

# MICHAEL STEVEN WEISBACH

## Resume

October 2007

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### Current Position:

Stanley C. and Joan J. Golder Distinguished Chair in Corporate Finance, University of Illinois, January 21, 2003 – present.

Professor of Law, University of Illinois, January 17, 2007 – present.

Academic Director, Stanley C. Golder Center for the Study of Private Equity, University of Illinois, March 21, 2002 – present.

### Previous Positions:

Visiting Professor, Graduate School of Business, University of Chicago, January 2006-June 2006.

I.B.E. Distinguished Professor of Finance, University of Illinois, August 21, 1999 – January 20, 2003.

Professor, College of Business and Public Administration, University of Arizona, July 1, 1998 – June 30, 1999.

Associate Professor, College of Business and Public Administration, University of Arizona, August 1, 1994 – June 30, 1998.

Associate Professor, William E. Simon Graduate School of Business Administration, University of Rochester, July 1, 1993 – June 30, 1994.

Assistant Professor, William E. Simon Graduate School of Business Administration, University of Rochester, July 1, 1987 – June 30, 1993.

### Education:

Massachusetts Institute of Technology. In residence 1983-1987. Ph.D. (Economics) awarded, February, 1988. (Thesis: "The Role and Selection of Boards of Directors").

University of Michigan, B.S. (University High Honors, High Honors in Mathematics, Phi Beta Kappa), 1983.

### Research and Teaching Interests:

Corporate Finance  
Corporate Governance and Control  
The Market for Private Equity

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**Referee for Professional Journals:** *American Economic Review, Financial Management, Industrial Relations, International Journal of Industrial Organization, Journal of Accounting and Economics, Journal of Business, Journal of Corporate Finance, Journal of Finance, Journal of Financial Economics, Journal of Financial and Quantitative Analysis, Journal of Financial Intermediation, Journal of Labor Economics, Journal of Law and Economics, Journal of Law, Economics & Organizations, Journal of Political Economy, Management Science, RAND Journal of Economics, Review of Economics and Statistics, Review of Financial Studies, Quarterly Journal of Economics.*

**Editorial Responsibilities:**

Editor, *Review of Financial Studies*, 2006-present.  
Associate Editor, *Financial Management*, 1999-present.  
Associate Editor, *Journal of Financial Economics*, 2001-present.  
Associate Editor, *Journal of Corporate Finance*, 2001-present.  
Associate Editor, *Journal of Multinational Financial Management*, 2003-present.  
Associate Editor, *Journal of Finance*, 2004-2006.

**Honors and Grants:**

Research Associate, National Bureau of Economic Research, 2000-present.

Jensen Prize for Best Paper in Corporate Finance and Organizations in *Journal of Financial Economics*, second prize, 1999.

National Science Foundation: Co-Principal Investigator (with Benjamin Hermalin) of a \$200,000 grant entitled "Corporate Governance as an Endogenous Economic Institution", 1997.

The Q Group: Co-Principal Investigator (with Michael J. Barclay and Neil Pearson) of a \$10,000 grant entitled "A Closer Look at the Tax Advantage from Tax-Advantaged Mutual Funds", 1994.

National Science Foundation Graduate Fellowship 1983-1986.

Phi Beta Kappa, 1983.

**Citations in the Press:**

Cited by: *ABCNEWS.com, Barron's, Bloomberg Business News, Business First, Chicago Tribune, Corporate Financing Week, The Economist, Financial Times, Forbes, The New York Times, Rochester Business Journal, Rochester Democrat and Chronicle, San Jose Mercury News, USA Today, The Wall Street Journal.*

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**Published Work:**

“Motivations for Public Equity Offers: An International Perspective” (with Woojin Kim), *Journal of Financial Economics*, forthcoming.

“Optimal Executive Compensation vs. Managerial Power: A Review of Lucian Bebchuk and Jesse Fried’s *Pay without Performance: The Unfulfilled Promise of Executive Compensation*”, *Journal of Economic Literature*, Vol XLV (June 2007), pp. 420-429.

“World Markets for Raising New Capital” (with Brian J. Henderson and Narasimhan Jegadeesh), *Journal of Financial Economics*, Vol. 82, (October 2006), pp. 63-101.

“Horses and Rabbits? Optimal Dynamic Capital Structure from Shareholders’ and Managers’ Perspectives,” (with Nengjiu Ju, Robert Parrino, and Allen Poteshman), *Journal of Financial and Quantitative Analysis*, Vol. 40, (June 2005), pp. 259-281.

“Measuring Investment Distortions when Risk-Averse Managers Decide Whether to Undertake Risky Projects,” (with Robert Parrino and Allen Poteshman), *Financial Management*, Vol. 34, Issue 1, (Spring 2005), pp. 21-60.

“Hospital Governance, Performance Objectives, and Organizational Form” (with Leslie Eldenburg, Benjamin E. Hermalin, and Marta Wosinska), *Journal of Corporate Finance*, Vol. 10, (September 2004) pp. 527-548.

“The Cash Flow Sensitivity of Cash” (with Heitor Almeida and Murillo Campello), *The Journal of Finance*, Vol. 59, (August 2004) pp. 1777-1804. Brattle Prize nominee for 2004.

“Private Benefits and Cross-Listings in the United States,” (with Evangelos Benos), *Emerging Markets Review*, Vol. 5, (June 2004) pp. 217-240.

“The Economics of Has-Beens” (with Glenn MacDonald), *Journal of Political Economy*, Vol. 112, (February 2004) pp. S289-S310.

“Boards of Directors as an Endogenously-Determined Institution: A Survey of the Economic Evidence” (with Benjamin E. Hermalin), *Economic Policy Review*, Vol. 9, Number 1, (April 2003) pp. 7-26. Reprinted in *IJMR, The Icfaiian Journal of Management Research*, Vol. 3, Number 5 (May 2004) pp. 39-68.

“Protection of Minority Shareholder Interests, Cross-Listings in the United States, and Subsequent Equity Offerings” (with William A. Reese, Jr.), *Journal of Financial Economics*, Vol. 66 (October 2002) pp. 65-104. *JFE* “All-Star” paper (averaging more than 5 cites per year). Reprinted in *Governance: An International Perspective*, edited by Diane Denis and John McConnell, Edward Elgar, publishers, 2005.

“Financial Flexibility and The Choice Between Dividends and Stock Repurchases” (with

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Murali Jagannathan and Clifford P. Stephens), *Journal of Financial Economics*, Vol. 57 (September, 2000) pp. 355-384. Reprinted in *Recent Developments in Corporate Finance*, edited by Jay Ritter, Edward Elgar publishers, 2005.

“Discussion of Gompers and Lerner’s ‘Corporate Venture Capital, Complementarities, and Success’,” in *Concentrated Ownership*, edited by Randall Morck, University of Chicago Press: Chicago, IL, 2000.

“Measuring Investment Distortions Arising from Stockholder-Bondholder Conflicts,” (with Robert Parrino), *Journal of Financial Economics*, Vol. 53 (July, 1999), pp. 3-42. Jensen Prize for best paper on Corporate Finance and Organizations, 1999.

“The Influence of Institutions on Corporate Governance through Private Negotiations: Evidence from TIAA-CREF” (with Willard T. Carleton and James M. Nelson), *The Journal of Finance*, Vol. 53 (August, 1998), pp. 1335-1362. Featured in *The Economist*, June 21, 1997.

“Open-End Mutual Funds and Capital Gains Taxes” (with Michael J. Barclay and Neil D. Pearson), *Journal of Financial Economics*, Vol. 49 (July, 1998), pp. 3-43.

“Endogenously Chosen Boards of Directors and Their Monitoring of Management” (with Benjamin E. Hermalin), *American Economic Review*, Vol. 88 (March, 1998), pp. 96-118. Reprinted in *Governance, Directors and Boards*, edited by Mahmoud Ezzamel, Edward Elgar Publishing: United Kingdom, 2005.

“Actual Share Reacquisitions in Open-Market Repurchase Programs” (with Clifford P. Stephens), *The Journal of Finance*, Vol. 53 (February, 1998), pp. 313-334. Featured in *Bloomberg Business News*, June 26, 1996 and *Forbes*, April 21, 1997.

“Securities Fraud Lawsuits: A Descriptive Study” (with Willard T. Carleton and Elliott J. Weiss), *Arizona Law Review*, Vol. 38 (Summer, 1996), pp. 491-511.

“Institutional Investors and the Governance of Canadian Corporations: An American Perspective,” in *Corporate Decision Making in Canada*, ed. by R. Daniels and R. Morck, University of Calgary Press: Calgary, Alberta, 1995.

“CEO Turnover and the Firm's Investment Decisions,” *Journal of Financial Economics*, Vol. 37 (February, 1995) pp. 159-188. Featured in *The Wall Street Journal*, April 20, 1993 and Dec. 2, 1993.

“Accounting Information and Internal Performance Evaluation: Evidence from Texas Banks” (with David W. Blackwell and James A. Brickley), *Journal of Accounting and Economics*, Vol. 17 (May, 1994), pp. 331-358.

“Corporate Governance and Hostile Takeovers,” *Journal of Accounting and Economics*, Vol.

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16 (January/April/July, 1993), pp. 199-208.

“The Success of Acquisitions: Evidence from Divestitures” (with Steven N. Kaplan), *The Journal of Finance*, Vol. 47 (March, 1992), pp. 107-138: Smith-Breeden prize nominee for 1992.

“The Effects of Board Composition and Direct Incentives on Firm Performance” (with Benjamin E. Hermalin), *Financial Management*, Vol. 20, No. 4 (Winter, 1991), pp. 101-112.

“The Economic Effects of Franchise Termination Laws” (with James A. Brickley and Frederick H. Dark), *The Journal of Law and Economics*, Vol. 34 (April, 1991), pp. 101-132. Reprinted in *Franchise Contracting and Organization*, edited by Francine Lafontaine, Edward Elgar Publishing, 2005.

“An Agency Perspective on Franchising” (with James A. Brickley and Frederick H. Dark), *Financial Management*, Vol. 20, No. 1 (Spring, 1991), pp. 27-35.

“Reversions of Excess Pension Assets After Takeovers” (with Jeffrey Pontiff and Andrei Shleifer), *The RAND Journal of Economics*, Vol. 21, No. 4 (Winter, 1990), pp. 600-613.

“The Determinants of Board Composition” (with Benjamin E. Hermalin), *The RAND Journal of Economics*, Vol. 19, No. 4 (Winter, 1988), pp. 589-606. Reprinted in *Corporate Governance in the New Global Economy*, edited by Kevin Keasey, Steve Thompson and Mike Wright, Edward Elgar Publishing, 2005.

“Outside Directors and CEO Turnover,” *Journal of Financial Economics*, Vol. 20, Nos. 1/2 (January/March, 1988), pp. 431-460. *JFE* “All-Star” paper (averaging more than 5 cites per year). Reprinted in *The Economics of Executive Compensation*, edited by K. Hallock and K. Murphy, Edward Elgar Publishing, 1999, pp. 347-376.

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**Research in Progress:**

“Why are Buyouts Leveraged? The Financial Structure of Private Equity Firms” (with Ulf Axelson and Per Strömberg). Revision requested from *The Journal of Finance*.

“Leverage and Pricing in Buyouts: An Empirical Analysis” (with Ulf Axelson, Tim Jenkinson and Per Strömberg.)

“Transparency and Corporate Governance” (with Benjamin E. Hermalin).

“Boards of Directors and their Role in Corporate Governance: A Conceptual Framework and Survey” (with Renee Adams and Benjamin E. Hermalin).

“Corporate Financial and Investment Policies when Future Financing is not Frictionless” (with Heitor Almeida and Murillo Campello).

“What Determines the Structure of Corporate Debt Issues?” (with Brandon Julio and Woojin Kim).

**Service:**

Departmental:

Department of Finance Executive Committee, University of Arizona, 1994-1999.  
Graduate Programs Committee, UIUC, 1999-2001, 2002-2003.  
Educational Policies Committee, UIUC, 2001-2002  
Chair, Doctoral Program Review Committee, 2002-2003.  
Finance Department Executive Committee, 2001-2003.

College of Business, University of Illinois

Faculty Advisory Committee of the MBA Program 1999-2002.  
Research Committee, College of Commerce, UIUC. 2000-2002.  
Chair, Committee to Review CIBER, Fall 2001.  
MBA Ad hoc Curriculum Committee, 2002-2003.  
Committee to Review Part-time MBA Program.  
MBA Admissions Committee, 2002-2005.  
College Executive Committee, 2003-2005.  
University-Wide Campus Research Board, 2003-2005.

College of Business and Public Administration, University of Arizona

College Committee to Evaluate Executive Programs, 1996-1997.  
College Committee to Pick Economics Department Head, 1997-1998.  
College Advisory Committee, 1997-1998.  
Chair, College-Wide Research and Doctoral Studies Committee, 1994-1999.  
University of Arizona Committee to Investigate Privatization, 1995.

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### Professional:

Member, Program Committee, *JFE* Conference on Corporate Governance, Summer 2000.

AFA Program Committee Member, Numerous Times.

WFA Program Committee Member, Numerous Times.

AFA Nominating Committee, 2005.

### Conference Organizer:

Founder and organizer in 1996 of the Arizona Finance Symposium

Organizer, Conference on 'Bear Markets', Champaign, IL, December 2002.

Organizer, Conference on 'Private Equity and its Role in the Economy', Chicago, IL  
April 2003, 2004, 2005, 2006.

Organizer, NBER Summer Institute Corporate Finance Meetings, August 2003.

Organizer, Joint RFS/NBER Conference on Corporate Governance, July 2007.

## **Testimonial Experience**

Testimony, Deposition, Report, and Supplemental Report in re: Russell-Stanley Holdings et al., in the United States Bankruptcy Court for the District of Delaware, Case No. 05-12339, October 2005.

Declaration of Professor Michael S. Weisbach in re: The Kendall Trust and Frederic Ian Fischbein and Michael Feder v. March & McLennan Companies, Inc., in the United States District Court for the Southern District of New York, NO: 04-CV-08144 (SWK); NO: 04-CVG-08179 (SWK); NO: 04-CV-08225 (SWK).

## **Professional Presentations since 1995:**

Discussant, NBER Summer Institute, July 2007.

Discussant, Allied Social Science Meeting, Chicago, IL, January 2007.

Discussant, NBER Corporate Finance Meeting, November 2006.

Discussant, NBER Summer Institute, August 2006

Discussant, Allied Social Science Meeting, Boston, MA, January 2006.

Discussant, Mitsui Symposium on Mutual Funds, Ann Arbor, MI, June 2005.

Discussant, Allied Social Science Meeting, Philadelphia, PA, January 2005.

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Discussant, NBER Summer Institute Corporate Governance Meetings, Cambridge, MA, July 2004.

Discussant and Panelist, Venture Capital Conference sponsored by Kauffman Foundation and University of Kansas, Kansas City, MO, March 2004.

Discussant, Allied Social Science Meeting, San Diego, CA, January 2004.

Discussant, Stockholm Institute for Financial Research Conference, "Venture Capital and Entrepreneurial Finance, August 2003.

Discussant, Allied Social Science Meeting, Washington, DC, January 2003.

Discussant, Western Finance Association Meetings, Park City, Utah, June 2002.

Discussant, Allied Social Science Meetings, Atlanta, GA, January 2002.

Discussant, Allied Social Science Meetings, New Orleans, LA, January 2001.

Discussant, Tenth Annual Conference on Finance and Accounting, Austin, TX, October 1999.

Discussant, Allied Social Science Meetings, New York, NY, January 1999.

Discussant, NBER Conference on Concentrated Ownership, Banff, Alberta, May 1998.

Discussant, Allied Social Science Meetings, New Orleans, LA, January 1997.

Discussant, Allied Social Science Meetings, San Francisco, CA, January 1996.

Discussant, Industry Canada Conference: "Corporate Decision-Making in Canada", Toronto, Ontario, March 1995.

Discussant, Allied Social Science Meetings, Washington, DC, January 1995.

"Leverage and Pricing in Buyouts: An Empirical Analysis"  
University of Southern California, Los Angeles, CA, October 2007.  
University of California, Berkeley, CA, October 2007.  
University of Pittsburgh, Pittsburgh, PA, September, 2007.  
University of Pennsylvania, Philadelphia, PA, September 2007.

"What Determines the Structure of Corporate Debt Issues?"  
University of Alberta Conference, Banff, Alberta, July 2007.

"Corporate Financial and Investment Policies when Future Financing is not Frictionless"

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University of Michigan, Ann Arbor, MI, June 2007.  
Ohio State University, Columbus, OH, May 2007.  
University of Oregon, Eugene, OR, October 2006.  
University of British Columbia, Vancouver, BC, October 2006.  
University of Alberta, Edmonton, AL, October 2006.  
University of Minnesota, Minneapolis, MN, September 2006.  
University of Illinois, Champaign, IL, September 2006.  
University of Notre Dame, South Bend, IN, September 2006.

### “Transparency and Corporate Governance”

Harvard Business School, Boston, MA, June 2007.  
Allied Social Science Association Meetings, Chicago, IL, January 2007.  
Finance Research Association, Las Vegas, NV, December 2006.  
University of Chicago Law School, September 2006.  
Washington University, St. Louis, MO, November 2005.  
Swedish Institute for Financial Research, Stockholm, Sweden, August 2005.

### “Why are Buyouts Leveraged? The Financial Structure of Private Equity Firms”

Washington University, St. Louis, MO, September 2007.  
Harvard University, Cambridge, MA, November 2006.  
University of Illinois (Law School), Champaign, IL, September 2006.  
University of Chicago, Chicago, IL, April 2006.  
New York University, New York, NY, September 2005.  
Rutgers University, Newark, NJ, September 2005.  
University of Texas, Austin, TX, September 2005.  
Texas A&M University, College Station TX, September 2005.  
Boston College, Boston, MA, May 2005.  
Massachusetts Institute of Technology, Cambridge, MA, May 2005.  
INSEAD, Fountainebleu, France, March 2005.  
Oxford University, Oxford, UK, March 2005.  
Vanderbilt University, Nashville, TN, February 2005.  
University of Virginia, Charlottesville, VA, February 2005.  
Emory University, Atlanta, GA, December 2004.  
University of Illinois (Finance Department), Champaign, IL, December 2004.

### “Motivation for Public Equity Offers: An International Perspective”

University of Western Ontario, London, Ontario, January 2006.  
University of North Carolina, Chapel Hill, NC, November 2005.  
Stockholm School of Economics, Stockholm, Sweden, March 2005.

### “World Markets for Raising New Capital”

Cornell University, Ithaca, NY, October 2004.  
Ohio State University, Columbus, Ohio, May 2004.  
Boston University, Boston, MA, March 2004.  
University of Michigan, Ann Arbor, MI, March 2004.

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Yale University, New Haven, CT, December 2003.  
Columbia University, New York, NY, November 2003.  
University of Central Florida, Orlando, FL, November 2003.  
Georgetown University, Washington, DC, October 2003.  
University of Toronto, Toronto, CA, October 2003.

“Private Benefits and Cross-Listings in the United States,”  
University of Virginia, May 2003.

“The Cash Flow Sensitivity of Cash”

Indiana University, Bloomington, IN, April 2003.  
Duke University, Durham, NC, March 2003.  
Louisiana State University, Baton Rouge, LA, February 2003.  
NBER Corporate Finance Meeting, Cambridge, MA, November 2002.  
University of Iowa, Iowa City, Iowa, October 2002.  
University of Illinois, Champaign, IL, September 2002.  
Atlanta Finance Forum, Atlanta Georgia, September 2002.  
New York Federal Reserve Bank, New York, NY, August 2002.  
New York University, New York, NY, August 2002.

“Horses and Rabbits? Optimal Dynamic Capital Structure from Shareholders’ and Managers’ Perspectives,”

New York Federal Reserve Bank, New York, NY, August 2002.  
University of Athens, Athens, Greece, May 2002.  
University of Texas, Austin, TX, May 2002.  
Princeton University, Princeton, NJ, April 2002.  
De Paul/Chicago Federal Reserve Bank, Chicago, IL, March 2002.  
University of Illinois, Champaign, IL, March 2002

“Measuring Investment Distortions when Risk-Averse Managers Decide Whether to Undertake Risky Projects,”

University of Arizona, Tucson, AZ, January 2002.  
University of Rochester, Rochester, NY, November 2001.  
NBER, Cambridge, MA, November 2001  
University of Southern California, Los Angeles, CA, October 2001.  
Loyola University, Chicago, IL, April 2001.  
New York University, New York, NY, April 2001.  
New York Federal Reserve Bank, New York, NY, April 2001.  
Texas A&M University, College Station, TX, March 2001.

“Hospital Governance, Performance Objectives, and Organizational Form”  
University of Chicago, Chicago, IL, May 2001.

“Protection of Minority Shareholder Interests, Cross-Listings in the United States, and Subsequent Equity Offerings”

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Koc University, Istanbul, Turkey, May 2002.  
University of Athens, Athens, Greece, May 2002.  
Purdue University, W. Lafayette, IN, April 2000.  
Virginia Tech University, Blacksburg, VA, December 1999.  
University of Texas, Austin, TX, October 1999.

### “Financial Flexibility and The Choice Between Dividends and Stock Repurchases”

Allied Social Science Association Meetings, Boston, MA, January 2000.  
Washington University, St. Louis, MO, November 1998.  
University of Maryland, College Park, MD, October 1998.  
University of Illinois, Champaign, IL, October 1998.  
University of Arizona, Tucson, AZ, October 1997.  
University of California, Riverside, CA, October 1997.

### “The Influence of Institutions on Corporate Governance through Private Negotiations: Evidence from TIAA-CREF”

Allied Social Science Association Meetings, Chicago, IL, January 1998.  
Arizona State University, Tempe, AZ, August 1997.  
University of Arizona, Tucson, AZ, May 1997.

### “Measuring Investment Distortions Arising from Stockholder-Bondholder Conflicts”

Tulane University, New Orleans, LA, May 1998.  
Ohio State University, Columbus, OH, March 1998.  
University of California, Los Angeles, CA, February 1998.  
University of Washington, Seattle, WA, February 1998.  
Allied Social Science Association Meetings, Chicago, IL, January 1998.  
University of Buffalo, Buffalo, NY, November 1997.  
University of Utah, Salt Lake City, Utah, September 1997.  
Western Finance Association Meetings, San Diego, CA, June 1997.  
Arizona Finance Symposium, Flagstaff, AZ, May 1997.  
University of Illinois, Champaign, IL, December 1996.  
Michigan State University, East Lansing, MI, December 1996.  
Columbia University, New York, NY, November 1996.  
New York University, New York, NY, November 1996.  
University of Arizona, Tucson, AZ, July 1996.

### “Securities Fraud Lawsuits: A Descriptive Study”

University of Arizona, Tucson, AZ, December 1995.

### “Actual Share Reacquisitions in Open-Market Repurchase Programs”

University of Arizona, Tucson, AZ, September 1995.

### “Endogenously Chosen Boards of Directors and their Monitoring of Management”

Northwestern University, Evanston, IL, April 1997.  
Boston College, Boston, MA, September 1996.

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University of Rochester, Rochester, NY, May 1996.

Allied Social Science Association Meetings, San Francisco, CA, January, 1996.

University of Maryland, College Park, MD, November 1995.

Indiana University, Bloomington, IN, October 1995.

University of Illinois, Champaign, IL, October 1995.

University of California, Los Angeles, CA, September 1995.

University of Alberta, Edmonton, Alberta, September 1995.

University of Arizona, Tucson, AZ, July 1995.

### “The Economics of Has-Beens”

Allied Social Science Association Meetings, Washington, D.C., January, 1995.

### “Open-End Mutual Funds and Capital Gains Taxes”

University of Chicago, Chicago, IL, April 1996.

University of California, Irvine, CA, February 1995.