shivdasani, *University of North Carolina-Chapel Hill*

**Do Private Equity Returns Result from Wealth Transfers and Short-Termism? Evidence From a Comprehensive Sample of Large Buyouts**  
Jarrad Harford, *University of Washington*  
Adam Kolasinski, *University of Washington*

**Buyout Groups’ Reputational Concerns and Costs of Debt Financing: Evidence from Bond Offerings by IPO Firms**  
Donghang Zhang, *University of South Carolina*  
Rongbing Huang, *Kennesaw State University*  
Jay Ritter, *University of Florida*

**Discussants:**  
Thomas Chemmanur, *Boston College*  
Sanjai Bhagat, *University of Colorado-Boulder*  
Radhakrishnan Goplan, *Washington University-St. Louis*

**Volatility – Latour 5**  
Georgios Skoulakis, *University of Maryland*

**Coherent Model-Free Implied Volatility: A Corridor Fix to High-Frequency VIX**  
Torben Andersen, *Northwestern University*  
Oleg Bondarenko, *University of Illinois at Chicago*  
Maria Gonzalez-Perez, *Colegio Universitario de Estudios Financieros*

**In Search of Aggregate Jump and Volatility Risk in the Cross Section of Stock Returns**  
David Weinbaum, *Syracuse University*  
Martijn Cremers, *Yale University*  
Michael Halling, *University of Utah*

**Price and Volatility Co-Jumps**  
Federico Bandi, *Johns Hopkins University*  
Roberto Renò, *Università di Siena*
Discussants:
Kris Jacobs, *University of Houston*
Fousseni Chabi-Yo, *Ohio State University*
Dobrislav Dobrev, *Federal Reserve Board*

Real Estate – *Latour 6*
Nancy Wallace, *University of California-Berkeley*

**Credit Supply and House Prices: Evidence from Mortgage Market Segmentation**
Manuel Adelino, *Dartmouth College*
Antoinette Schoar, *Massachusetts Institute of Technology*
Felipe Severino, *Massachusetts Institute of Technology*

**Estimating Loan-to-Value and Foreclosure Behavior**
Arthur Korteweg, *Stanford University*
Morten Sorensen, *Columbia University*

**Market Timing and Investment Selection: Evidence from Real Estate Investors**
Yael Hochberg, *Northwestern University*
Tobias Muhlhofer, *Indiana University*

Discussants:
Itzhak Ben-David, *Ohio State University*
Carles Vergara-Alert, *IESE Business School*
Barney Hartman-Glaser, *Duke University*

Boards, CEOs, and Employees – *Latour 7*
Ronen Israel, *Interdisciplinary Center-Herzliya*

**The Brain Gain of Corporate Boards: A Natural Experiment from China**
Mariassunta Giannetti, *Stockholm School of Economics*
Xiaoyun Yu, *Indiana University*
Guanmin Liao, *Indiana University*

**The Option to Quit: The Effect of Employee Stock Options on Turnover**
Edward Van Wesep, *University of North Carolina-Chapel Hill*
Paige Ouimet, *University of North Carolina-Chapel Hill*
Serdar Aldatmaz, *University of North Carolina-Chapel Hill*
Shaped by Booms and Busts: How the Economy Impacts CEO Careers and Management Style
Antoinette Schoar, Massachusetts Institute of Technology
Luo Zuo, Massachusetts Institute of Technology

Discussants:
Yaniv Grinstein, Cornell University
Shimon Kogan, University of Texas-Austin
Evgeny Lyandres, Boston University

Tuesday, June 19, 2012, 10:15 am – 12:00 noon

Bond Markets – Chambertin 1
Gregory Duffee, Johns Hopkins University

Momentum in Corporate Bond Returns
Christof Stahel, U.S. Securities and Exchange Commission
Stanislava Nikolova, U.S. Securities and Exchange Commission
Gergana Jostova, George Washington University
Alexander Philipov, George Mason University

Core and ‘Crust’: Consumer Prices and the Term Structure of Interest Rates
Andrea Ajello, Federal Reserve Board
Luca Benzoni, Federal Reserve Bank of Chicago
Olena Chyрук, Federal Reserve Bank of Chicago

The Cross-Section of Credit Risk Premia and Equity Returns
Nils Friewald, WU Vienna University of Economics and Business
Christian Wagner, WU Vienna University of Economics and Business
Josef Zechner, Vienna University of Economics and Business

Discussants:
Spencer Martin, University of Melbourne
Marcel Priebsch, Federal Reserve Board
Jennie Bai, Federal Reserve Bank of New York

Price Pressure and Liquidity – Chambertin 2
Larry Harris, University of Southern California

Shaping Liquidity: On the Causal Effects of Voluntary Disclosure
Karthik Balakrishnan, University of Pennsylvania
Mary Billings, New York University
Bryan Kelly, University of Chicago
Alexander Ljungqvist, New York University
Do High-Frequency Traders Anticipate Buying and Selling Pressure?
Nicholas Hirschey, University of Texas-Austin

Rules and Regression Discontinuities in Asset Markets
Yen-Cheng Chang, Shanghai Advanced Institute of Finance
Harrison Hong, Princeton University

Discussants:
Charles Jones, Columbia University
Robert Battalio, University of Notre Dame
Pete Kyle, University of Maryland

CEOs & Other Top Executives – Latour 4
Ron Giammarino, University of British Columbia

Executive Networks and Firm Policies: Evidence from the Random Assignment of MBA Peers
Kelly Shue, University of Chicago

CEO Optimism and Incentive Compensation
Clemens Otto, London Business School

The Determinants and Impact of Executive-Firm Matches
Yihui Pan, University of Utah

Discussants:
Jan Bena, University of British Columbia
Geoffrey Tate, University of California-Los Angeles
Alex Edmans, University of Pennsylvania

Corporate Investment – Latour 5
Lucian Taylor, University of Pennsylvania

Strategic Cash Holdings and R&D Competition: Theory and Evidence
Dino Palazzo, Boston University
Evgeny Lyandres, Boston University

Stochastic Volatility, Bond Yields, and the Q Theory of Investment
Michael Michaux, University of Southern California
Francois Gourio, Boston University
Equity Market Misvaluation and Firm Financial Policies
Missaka Warusawitharana, *Federal Reserve Board*
Toni Whited, *University of Rochester*

**Discussants:**
Ran Duchin, *University of Michigan*
Lars Kuehn, *Carnegie Mellon University*
Gregor Matvos, *University of Chicago*

Financial Regulation I – *Latour 6*
Maureen O’Hara, *Cornell University*

**Should Derivatives be Privileged in Bankruptcy?**
Patrick Bolton, *Columbia University*
Martin Oehmke, *Columbia University*

The Regulation of Financial Products
Bruce Carlin, *University of California-Los Angeles*
Shaun Davies, *University of California-Los Angeles*

**Precision of Ratings**
Anastasia Kartasheva, *University of Pennsylvania*
Bilge Yilmaz, *University of Pennsylvania*

**Discussants:**
Yaniv Grinstein, *Cornell University*
Philip Bond, *University of Minnesota*
Marcus Opp, *University of California-Berkeley*

Equilibrium Models with Production – *Latour 7*
Dimitris Papanikolaou, *Northwestern University*

**Toward a Quantitative General Equilibrium Asset Pricing Model with Intangible Capital**
Kai Li, *Duke University*
Hengjie Ai, *Duke University*
Mariano Croce, *University of North Carolina-Chapel Hill*

**Investment Flexibility and Stock Returns**
Tim Johnson, *University of Illinois-Urbana-Champaign*
Dirk Hackbarth, *University of Illinois-Urbana-Champaign*
Nominal Rigidities, Asset Returns and Monetary Policy
Francisco Palomino, University of Michigan
Erica X.N. Li, University of Michigan

Discussants:
Sebastien Betermier, McGill University
Jianfeng Yu, University of Minnesota
Howard Kung, Duke University

Tuesday, June 19, 2012, 2:45 pm – 4:30 pm

Dynamic Agency – Chambertin 1
Paolo Fulghieri, University of North Carolina

Risking Other People’s Money: Gambling, Limited Liability, and Optimal Incentives
Peter DeMarzo, Stanford University
Dmitry Livdan, University of California-Berkeley
Alexei Tchistyi, University of California-Berkeley

Agency, Growth and Managerial Turnover
Ronald Anderson, London School of Economics
Maria-Cecilia Bustamante, London School of Economics
Stephane Guibaud, London School of Economics

Dynamic Investment with Adverse Selection and Moral Hazard
Miguel Cantillo, IESE Business School

Discussants:
Neng Wang, Columbia University
David Dicks, University of North Carolina
Aydogan Alti, University of Texas-Austin

Financial Intermediaries and Leverage – Chambertin 2
Elena Carletti, European University Institute

Collateral-Motivated Financial Innovation
Hongjun Yan, Yale University
Ji Shen, London School of Economics
Jinfan Zhang, Yale University

Overcoming Limits of Arbitrage: Theory and Evidence
Johan Hombert, HEC Paris
David Thesmar, HEC Paris
Leveraged Financial Intermediation, Default, and the Design of Public Debt
Yves Nosbusch, London School of Economics

Discussants:
Robert Marquez, University of California-Davis
Itay Goldstein, University of Pennsylvania
Dirk Hackbarth, University of Illinois at Urbana-Champaign

Bond Yields and the Economy – Latour 4
Scott Joslin, University of Southern California

Explaining Credit Spreads and Volatility Smirk: A Unified Framework
Du Du, Hong Kong University of Science and Technology
Redouane Elkamhi, University of Toronto

Financial Sector Linkages and the Dynamics of Bank and Sovereign Credit Spreads
René Kallestrup, Copenhagen Business School
David Lando, Copenhagen Business School
Agatha Murgoci, Copenhagen Business School

Information in the Term Structure of Yield Curve Volatility
Anna Cieslak, Northwestern University
Pavol Povala, University of Lugano

Discussants:
Ngoc Khanh Tran, Massachusetts Institute of Technology
Andreas Stathopoulos, University of Southern California
Anders Trolle, Swiss Finance Institute

Labor & Finance – Latour 5
David Matsa, Northwestern University

Does Financial Liberalization Contribute to Wage Inequality?
Mauricio Larrain, University of California-Berkeley

Does Human Capital Specificity Affect Employer Capital Structure? Evidence from a Natural Experiment
Hyunseob Kim, Duke University
Female Leadership and Gender Equity: Evidence from Plant Closure  
Geoffrey Tate, *University of California-Los Angeles*  
Liu Yang, *University of California-Los Angeles*

**Discussants:**  
Todd Gormley, *University of Pennsylvania*  
Ashwini Agrawal, *New York University*  
Antoinette Schoar, *Massachusetts Institute of Technology*

Long Run Risk and Discount Rates – *Latour 6*  
Jonathan Lewellen, *Dartmouth College*

**Volatility, the Macroeconomy and Asset Prices**  
Ravi Bansal, *Duke University*  
Dana Kiku, *University of Pennsylvania*  
Ivan Shaliastovich, *University of Pennsylvania*  
Amir Yaron, *University of Pennsylvania*

**Equity Yields**  
Jules van Binsbergen, *Northwestern University*  
Wouter Hueskes, *APG Asset Management*  
Ralph Koijen, *University of Chicago*  
Evert Vrugt, *VU University Amsterdam*

**An Intertemporal CAPM with Stochastic Volatility**  
John Campbell, *Harvard University*  
Stefano Giglio, *University of Chicago*  
Christopher Polk, *London School of Economics*  
Robert Turley, *Harvard University*

**Discussants:**  
Lu Zhang, *Ohio State University*  
Jessica Wachter, *University of Pennsylvania*  
Gurdip Bakshi, *University of Maryland*

Politics & Finance I – *Latour 7*  
Carola Frydman, *Boston University*

**Government Guarantees and Bank Risk Taking Incentives**  
Markus Fischer, *Goethe University Frankfurt*  
Christa Hainz, *IFO Institute for Economic Research*  
Joerg Rocholl, *ESMT European School of Management and Technology*  
Sascha Steffen, *Universität of Mannheim*
Is Mister Mayor Running a Hedge Fund? The Use of Toxic Loans by Local Authorities
Boris Vallee, HEC Paris
Christophe Perignon, HEC Paris

Political Contributions and CEO Pay
Hadiye Aslan, University of Houston
Yaniv Grinstein, Cornell University

Discussants:
Lori Santikian, University of Southern California
James Vickery, Federal Reserve Bank of New York
Dirk Jenter, Stanford University

Wednesday, June 20, 2012, 8:15 am – 10:00 am
Financial Frictions – Chambertin 1
Mark Westerfield, University of Southern California

Pricing Liquidity Risk with Heterogeneous Investment Horizons
Patrick Tuijp, Tilburg University
Alessandro Beber, Cass Business School
Joost Driessen, Tilburg University

Speculative Betas
Harrison Hong, Princeton University
David Sraer, Princeton University

Risk Choice Under High-Water Marks
Itamar Drechsler, New York University

Discussants:
Jack Bao, Ohio State University
Harjoat Bhamra, University of British Columbia
Andrea Eisfeldt, University of California-Los Angeles

Conglomerates & Pyramids – Chambertin 2
Francisco Perez-Gonzalez, Stanford University

Pyramidal Ownership and the Creation of New Firms
Jan Bena, University of British Columbia
Hernan Ortiz-Molina, University of British Columbia
Resource Allocation within Firms and Financial Market Dislocation: Evidence from Diversified Conglomerates
Gregor Matvos, University of Chicago
Amit Seru, University of Chicago

Conglomerate Industry Choice and Product Differentiation
Gerard Hoberg, University of Maryland
Gordon Phillips, University of Southern California

Discussants:
Xavier Giroud, Massachusetts Institute of Technology
Andres Almazan, University of Texas-Austin
Albert Sheen, Harvard University

Compensation – Latour 4
Itay Goldstein, University of Pennsylvania

Bankers and Regulators
Philip Bond, University of Minnesota
Vincent Glode, University of Pennsylvania

CEO Talent, CEO Compensation, and Product Market Competition
Hae Won Jung, Georgia State University
Ajay Subramanian, Georgia State University

Wall Street Occupations: An Equilibrium Theory of Overpaid Jobs
Ulf Axelsson, London School of Economics
Philip Bond, University of Minnesota

Discussants:
Uday Rajan, University of Michigan
Lucian Taylor, University of Pennsylvania
Simon Gervais, Duke University

Experimental – Latour 5
Bryan Routledge, Carnegie Mellon University

Trading Complex Assets
Bruce Carlin, University of California-Los Angeles
Shimon Kogan, University of Texas-Austin
Richard Lowery, University of Texas-Austin
Asymmetric Learning from Financial Information
Camelia Kuhnen, *Northwestern University*

**Self Control and Liquidity: How to Design a Commitment Contract**
John Beshears, *Stanford University*
James Choi, *Yale University*
David Laibson, *Harvard University*
Brigitte Madrian, *Harvard University*
Jung Sakong, *NBER*

**Discussants:**
Murray Frank, *University of Minnesota*
Eric Hughson, *Claremont McKenna College*
Christopher Parsons, *University of California-San Diego*

Momentum/Herding – *Latour 6*
Joshua Coval, *Harvard University*

**Daily Stock Market Swings and Investor Reaction to Firm-Specific News**
Huseyin Gulen, *Purdue University*
Byoung-Hyoun Hwang, *Purdue University*

**Risky Cycles in Momentum Returns**
Kent Daniel, *Columbia University*
Ravi Jagannathan, *Northwestern University*
Soohun Kim, *Northwestern University*

**Does Herding Behavior Reveal Skill? An Analysis of Mutual Fund Performance**
Michela Verardo, *London School of Economics*
Hao Jiang, *Erasmus University Rotterdam*

**Discussants:**
Christopher Malloy, *Harvard University*
Lukacz Pomorski, *University of Toronto*
Randolph Cohen, *Massachusetts Institute of Technology*

Corporate Fixed Income – *Latour 7*
Kose John, *New York University*

**How did Moody’s and S&P Disagree on CDO Fundamentals but Agree on AAA Ratings?**
Jordan Nickerson, *University of Texas-Austin*
John Griffin, *University of Texas-Austin*
Dragon Tang, *University of Hong Kong*
Did CDS Trading Improve the Market for Corporate Bonds
Sanjiv Das, Santa Clara University
Madhu Kalimipalli, Wilfrid Laurier University
Subhankar Nayak, Wilfrid Laurier University

Why Ratings Matter: Evidence from the Lehman Brothers Index
Rating Redefinition
Zhihua Chen, Shanghai University of Finance and Economics
Norman Schuerhoff, University of Lausanne
Duane Seppi, Carnegie Mellon University
Aziz Lookman, Moody’s Research Labs

Discussants:
S. Abraham Ravid, Yeshiva University
Heather Tookes, Yale University
Dalida Kadyrzhanova, University of Maryland

Wednesday, June 20, 2012, 10:15 am – 12:00 noon
Credit – Chambertin 1
Francis Longstaff, University of California-Los Angeles

Opacity, Credit Rating Shopping and Bias
Francesco Sangiorgi, Stockholm School of Economics
Chester Spatt, Carnegie Mellon University

Endogenous Liquidity and Defaultable Bonds
Zhiguo He, University of Chicago
Konstantin Milbradt, Massachusetts Institute of Technology

Modeling Credit Contagion via the Updating of Fragile Beliefs
Luca Benzoni, Federal Reserve Bank of Chicago
Pierre Collin-Dufresne, Columbia University
Robert Goldstein, University of Minnesota
Jean Helwege, University of South Carolina

Discussants:
Robert Marquez, University of California-Davis
Nicolae Garleanu, University of California-Berkeley
Fan Yu, Claremont McKenna College
Treasury Bonds – *Chambertin 2*
Wayne Ferson, *University of Southern California*

**Foreign Ownership of U.S. Debt: Good or Bad?**
Jack Favilukis, *London School of Economics*
Sydney Ludvigson, *New York University*
Stijn Van Nieuwerburgh, *New York University*

**Notes on Bonds: Liquidity at all Costs in the Great Recession**
David Musto, *University of Pennsylvania*
Greg Nini, *University of Pennsylvania*
Krista Schwarz, *University of Pennsylvania*

**Liquidity and Volatility in the U.S. Treasury Market: Evidence from a New Class of Dynamic Order Book Models**
Robert Engle, *New York University*
Michael Fleming, *Federal Reserve Bank of New York*
Eric Ghysels, *University of North Carolina-Chapel Hill*
Giang Nguyen, *University of North Carolina-Chapel Hill*

**Discussants:**
Michael Michaux, *University of Southern California*
Anna Cieslak, *Northwestern University*
Duane Seppi, *Carnegie Mellon University*

Mortgages – *Latour 4*
Brian Melzer, *Northwestern University*

**Did Local Lenders Forecast the Bust? Evidence from the Real Estate Market**
Kristle Cortes, *Boston College*

**Borrower Misrepresentation and Loan Performance**
Mark Garmaise, *University of California-Los Angeles*

**The Effect of Mortgage Broker Licensing On Loan Origination Standards: Evidence from Home Mortgage Disclosure Act**
Lan Shi, *University of Washington*

**Discussants:**
Andra Ghent, *Baruch College, The City University of New York*
Tomasz Piskorski, *Columbia University*
Benjamin Keys, *University of Chicago*
Does Local Access To Finance Matter? Evidence from U.S. Oil and Natural Gas Shale Booms
Erik Gilje, Boston College

Outsourcing Bank Loan Screening: Evidence from Third-Party Loan Guarantees
Chenyu Shan, University of Hong Kong
Philip Dybvig, Washington University-St. Louis
Dragon Tang, University of Hong Kong

The Effects of Increasing Lending to Constrained Firms During a Crisis: Evidence from an Accounting Based Shock to Debt Capacity
Moshe Cohen, Columbia University
Sharon Katz, Columbia University
Gil Sadka, Columbia University

Discussants:
Ashwini Agrawal, New York University
Andrew Hertzberg, Columbia University
Amit Seru, University of Chicago

The Wall Street Walk when Blockholders Compete for Flows
Amil Dasgupta, London School of Economics
Giorgia Piacentino, London School of Economics

Authority, Consensus and Governance
Archishman Chakraborty, York University
Bilge Yilmaz, University of Pennsylvania

Institutional Investors and Mutual Fund Governance: Evidence from Retail – Institutional Fund Twins
Richard Evans, University of Virginia
Rüdiger Fahlenbrach, Ecole Polytechnique

Discussants:
Wei Jiang, Columbia University
Dmitry Livdan, University of California-Berkeley
Camelia Kuhnen, Northwestern University
Prospect Theory/Skewness – Latour 7
Jinghua Yan, SAC Capital

**Stock Options as Lotteries**
Keith Vorkink, Brigham Young University
Brian Boyer, Brigham Young University

**Do Mutual Funds Gamble? Evidence from the Skewness-Adjusting Behavior of Fund Managers**
Yan Luo, Fudan University and University of Hong Kong
Eric Chang, University of Hong Kong

**Realization Utility with Reference-Dependent Preferences**
Jonathan Ingersoll, Yale University
Lawrence Jin, Yale University

**Discussants:**
Turan Bali, Georgetown University
Russ Wermers, University of Maryland
Pete Kyle, University of Maryland

Wednesday, June 20, 2012, 2:45 pm – 4:30 pm

Financial Regulation II – Chambertin 1
Robert McDonald, Northwestern University

**Optimal Capital Regulation with Two Banking Sectors**
Taejin Kim, Northwestern University
Vishal Mangla, Northwestern University

**Competing on Speed**
Emiliano Pagnotta, New York University
Thomas Philippon, New York University

**Pricing Contingent Capital Bonds: Incentives Matter**
Charles Himmelberg, Goldman Sachs
Sergey Tsyplakov, University of South Carolina

**Discussants:**
Zhenyu Wang, Federal Reserve Bank of New York
Jonathan Brogaard, University of Washington
Andrew Winton, University of Minnesota
CDS Markets – *Chambertin 2*
Nicolae Garleanu, *University of California, Berkeley*

**Exposing The Exposed: Intermediation Capacity in the Credit Default Swap Market**
Or Shachar, *New York University*

**CDS Auctions**
Mikhail Chernov, *London School of Economics*
Alexander Gorbenko, *London Business School*
Igor Makarov, *London Business School*

**The CDS-Bond Basis Arbitrage and the Cross Section of Corporate Bond Returns**
Haitao Li, *University of Michigan and Cheung Kong Graduate School of Business*
Weina Zhang, *National University of Singapore*
Gi Hyun Kim, *University of Michigan*

**Discussants:**
Joshua Coval, *Harvard University*
Haoxiang Zhu, *Stanford University*
Francis Longstaff, *University of California-Los Angeles*

Hedge Funds – *Latour 4*
Veronika Pool, *Indiana University*

**The Real Effects of Hedge Fund Activism: Productivity, Risk, and Product Market Competition**
Alon Brav, *Duke University*
Wei Jiang, *Columbia University*
Hyunseob Kim, *Duke University*

**The Role of Activist Hedge Funds in Distressed Firms**
Jongha Lim, *University of Missouri*

**The Impact of Portfolio Disclosure on Hedge Fund Performance, Fees, and Flows**
Zhen Shi, *Georgia State University*

**Discussants:**
Vikram Nanda, *Georgia Institute of Technology*
Vikas Agarwal, *Georgia State University*
Nick Bollen, *Vanderbilt University*
Insider Trading in Takeover Targets
Anup Agrawal, University of Alabama
Tareque Nasser, Kansas State University

Cash is King: Revaluation and the Medium of Exchange in Merger Bids
Ulrike Malmendier, University of California-Berkeley
Marcus Opp, University of California-Berkeley
Farzad Saidi, New York University

Coordination Costs and Institutional Investors: Evidence from the Market for Corporate Control
Jiekun Huang, National University of Singapore

Discussants:
Xuan Tian, Indiana University
Matthew Rhodes-Kropf, Harvard University
Jarrad Harford, University of Washington-Seattle

What Does the Value Premium Tell Us About the Term Structure of Equity Returns?
Jason Chen, University of British Columbia

Dividend Strips and the Term Structure of Equity Risk Premia: A Case Study of Limits to Arbitrage
Oliver Boguth, Arizona State University
Murray Carlson, University of British Columbia
Adlai Fisher, University of British Columbia
Mikhail Simutin, University of Toronto

Dividend Dynamics and the Term Structure of Dividend Strips
Frederico Belo, University of Minnesota
Robert Goldstein, University of Minnesota

Discussants:
Anisha Ghosh, Carnegie Mellon University
Robert Dittmar, University of Michigan
Jakub Jurek, Princeton University
Microstructure – *Latour 7*
Christine Parlour, *University of California-Berkeley*

**Dark Pool Exclusivity Matters**  
Leslie Boni, *University of New Mexico*  
David Brown, *University of Colorado-Boulder*  
J. Chris Leach, *University of Colorado-Boulder*

**To Pay or be Paid? The Impact of Taker Fees and Order Flow Inducements on Trading Costs in U.S. Options Markets**  
Robert Battalio, *University of Notre Dame*  
Andriy Shkilko, *Wilfrid Laurier University*  
Robert Van Ness, *University of Mississippi*

**Click or Call? Auction versus Search in the Over-the-Counter Market**  
Terrence Hendershott, *University of California-Berkeley*  
Ananth Madhavan, *BlackRock, Inc.*

**Discussants:**  
Sabrina Buti, *University of Toronto*  
Katya Malinova, *University of Toronto*  
Burton Hollifield, *Carnegie Mellon University*

**Thursday, June 21, 2012, 8:15 am – 10:00 am**

Structured Finance – *Chambertin 1*
Kathleen Hagerty, *Northwestern University*

**Do Empty Creditors Matter? Evidence from Distressed Exchange Offers**  
Andras Danis, *Vienna Graduate School of Finance*

**Optimal Incentives and Securitization of Defaultable Assets**  
Semyon Malamud, *EPFL*  
Huaxia Rui, *University of Texas-Austin*  
Andrew Whinston, *University of Texas-Austin*

**Sizing Up Repo**  
Arvind Krishnamurthy, *Northwestern University*  
Stefan Nagel, *Stanford University*  
Dmitry Orlov, *Stanford University*
Discussants:
Konstantinos Zachariadis, London School of Economics
Barney Hartman-Glaser, Duke University
Antoine Martin, Federal Reserve Bank of New York

Financial Crisis – Chambertin 2
Jonathan Berk, Stanford University

Too-Systemic-To-Fail: What Option Markets Imply About Sector-Wide Government Guarantees
Bryan Kelly, University of Chicago
Hanno Lustig, University of California-Los Angeles
Stijn Van Nieuwerburgh, New York University

Runs on Money Market Mutual Funds
Russ Wermers, University of Maryland

The Role of Equity Funds in the Financial Crisis Propagation
Harald Hau, University of Geneva
Sandy Lai, Singapore Management University

Discussants:
Pascal Maenhout, INSEAD
Paula Tkac, Federal Reserve Bank of Atlanta
George Aragon, Arizona State University

International Finance – Latour 4
Mark Schroder, Michigan State University

Financial Intermediation, International Risk Sharing, and Reserve Currencies
Matteo Maggiore, University of California-Berkeley

The Variance Risk Premium Around the World
Juan M. Londono, Federal Reserve Board

Portfolio Home Bias and External Habit Formation
Andreas Stathopoulos, University of Southern California

Discussants:
Yajun Wang, University of Maryland
Mungo Wilson, Oxford University
Ian Dew-Becker, Harvard University
Private Equity – Latour 5
Edward Rice, University of Washington

Financial vs. Strategic Buyers
Marc Martos-Vila, University of California-Los Angeles
Mathew Rhodes-Kropf, Harvard University

Investor Protection, Diversification, Investment and Tobin’s Q
Yingcong Lan, Cornerstone
Neng Wang, Columbia University
Jinqiang Yang, Shanghai University of Finance and Economics

The Evolution of Capital Structure and Operating Performance after Leveraged Buyouts: Evidence from U.S. Corporate Tax Returns
Jonathan Cohn, University of Texas-Austin
Lillian Mills, University of Texas-Austin
Erin Towery, University of Texas-Austin

Discussants:
Rich Mathews, University of Maryland
Jeffrey Zwiebel, Stanford University
Edie Hotchkiss, Boston College

Politics and Finance II – Latour 6
Laura Starks, University of Texas

Stock Ownership and Political Behavior: Evidence from Demutualizations
Sami Torstila, Aalto University
Markku Kaustia, Aalto University
Samuli Knüpfer, London Business School

Legislating Stock Prices
Lauren Cohen, Harvard University
Karl Diether, Dartmouth College
Christopher Malloy, Harvard University

The Political Concerns of Mortgage Servicers and Their Decision to Foreclose
Sumit Agarwal, Federal Reserve Bank of Chicago
Gene Amromin, Federal Reserve Bank of Chicago
Itzhak Ben-David, Ohio State University
Serdar Dinc, Rutgers University
Discussants:
Reena Aggarwal, Georgetown University
Clemens Sialm, University of Texas-Austin
Art Durnev, University of Iowa

Risk Taking – Latour 7
Terrance Odean, University of California-Berkeley

**Peer Effects in Economic Attitudes**
Kenneth Ahern, University of Southern California
Ran Duchin, University of Michigan
Tyler Shumway, University of Michigan

**Gamblers as the Personal Finance Activists**
Geng Li, Federal Reserve Board

**Small Cues Change Savings Choices**
James Choi, Yale University
Cade Massey, Yale University
Emily Haisley, Barclays Bank PLC
Jennifer Kurkoski, Google Inc.

Discussants:
Tracy Yue Wang, University of Minnesota
Ning Zhu, Shanghai Advanced Institute of Finance
Christoph Merkle, Universität of Mannheim

Thursday, June 21, 2012, 10:15 am – 12:00 noon

Pension and Mutual Funds – Chambertin 1
William Goetzmann, Yale University

**The Investment Behavior of State Pension Plans**
Scott Weisbenner, University of Illinois-Urbana-Champaign
Jeffrey Brown, University of Illinois-Urbana-Champaign
Joshua Pollet, Michigan State University

**Winners in the Spotlight: Media Coverage of Fund Holdings as a Driver of Flows**
David Solomon, University of Southern California
Eugene Soltes, Harvard University
Denis Sosyura, University of Michigan
Fee Dispersion and Persistence in the Mutual Fund Industry
Michael Cooper, *University of Utah*
Michael Halling, *University of Utah*
Michael Lemmon, *University of Utah*

**Discussants:**
Zoran Ivkovich, *Michigan State University*
Paul Tetlock, *Columbia University*
James Choi, *Yale University*

The Equity Risk Premium – *Chambertin 2*
B. Swaminathan, *LSV Asset Management*

**Capital Asset Pricing with a Stochastic Horizon**
Yuzhao Zhang, *Temple University*
Michael Brennan, *University of California-Los Angeles*

**Predictable Risks and Predictive Regression in Present-Value Models**
Ilaria Piaatti, *University of Lugano*
Fabio Trojani, *University of Lugano*

**Asset Growth and Stock Market Returns: A Time-Series Analysis**
Quan Wen, *Emory University*

**Discussants:**
Jonathan Lewellen, *Dartmouth College*
Yan Li, *Temple University*
Amiyatosh Purnanandam, *University of Michigan*

Bank Lending – *Latour 4*
Elazar Berkovitch, *Interdisciplinary Center-Herzliya*

**The Effects of Loan Officers’ Compensation on Loan Approval and Performance: Direct Evidence from a Corporate Experiment**
Sumit Agarwal, *Federal Reserve Bank of Chicago*
Itzhak Ben-David, *Ohio State University*

**Liquidity Risk and Maturity Management Over the Credit Cycle**
Atif Mian, *University of California-Berkeley*
Joao Santos, *Federal Reserve Bank of New York*
Lender Moral Hazard and Reputation in Originate-to-Distribute Markets
Andrew Winton, *University of Minnesota*
Vijay Yerramilli, *University of Houston*

**Discussants:**
Naveen Khanna, *Michigan State University*
Martin Cherkes, *Columbia University*
Jaime Zender, *University of Colorado-Boulder*

**Competition & Finance – Latour 5**
Sudipto Dasgupta, *Hong Kong University of Science & Technology*

**Strategic Investments: Evidence from Restructuring Announcements**
Elena Simintzi, *London Business School*

**Can Competition Improve the Information Quality of Credit Ratings?**
Han Xia, *University of Texas-Dallas*

**The Anticompetitive Effects of Minority Stake Acquisitions**
Amrita Nain, *University of Iowa*
Yan Wang, *McGill University*

**Discussants:**
Ronald Masulis, *University of New South Wales*
Rajdeep Singh, *University of Minnesota*
Ilona Babenko, *Arizona State University*

**Sovereign Debt – Latour 6**
Jeffrey Zwiebel, *Stanford University*

**Sovereign Debt, Government Myopia, and the Financial Sector**
Viral Acharya, *New York University*
Raghuram Rajan, *University of Chicago*

**Sovereign Default Risk and the US Equity Market**
Alexandre Jeanneret, *HEC Montreal*

**A Pyrrhic Victory? Bank Bailouts and Sovereign Credit Risk**
Viral Acharya, *New York University*
Itamar Drechsler, *New York University*
Philipp Schnabl, *New York University*
Discussants:
Manuel Amador, Stanford University
Anna Pavlova, London Business School
Stefano Rossi, Imperial College

Informed Trading – Latour 7
Brett Green, University of California-Berkeley

Hidden and Displayed Liquidity in Securities Markets with Informed Liquidity Providers
Alex Boulatov, Moscow State University
Thomas George, University of Houston

Insider Trading with Uncertain Informed Trading
Tao Li, City University of Hong Kong

‘Those Who Know Most’: Insider Trading in 18th c. Amsterdam
Peter Koudijs, Stanford University

Discussants:
Shmuel Baruch, University of Utah
Bradyn Breon-Drish, Stanford University
Avanidhar Subrahmanyam, University of California-Los Angeles
Members and friends of the Western Finance Association are invited to submit papers to be considered for presentation at the 2013 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, 2012. The deadline for submissions will be midnight PST November 18, 2012. Papers will be reviewed anonymously by three members of the Program Committee, and authors will be notified of the Program Committee’s decisions at the end of March, 2013.

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

USC Marshall School of Business Trefftzs Award of $5,000 for the best student paper.

Charles River Associates Award of $5,000 for the best paper on corporate finance.

JP Morgan Award of $5,000 for the best paper on financial institutions and markets.

NASDAQ OMX Award of $5,000 for the best paper on asset pricing.

Wharton School – WRDS Award of $5,000 for the best empirical finance paper.

**2013 Program Chair:**

John Graham, Duke University