

Marshall School of Business
Department of Finance and Business Economics
University of Southern California
Los Angeles, California 90089
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EDUCATION:

Ph.D., Finance, December 1977
University of California, Los Angeles

B.A., Economics, summa cum laude, June 1973
University of California, Los Angeles

HONORS:

USC Faculty Lifetime Achievement Award, 2020

Jensen Prizes for best corporate finance article published in the Journal of Financial Economics: First Prize 2004; Second Prize 2010

Three All Star papers, Journal of Financial Economics

Named one of the two most popular professors in the Marshall MBA program, Business Week poll of September 2000

Golden Apple Teaching Award, presented by the MBA Graduating Class, Marshall School of Business, USC, 1999

Superior Teaching Award, presented by the MBA Graduating Class, University of Rochester, 1984

Professor of the Quarter, presented by the MBA Association, University of Washington, 1978

Alumni Association Award for Academic Achievement presented to the outstanding graduate, UCLA Graduate School of Management, 1977

Phi Beta Kappa, 1973

EXPERIENCE:

Kenneth King Stonier Chair Emeritus, June 2019-present
Kenneth King Stonier Chair, August 2010 – May 2019
Charles E. Cook/Community Bank Chair, June 1991-August 2010
Marshall School of Business, USC

Professor of Finance, July 1988 - May 1991
Director, J. Ira Harris Center for the Study of Corporate Finance
School of Business Administration, University of Michigan

Associate Professor of Finance, July 1985 - June 1988
(Tenure granted, Spring 1988)
Assistant Professor of Finance, July 1982 - June 1985
The Simon School, University of Rochester

Assistant Professor of Finance, September 1980 - June 1982
The Wharton School, University of Pennsylvania

**EXPERIENCE
CONTINUED:**

Assistant Professor of Finance, January 1978 - August 1980
School of Business Administration, University of Washington

PUBLICATIONS:

“Competition and Unanimity,” American Economic Review, March 1981, pp. 18-29.

Reprinted in The Theory of Corporate Finance, Michael J. Brennan, editor, Edwin Elgar, Williston, Vermont, 1997.

“Optimal Capital Structure Under Corporate and Personal Taxation,” (with Ronald W. Masulis), Journal of Financial Economics, March 1980, pp. 3-29.

All Star paper, Journal of Financial Economics.

Reprinted in The Modern Theory of Corporate Finance, Michael C. Jensen and Clifford W. Smith, Jr., editors, McGraw Hill, New York, 1984.

“Leverage and Dividend Irrelevancy Under Corporate and Personal Taxation,” (with Ronald W. Masulis), Journal of Finance, May 1980, pp. 453-464.

“Antitakeover Charter Amendments and Stockholder Wealth,” (with Edward M. Rice), Journal of Financial Economics, April 1983, pp. 329-359.

All Star paper, Journal of Financial Economics.

“Standstill Agreements, Privately Negotiated Stock Repurchases, and the Market for Corporate Control,” (with Larry Y. Dann), Journal of Financial Economics, April 1983, pp. 275-300.

“Going Private: Minority Freezeouts and Stockholder Wealth,” (with Linda DeAngelo and Edward M. Rice), Journal of Law and Economics, October 1984, pp. 367-401.

Excerpted in The Law and Finance of Corporate Acquisitions, Ronald J. Gilson, Foundation Press, Mineola, New York, 1986.

Also reprinted in Corporate Restructuring: The International Library of Critical Writings in Financial Economics, John McConnell and David Denis, editors, Edwin Elgar, 2005.

“Going Private: The Effects of a Change in Corporate Ownership Structure,” (with Linda DeAngelo and Edward M. Rice), Midland Corporate Finance Journal, Summer 1984, pp. 35-43.

Reprinted in The Revolution in Corporate Finance, Joel M. Stern and Donald H. Chew, Jr., editors, Basil Blackwell, Ltd., Oxford, England, 1986.

PUBLICATIONS
CONTINUED:

Also reprinted in Corporate Restructuring and Executive Compensation, Joel M. Stern, G. Bennett Stewart III, and Donald H. Chew, editors, The Institutional Investor Series in Finance, Ballinger Publishing Company, Cambridge, Massachusetts, 1989.

“Managerial Ownership of Voting Rights: A Study of Public Corporations with Dual Classes of Common Stock,” (with Linda DeAngelo), Journal of Financial Economics, March 1985, pp. 33-69.

“Management Buyouts of Publicly-Traded Corporations,” (with Linda DeAngelo), Modern Finance and Industrial Economics: Papers in Honor of J. Fred Weston, Thomas E. Copeland, editor, Basil Blackwell, Ltd., Oxford, England, 1986.

Also published in The Financial Analysts’ Journal, May/June 1987, pp. 38-49.

“Corporate Financial Policy and Corporate Control: A Study of Defensive Adjustments in Asset and Ownership Structure,” (with Larry Y. Dann), Journal of Financial Economics, January/March 1988, pp. 87-127.

All Star paper, Journal of Financial Economics.

Reprinted in Corporate Restructuring: The International Library of Critical Writings in Financial Economics, John McConnell and David Denis, editors, Edwin Elgar, 2005.

“Proxy Contests and the Governance of Publicly Held Corporations,” (with Linda DeAngelo), Journal of Financial Economics, June 1989, pp. 29-59.

“Dividend Policy and Financial Distress: An Empirical Investigation of Troubled NYSE Firms,” (with Linda DeAngelo), Journal of Finance, December 1990, pp. 1415-1431.

“Payout Policy and Tax Deferral,” Journal of Finance, March 1991, pp. 357-368.

“Union Negotiations and Corporate Policy: A Study of Labor Concessions in the Domestic Steel Industry During the 1980s,” (with Linda DeAngelo), Journal of Financial Economics, November 1991, pp. 3-43.

“Dividends and Losses,” (with Linda DeAngelo and Douglas J. Skinner), Journal of Finance, December 1992, pp. 1837-1863.

“Accounting Choice in Troubled Companies,” (with Linda DeAngelo and Douglas J. Skinner), Journal of Accounting and Economics, January 1994, pp. 113-143.

**PUBLICATIONS
CONTINUED:**

“The Collapse of First Executive Corporation: Junk Bonds, Adverse Publicity, and the “Run on the Bank” Phenomenon,” (with Linda DeAngelo and Stuart C. Gilson), Journal of Financial Economics, December 1994, pp. 287-336.

Also serves as the foundation for Harvard Business School case #9-294-105, “First Executive Corporation,” (co-authored with Linda DeAngelo and Stuart C. Gilson).

“Reversal of Fortune: Dividend Policy and the Disappearance of Sustained Earnings Growth” (with Linda DeAngelo and Douglas J. Skinner), Journal of Financial Economics, March 1996, pp. 341-371.

“Perceptions and the Politics of Finance: Junk Bonds and the Regulatory Seizure of First Capital Life,” (with Linda DeAngelo and Stuart C. Gilson), Journal of Financial Economics, July 1996, pp. 475-511.

Also serves as the foundation for Harvard Business School case #9-296-032, “First Capital Holdings Corporation,” (co-authored with Linda DeAngelo and Stuart C. Gilson).

“Ancient Redwoods and the Politics of Finance: The Hostile Takeover of the Pacific Lumber Company,” (with Linda DeAngelo), Journal of Financial Economics, January 1998, pp. 3-53.

“Controlling Stockholders and the Disciplinary Role of Corporate Payout Policy: A Study of the Times Mirror Company,” (with Linda DeAngelo), Journal of Financial Economics, May 2000, pp. 153-207.

“Special Dividends and the Evolution of Dividend Signaling,” (with Linda DeAngelo and Douglas J. Skinner), Journal of Financial Economics, September 2000, pp. 309-354.

“Asset Liquidity, Debt Covenants, and Managerial Discretion in Financial Distress: The Collapse of L.A. Gear,” (with Linda DeAngelo and Karen H. Wruck), Journal of Financial Economics, April 2002, pp. 3-34.

“Are Dividends Disappearing? Dividend Concentration and the Consolidation of Earnings,” (with Linda DeAngelo and Douglas J. Skinner), Journal of Financial Economics, June 2004, pp. 425-456.

This paper was awarded the Jensen Prize (First Place) in polling for the best corporate finance article published in the Journal of Financial Economics in 2004.

“The Irrelevance of the MM Dividend Irrelevance Theorem,” (with Linda DeAngelo), Journal of Financial Economics, February 2006, 293-315.

“Dividend Policy and the Earned/Contributed Capital Mix: A Test of the Lifecycle Theory,” (with Linda DeAngelo and René M. Stulz), Journal of Financial Economics, August 2006, 227-254.

PUBLICATIONS
CONTINUED:

“Payout Policy Pedagogy: What Matters and Why,” (with Linda DeAngelo), European Financial Management, January 2007, 11-27.

“Reply: Reconciling DD with MM,” (with Linda DeAngelo), Journal of Financial Economics, February 2008, pp. 532-533.

“Corporate Payout Policy,” (with Linda DeAngelo and Douglas J. Skinner), Foundations and Trends in Finance, 2008, pp. 95-297.

“Seasoned Equity Offerings, Market Timing, and the Corporate Lifecycle,” (with Linda DeAngelo and René M. Stulz), Journal of Financial Economics, March 2010, pp. 275-295.

This paper was awarded the Jensen Prize (Second Place) in polling for the best corporate finance article published in the Journal of Financial Economics in 2010.

“Capital Structure Dynamics and Transitory Debt,” (with Linda DeAngelo and Toni M. Whited), Journal of Financial Economics, February 2011, pp. 235-261.

“How Stable Are Corporate Capital Structures?” (with Richard Roll), Journal of Finance, February 2015, pp. 373-418.

“Liquid-Claim Production, Risk Management, and Bank Capital Structure: Why High Leverage Is Optimal for Banks,” (with René M. Stulz), Journal of Financial Economics, May 2015, pp. 219-236.

“Capital Structure Instability,” (with Richard Roll), Journal of Applied Corporate Finance, Fall 2016, pp. 38-52.

“Corporate Deleveraging and Financial Flexibility,” (with Andrei S. Gonçalves and René M. Stulz), Review of Financial Studies, August 2018, pp. 3122-3174.

“Corporate Financial Policy: What Really Matters?,” Journal of Corporate Finance, 68, 2021, 101925.

“Leverage and Cash Dynamics,” (with Andrei S. Gonçalves and René M. Stulz), Review of Finance, 26, 2022, pp. 1101-1144.

“The Capital Structure Puzzle: What Are We Missing?” Journal of Financial and Quantitative Analysis, 57, 2022, pp. 413-454.

“The Attack on Share Buybacks,” European Financial Management, 29, 2023, pp. 389-398.

“ESG, Corporate Piracy, and Coasian Contracting Efficiency,” European Financial Management, January 2025, pp. 3-25.

**PUBLICATIONS
CONTINUED:**

“A Critique of the Apocalyptic Climate Narrative,” (with Judith A. Curry) Journal of Applied Corporate Finance, Spring 2025, Vol. 72, No. 2.

“Agency Costs of Free Cash Flow, Capital Allocation, and Payouts,” (with Kathleen Kahle and Douglas J. Skinner) Journal of Financial Economics, Forthcoming 2025.

**WORKING
PAPERS:**

“What’s Really Wrong With U.S. Business Schools?,” (with Linda DeAngelo and Jerold L. Zimmerman), USC and University of Rochester Working Paper, July 2005.

“Capital Structure, Payout Policy, and Financial Flexibility,” (with Linda DeAngelo), USC Working Paper, October 2007.

**OTHER
PUBLICATIONS:**

“The Numbers Show Everyone Profits,” (with Linda DeAngelo), The New York Times Sunday Business Forum, January 22, 1984.

“Going Private: The Effects of a Change in Corporate Ownership Structure,” (with Linda DeAngelo and Edward M. Rice), Rochester Management Review, Summer 1986, pp. 11-13.

“Corporate Governance: The Board of Directors’ Role in Takeover Bids and Defenses,” J. Ira Harris Center for the Study of Corporate Finance, University of Michigan, Ann Arbor, April 6-7, 1989.

Forum organizer; transcript published in Journal of Applied Corporate Finance, Summer 1989.

“High Leverage and Stock Market Pressures on Corporate Management,” J. Ira Harris Center for the Study of Corporate Finance, University of Michigan, Ann Arbor, March 15, 1990.

Forum organizer; transcript published in Journal of Applied Corporate Finance, Summer 1990.

“Bankruptcies, Workouts, and Turnarounds,” J. Ira Harris Center for the Study of Corporate Finance, University of Michigan, Ann Arbor, April 5, 1991.

Forum organizer; transcript published in Journal of Applied Corporate Finance, Summer 1991.

“Fisher Separation Theorem,” entry in The New Palgrave Dictionary of Money and Finance, 1992

“Proxy Contests,” (with Linda DeAngelo) entry in The New Palgrave Dictionary of Money and Finance, 1992.

**PROFESSIONAL
SERVICE:**

Director, American Finance Association
(1993 to 1995)

Associate Editor, Journal of Finance
(1988 to March 2000)

Associate Editor, Journal of Financial Economics
(1984 to 2021)

Board of Advisors, Finance Teaching and Case Abstracts (1996 to present) and
FEN-Course Electronic Journal (1998 to present). Financial Economics
Network

**PROFESSIONAL
SERVICE
CONTINUED:**

Associate Editor, Critical Finance Review
(2011 to 2013)

Manuscript referee for:

American Economic Review
Financial Management
Journal of Accounting and Economics
Journal of Business
Journal of Economic Behavior and Organization
Journal of Financial and Quantitative Analysis
Journal of Law and Economics
Journal of Law, Economics, and Organization
Journal of Political Economy
National Science Foundation
Quarterly Journal of Economics
Review of Financial Studies
Social Sciences and Humanities Research Council of Canada

**RESEARCH
INTERESTS:**

Corporate Finance

**COURSES
TAUGHT:**

Introduction to Corporate Finance
Intermediate Finance Theory
Corporate Financial Policy and Control
Case Problems in Finance
Ph.D. Seminar in Finance Theory