

# EUROPEAN FINANCIAL MANAGEMENT



## SYMPOSIUM

### Corporate Governance and Control

April 9-11, 2009

Judge Business School – University of Cambridge

Co-sponsored by the Cambridge Endowment for Research in Finance



CAMBRIDGE  
Judge Business School



**Keynote Speaker: Bernard Black**

**Symposium Chairs: Gishan Dissanaiké and Peter Szilagyi**

## Symposium Program

Thursday, 9 April 2009

18:30	<b>Registration</b>	Entrance Hall
19:00	<b>Official Welcome</b>	Lecture Theatre 1
19:30 – 21:00	<b>Inaugural Buffet Reception</b>	Common Room

**Friday, 10 April 2009**

**8:30 – 10:00**

**Presentations – 3 parallel sessions**

**Sessions A1, A2, A3**

<b>Session A1</b>	<b>Shareholder Activism</b>	<b>Lecture Theatre 1</b>
<b>Chair:</b>	<b>Bernard Black</b>	

A Comparative Analysis of Shareholder Activism in the US and UK: Evidence from Shareholder Proposals

*Authors:* **Bonnie Buchanan**, Tina Yang

*Discussant:* April Klein

The Role of Advisory Services in Proxy Voting

*Authors:* **Cindy Alexander**, Mark Chen, Duane Seppi, Chester Spatt

*Discussant:* Peter Szilagyi

Say on Pay Vote and CEO Compensation: Evidence from the UK

*Authors:* **Fabrizio Ferri**, David Maber

*Discussant:* James Spindler

<b>Session A2</b>	<b>Executive Power</b>	<b>Lecture Theatre 2</b>
<b>Chair:</b>	<b>Donald Fraser</b>	

Social Networks, Executive and Non-executive Compensation

*Authors:* Jo Horton, Yuval Millo, **George Serafeim**

*Discussant:* Yao Lu

What are Friends for? CEO Networks, Pay and Corporate Governance

*Authors:* Rayna Brown, Ning Gao, Edward Lee, **Konstantinos Stathopoulos**

*Discussant:* Yuval Millo

Is CEO Power Bad?

*Authors:* **E. Han Kim**, Yao Lu

*Discussant:* Enrique Schroth

<b>Session A3</b>	<b>The Governance of Family Firms</b>	<b>Lecture Theatre 3</b>
<b>Chair:</b>	<b>Todd Henderson</b>	

Family Firms, Agency Costs and Risk Aversion – Empirical Evidence from Diversification and Hedging

*Authors:* Ann-Kristin Achleitner, **Markus Ampenberger**, Christoph Kaserer, Thomas Schmid

*Discussant:* Nabil Ghaleb

Family Ownership, Financing Constraints and Investment Decisions

*Author:* **Christian Andres**

*Discussant:* Hannes Wagner

Pyramids: Empirical Evidence on the Costs and Benefits of Family Business Groups

*Authors:* **Ronald Masulis**, Peter Pham, Jason Zein

*Discussant:* Zhaoxia Xu

**10:00 – 10:30**

**Coffee Break**

**Common Room**

10:30 – 12:00

**Presentations – 3 parallel sessions**

**Sessions B1, B2, B3**

<b>Session B1</b>	<b>Governance and the Cost of Debt</b>	<b>Lecture Theatre 1</b>
<b>Chair:</b>	<b>David Chambers</b>	

SOX, Corporate Transparency, and the Cost of Debt

*Authors:* Sandro Andrade, **Gennaro Bernile**, Frederick Hood

*Discussant:* Donald Fraser

The Implications of Hedge Fund Activism on the Target Firm's Existing Bondholders

*Authors:* **April Klein**, Emanuel Zur

*Discussant:* Fabrizio Ferri

Board Quality and the Cost and Covenant Terms of Bank Loans

*Authors:* L. Paige Fields, **Donald Fraser**

*Discussant:* Dang Bang Nguyen

<b>Session B2</b>	<b>Comparative Corporate Governance</b>	<b>Lecture Theatre 2</b>
<b>Chair:</b>	<b>Enrique Schroth</b>	

A Cultural Explanation for the Agency Model of Dividends

*Authors:* **Jana Fidrmuc**, Marcus Jacob

*Discussant:* Eva Liljeblom

Political Connections and the Cost of Equity Capital

*Authors:* Narjess Boubakri, Omrane Guedhami, Dev Mishra, **Walid Saffar**

*Discussant:* E. Han Kim

The Wealth Effects of Labor Representation on the Board – Evidence from German Co-determination Legislation

*Author:* **Stefan Petry**

*Discussant:* Aleksandra Gregoric

<b>Session B3</b>	<b>Law and Governance</b>	<b>Lecture Theatre 3</b>
<b>Chair:</b>	<b>Eilis Ferran</b>	

Vicarious Liability for Bad Corporate Governance: Are We Wrong about 10B-5?

*Author:* **James Spindler**

*Discussant:* Alan Jagolinzer

Scienter Disclosure

*Authors:* **Todd Henderson**, Alan Jagolinzer

*Discussant:* Bernard Black

Does Mandatory Disclosure of Directors' and Officers' Liability Insurance Curb Managerial Opportunism? Evidence from the Canadian Secondary Market

*Authors:* Narjess Boubakri, **Nabil Ghaleb**

*Discussant:* Cindy Alexander

12:00 – 13:15

**Keynote Speaker – Bernard Black**

**Lecture Theatre 1**

13:15 – 14:30

**Lunch**

**Common Room**

**14:30 – 16:00**      **Presentations – 3 parallel sessions**      **Sessions C1, C2, C3**

<b>Session C1</b>	<b>Benefits of Control</b>	<b>Lecture Theatre 1</b>
<b>Chair:</b>	<b>Cindy Alexander</b>	

Complex Ownership and Capital Structure

*Authors:* Teodora Paligorova, **Zhaoxia Xu**

*Discussant:* Christian Andres

Determinants of Private Benefits of Control

*Authors:* Rui Albuquerque, **Enrique Schroth**

*Discussant:* Jana Fidrmuc

Are All Inside Directors the Same? CEO Entrenchment or Board Enhancement

*Authors:* Shawn Mobbs, **Ronald Masulis**

*Discussant:* Konstantinos Stathopoulos

<b>Session C2</b>	<b>European Corporate Governance</b>	<b>Lecture Theatre 2</b>
<b>Chair:</b>	<b>April Klein</b>	

Private Equity Investors as Corporate Governance Mechanism in Continental Europe

*Authors:* Ann-Kristin Achleitner, André Betzer, **Bastian Hinterramskogler**

*Discussant:* Douglas Cumming

Evolution of Family Capitalism: A Comparative Study of France, Germany, Italy and the UK

*Authors:* Julian Franks, Colin Mayer, Paolo Volpin, **Hannes Wagner**

*Discussant:* Markus Ampenberger

Shareholder Activism in Europe

*Authors:* **Peter Cziraki**, Luc Renneboog, Peter Szilagyi

*Discussant:* Bonnie Buchanan

<b>Session C3</b>	<b>Mergers and Acquisitions</b>	<b>Lecture Theatre 3</b>
<b>Chair:</b>	<b>E. Han Kim</b>	

White Knights and the Corporate Governance of Hostile Takeovers

*Authors:* Riccardo Calcagno, **Sonia Falconieri**

*Discussant:* Gennaro Bernile

Cross-Border Acquisition Target Selection and Investor Protection

*Author:* **Yao Lu**

*Discussant:* Walid Saffar

**16:00 – 16:30**      **Coffee Break**      **Common Room**

**16:30 – 18:00**      **Round Table Session**      **Lecture Theatre 1**

**William H. Janeway**

Senior Adviser, Warburg Pincus

**Charles Miller Smith**

Chairman, Asia House

**Bernard Black**

**Ronald Masulis**

**19:00**      **Gala Dinner**

**Saturday, 11 April 2009**

**9:00 – 10:30**

**Presentations – 3 parallel sessions**

**Sessions D1, D2, D3**

<b>Session D1</b>	<b>Board Effectiveness</b>	<b>Lecture Theatre 1</b>
<b>Chair:</b>	<b>Fabrizio Ferri</b>	

Local Director Talent and Board Governance  
*Authors: **Anzhela Knyazeva**, Diana Knyazeva*  
*Discussant: George Serafeim*

Are Foreign Directors Valuable Advisors or Ineffective Monitors?  
*Authors: **Ronald Masulis**, Cong Wang*  
*Discussant: Diana Knyazeva*

The Value of Independent Directors: Evidence from Sudden Deaths  
*Authors: **Dang Bang Nguyen**, Kasper Nielsen*  
*Discussant: Stefan Petry*

<b>Session D2</b>	<b>Hedge Fund Governance</b>	<b>Lecture Theatre 2</b>
<b>Chair:</b>	<b>Gennaro Bernile</b>	

A Law and Finance Analysis of Hedge Funds  
*Author: **Douglas Cumming***  
*Discussant: Bastian Hinterramskogler*

Effort, Risk and Walkaway under High Water Mark Contracts  
*Authors: Indraneel Chakraborty, **Sugata Ray***  
*Discussant: Roy Kouwenberg*

Investment Rationales of Hedge Funds and Private Equity Funds in the German Stock Market  
*Authors: Ann-Kristin Achleitner, André Betzer, **Jasmin Gider***  
*Discussant: Simona Zambelli*

<b>Session D3</b>	<b>Executive Compensation</b>	<b>Lecture Theatre 3</b>
<b>Chair:</b>	<b>Gishan Dissanaik</b>	

Pay Me Right: Reference Values and Executive Compensation  
*Authors: **Aleksandra Gregoric**, Saso Polanec, Sergeja Slapnicar*  
*Discussant: Marizah Minhat*

The Role of Compensation Consultants in Executive Pay Governance  
*Author: **Marizah Minhat***  
*Discussant: Amir Amel-Zadeh*

Stock Repurchases and Executive Compensation Contract Design: The Role of Earnings Per Share Performance Conditions  
*Authors: Jing Yang, **Steven Young***  
*Discussant: Stephen X.H. Gong*

**10:30 – 11:00**

**Coffee Break**

**Common Room**

11:00 – 12:30

**Presentations – 2 parallel sessions**

**Sessions E1, E2**

<b>Session E1</b>	<b>The Governance of Decision Making</b>	<b>Lecture Theatre 2</b>
<b>Chair:</b>	<b>Douglas Cumming</b>	

Do Firms Decouple Corporate Governance Policy and Practice?

*Authors:* Nasha Ananchotikul, **Roy Kouwenberg**, Visit Phunnarungsi

*Discussant:* Anzhela Knyazeva

Comovement in Investment and Corporate Governance

*Authors:* Anzhela Knyazeva, **Diana Knyazeva**, Randall Morck and Bernard Yeung

*Discussant:* Sugata Ray

The Quantity and Quality of Media Coverage and Its Impact on Stock Price Informativeness and Trading Activity: Evidence from China

*Authors:* **Stephen X.H. Gong**, Ferdinand A. Gul

*Discussant:* Gishan Dissanaik

<b>Session E2</b>	<b>Regulation and Governance</b>	<b>Lecture Theatre 3</b>
<b>Chair:</b>	<b>Peter Szilagyi</b>	

Payout Policy Changes around a Tax Reform: Do Owners or Payout Policy Adjust?

*Authors:* **Eva Liljebloom**, Daniel Pasternack

*Discussant:* Steven Young

Illegal Buyouts

*Authors:* Douglas Cumming, **Simona Zambelli**

*Discussant:* Jasmin Gider

12:30

**Lunch**

**Common Room**