

# RESHAPING & INSTITUTIONS

CAPITAL MARKETS

*twenty years on*

---

TEXAS LAW REVIEW 2012 SYMPOSIUM

Friday, February 24, 2012 & Saturday, February 25, 2012  
The University of Texas School of Law



## FRIDAY, FEBRUARY 24, 2012

TIME	EVENT	LOCATION
8:30–9:00 a.m.	<b>Registration</b>	Jamail Pavilion
9:00–9:10 a.m.	<b>Welcoming Remarks</b> Michael T. Raupp, Editor in Chief, Texas Law Review Henry T. C. Hu, The University of Texas School of Law	Eidman Courtroom
9:10–10:00 a.m.	<b>Paper and Comments</b> Henry T. C. Hu, The University of Texas School of Law <i>Shapeshifting: Innovation, Information, and the Federal Corporate Paradigm</i> (Keynote) Commentator: Joseph A. McCahery, Tilburg University (Netherlands)	Eidman Courtroom
10:00–10:50 a.m.	<b>Paper and Comments</b> Viral V. Acharya, NYU Stern School of Business <i>Governments as Shadow Banks: The Looming Threat to Financial Stability</i> Commentator: Joseph A. Grundfest, Stanford Law School	Eidman Courtroom
10:50–11:00 a.m.	<b>Coffee Break</b>	Jamail Pavilion
11:00–11:50 a.m.	<b>Paper and Comments</b> Andrew W. Lo, MIT Sloan School of Management <i>Do Labyrinthine Legal Limits on Leverage Lessen the Likelihood of Losses?: An Analytical Framework</i> Commentator: Jay L. Westbrook, The University of Texas School of Law	Eidman Courtroom
11:50 a.m.–12:30 p.m.	<b>Lunch</b>	
12:30–1:20 p.m.	<b>Dodd–Frank and Derivatives Panel Discussion</b> Panelists: Viral V. Acharya, NYU Stern School of Business H. Rodgin Cohen, Sullivan & Cromwell Joseph A. Grundfest, Stanford Law School Joseph A. McCahery, Tilburg University Moderator: Henry T. C. Hu, The University of Texas School of Law	Eidman Courtroom

FRIDAY, FEBRUARY 24, 2012

TIME	EVENT	LOCATION
1:20–2:10 p.m.	<b>Paper and Comments</b> H. Rodgin Cohen, Sullivan & Cromwell LLP <i>Financial Institution Systemic Risk: Preventing the Fire Next Time</i>  Commentator: Jeffrey N. Gordon, Columbia Law School	Eidman Courtroom
2:10–3:00 p.m.	<b>Systemic Risk Panel Discussion</b>  Panelists: Viral V. Acharya, NYU Stern School of Business Jeffrey N. Gordon, Columbia Law School Andrew W. Lo, MIT Sloan School of Management Joseph A. McCahery, Tilburg University  Moderator: Henry T. C. Hu, The University of Texas School of Law	Eidman Courtroom
3:00–3:20 p.m.	<b>Coffee Break</b>	Jamail Pavilion
3:20–4:10 p.m.	<b>Paper and Comments</b> James R. Doty, Public Company Accounting Oversight Board <i>The Relevance, Reliability and Role of Audits in a Global Economy</i>  Commentator: James D. Cox, Duke University School of Law	Eidman Courtroom
4:10–5:00 p.m.	<b>Paper and Comments</b> David M. Becker, Cleary Gottlieb Steen & Hamilton LLP <i>An Unconventional Look at Enforcement of the Federal Securities Laws</i>  Commentator: Howell E. Jackson, Harvard Law School	Eidman Courtroom
6:15 p.m.	<b>Dinner at the Home of Henry and Julie Hu</b> <i>(by invitation)</i>	

**SATURDAY, FEBRUARY 25, 2012**

TIME	EVENT	LOCATION
8:15–8:45 a.m.	<b>Registration</b>	Jamail Pavilion
8:45–9:35 a.m.	<b>Paper and Comments</b> James D. Cox, Duke University School of Law <i>The Emperor Has No Clothes: The D.C. Circuit as Securities Regulator</i> Commentator: Ronald J. Gilson, Stanford Law School	Eidman Courtroom
9:35–10:35 a.m.	<b>Corporate and Securities Issues Panel Discussion</b> Panelists: David M. Becker, Cleary Gottlieb Steen & Hamilton James D. Cox, Duke Law School James R. Doty, Public Company Accounting Oversight Board Joseph A. Grundfest, Stanford Law School Judge Patrick E. Higginbotham, U.S. Court of Appeals for the 5th Circuit Ann Yerger, Council of Institutional Investors Moderator: Henry T. C. Hu, The University of Texas School of Law	Eidman Courtroom
10:35–10:45 a.m.	<b>Coffee Break</b>	Jamail Pavilion
10:45–11:35 a.m.	<b>Paper and Comments</b> Joseph A. McCahery, Tilburg University (Netherlands) <i>Loan Covenants in the Syndicated Debt Market</i> Commentator: Randall S. Thomas, Vanderbilt University Law School	Eidman Courtroom
11:35–11:45 a.m.	<b>Closing Remarks</b> Michael T. Raupp, Editor in Chief, Texas Law Review Henry T. C. Hu, The University of Texas School of Law	Eidman Courtroom
12:00 p.m.	<b>A Taste of Austin</b> <i>(by invitation)</i>	

## BIOGRAPHIES

### **Viral V. Acharya**

*C.V. Starr Professor of Economics at the NYU Stern School of Business*

Viral V. Acharya is the C.V. Starr Professor of Economics in the Department of Finance at the New York University Stern School of Business (NYU Stern), Program Director for Financial Economics and a Research Affiliate at the Center for Economic Policy Research (CEPR), Research Associate of the National Bureau of Economic Research (NBER) in Corporate Finance, Research Associate of the European Corporate Governance Institute (ECGI), member of the Advisory Scientific Committee of European Systemic Risk Board (ESRB), and an Academic Advisor to the Federal Reserve Banks of Chicago, Cleveland, New York, and Philadelphia, as well as the Board of Governors. He completed a Bachelor of Technology in Computer Science and Engineering from Indian Institute of Technology, Mumbai, in 1995 and a Ph.D. in Finance from NYU Stern in 2001. Prior to joining NYU Stern, he was at London Business School (2001–2008). He was the Academic Director of the Coller Institute of Private Equity at London Business School (2007–2009) and a Senior Houblon–Normal Research Fellow at the Bank of England (Summer 2008).

Viral's primary research interest is in theoretical and empirical analysis of systemic risk of the financial sector, its regulation, and its genesis in government-induced distortions, an inquiry that cuts across several other strands of research—credit risk and liquidity risk, their interactions, and agency-theoretic foundations, as well as their general equilibrium consequences. He has published articles in the *American Economic Review*, *Journal of Finance*, *Journal of Financial Economics*, *Review of Financial Studies*, *Journal of Business*, *RAND Journal of Economics*, *Journal of Financial Intermediation*, *Journal of Money, Credit and Banking*, and *Financial Analysts Journal*. He is a current editor of the *Journal of Financial Intermediation* (2009–) and associate editor of the *Journal of Finance* (2011–), *Review of Corporate Finance Studies* (RCFS, 2011–), and *Review of Finance* (2006–).

Viral is the recipient of Best Paper Award in Corporate Finance—*Journal of Financial Economics* (2000); Best Paper Award in Equity Trading—*Western Finance Association Meetings* (2003); Outstanding Referee Award for the *Review of Financial Studies* (2003); the inaugural Lawrence G. Goldberg Prize for the Best Ph.D. in *Financial Intermediation*; Best Paper Award in Capital Markets and Asset Pricing—*Journal of Financial Economics*, 2005 (First Prize) and 2007 (Second Prize); the inaugural Rising Star in Finance Award (one of four) (2008); *European Corporate Governance Institute's Best Paper on Corporate Governance* (2008); Distinguished

Referee Award for the Review of Financial Studies (2009); III Jaime Fernandez de Araoz Award in Corporate Finance (2009); Viz Risk Management Prize for the Best Paper on Energy Markets, Securities, and Prices at the European Finance Association Meetings (2009); and Excellence in Refereeing Award for the American Economic Review (2009); Review of Finance Best Paper Award (2009); and Best Conference Paper Award at the European Finance Association Meetings (2010).

At NYU Stern, Viral co-edited the books *Restoring Financial Stability: How to Repair a Failed System* (John Wiley & Sons, 2009), *Regulating Wall Street: The Dodd–Frank Act and the New Architecture of Global Finance* (John Wiley & Sons, 2010), and *Dodd–Frank: One Year On* (NYU Stern and CEPR [released on voxu.org], 2011). He is also the co-author of the book *Guaranteed to Fail: Fannie Mae, Freddie Mac and the Debacle of Mortgage Finance* (Princeton University Press and Harper Collins [India], 2011). He is the current Ph.D. coordinator in the Finance department at NYU Stern.

## **David M. Becker**

*Partner at Cleary Gottlieb Steen & Hamilton LLP*

David M. Becker is a partner at Cleary Gottlieb Steen & Hamilton LLP, based in the Washington, D.C., office.

Mr. Becker practices in the areas of securities regulation, corporate governance, securities enforcement, and internal investigations. He represents companies, boards of directors, and senior officers in the United States and abroad on matters involving regulatory issues and potential liabilities under the United States securities laws.

Mr. Becker rejoined Cleary Gottlieb in 2011 after two years at the U.S. Securities and Exchange Commission as its General Counsel and Senior Policy Director. While at the Commission, Mr. Becker served as the senior lawyer for the Commission and advised the Commission on the full range of its actions, from both legal and policy perspectives. Mr. Becker was intimately involved both within and on behalf of the Commission in the accomplishment of financial regulatory reform. Most recently he served a central role in the Commission's efforts to implement the Dodd–Frank Act.

Before returning to the SEC in 2009, Mr. Becker had been a partner in the firm's Washington office. He represented major corporations and individuals in investigations before the Securities and Exchange Commission. He conducted internal investigations on behalf of audit committees; and he advised companies and their boards of directors on the full range of corporate governance issues.

Mr. Becker first came to the firm from the U.S. Securities and Commission in 2002, where he served as General Counsel from 2000 to 2002. Before then, he had a long career in private practice as a securities lawyer.

Mr. Becker is distinguished as one of the leading lawyers in financial services regulation and securities regulation by Chambers USA. He has received similar recognition from *Best Lawyers in America*, *The Legal Times* of Washington, and *Washingtonian*

magazine.

Mr. Becker received a J.D. degree from Columbia University Law School—where he was editor in chief of the Columbia Law Review in 1973—and an undergraduate degree from Columbia College in 1968. Following graduation, Mr. Becker served as law clerk to the Honorable Harold Leventhal of the U.S. Court of Appeals for the District of Columbia Circuit and a year later for the Honorable Stanley Reed (retired) of the U.S. Supreme Court.

Mr. Becker is a member of the bars in the District of Columbia and New York.

## **H. Rodgin Cohen**

*Partner and Senior Chairman at Sullivan & Cromwell LLP*

H. Rodgin Cohen is a partner at Sullivan & Cromwell LLP. He was Chairman of the firm from July 1, 2000 through December 31, 2009 and has served as its Senior Chairman since January 1, 2010. The primary focus of his practice is corporate governance, regulatory, acquisition, and securities law matters for major U.S. and non-U.S. banking and other financial institutions.

Mr. Cohen has acted in most of the major U.S. bank acquisitions and government-sponsored and capital-raising efforts during the financial crisis and provides corporate governance advice to a large number of financial and non-financial institutions. He has played a singular role in the market events that have changed the face of the financial services industry and economy, for which *The American Lawyer* ranked Mr. Cohen #1 among its 25 “Dealmakers of the Year” in 2009.

In March 2010, Mr. Cohen was recognized as one of the “Decade’s Most Influential Lawyers” by the *National Law Journal*. In late 2009, he was among the top twenty-five people named to *Institutional Investor’s* “The Power 25: Leaders in Finance.” Mr. Cohen was also presented with an FT Special Achievement Award in recognition of his work on nearly twenty substantial credit crisis-related transactions by the *Financial Times* in October 2009.

Mr. Cohen is or has been a member of the FDIC Systemic Resolution Advisory Committee, the Pew Financial Reform Project, the IIF Special Committee for a Strategic Dialogue for Effective Regulation, the Treasury Advisory Committee on the Auditing Profession, the New York State Commission to Modernize the Regulation of Financial Services, and the Financial Services Roundtable’s Blue Ribbon Commission on Enhancing Competitiveness.

Mr. Cohen is a trustee of New York Presbyterian Hospital, Rockefeller University, the Hackley School, Deerfield Academy, Hampton University, Lincoln Center Theater, New York City Partnership, and, formerly, the Economic Club of New York. He is also a member of Harvard Law School’s Visiting Committee and the advisory boards of United Way of Westchester-Putnam, the University of Charleston, and Wall Street Rising, which in 2005 honored him with its annual Leadership Award

for his “steadfast commitment to Lower Manhattan” in the aftermath of the attacks of September 11, 2001. In May 2010, Mr. Cohen and his wife Barbara were honored with the Servant of Justice Award at the Legal Aid Society’s 33rd Annual Dinner.

### **James D. Cox**

*Brainerd Currie Professor of Law at Duke University School of Law*

Professor Cox is a native of Kansas. He entered law teaching as a fellow at Boston University and has since taught at the University of San Francisco, Stanford, and the University of California, Hastings College of the Law before coming to Duke in 1979. He has focused his writing and teaching in the areas of corporate and securities law and is the author of a book on the utilization of financial information in the regulation of public corporations, a 2010 multivolume treatise on corporate law, and casebooks on securities regulations (6th ed. 2009) and business organizations (10th ed. 2011).

Professor Cox spent the spring of 1989 as a senior Fulbright research fellow at the University of Sydney. He was a former member of the New York Stock Exchange Legal Advisory Committee and the NASD Legal Advisory Board and is currently a member of the ABA Committee on Corporate Laws and the Standing Advisory Group of the Public Company Accounting Oversight Board. In 2001, Professor Cox was awarded an Honorary Doctorate of Mercature from the University of South Denmark.

Professor Cox received a B.S. from Arizona State University, a J.D. from University of California, Hastings College of the Law, and an LL.M. from Harvard University.

### **James R. Doty**

*Chairman of the Public Company Accounting Oversight Board (PCAOB)*

James R. Doty was appointed by the U.S. Securities and Exchange Commission (SEC) as the Chairman of the Public Company Accounting Oversight Board (PCAOB) in January 2011.

From 1990 to 1992, Mr. Doty served as General Counsel of the SEC. In that role, Mr. Doty advised the Commission on matters of law and regulatory policy related to the Commission’s oversight of U.S. securities markets, including initiatives relating to the integrity of financial reporting and disclosure standards in the context of the globalization of capital markets, enforcement practices and policies in the wake of the savings-and-loan crisis, international technical assistance and coordination efforts, and adoption of the Remedies Act of 1990.

Prior to and following his SEC service, Mr. Doty was a partner at the law firm of Baker Botts LLP, which he first joined in 1969. At Baker Botts LLP, he practiced securities and corporate law and counseled boards of directors and audit committees

on regulatory and compliance matters, including matters arising under the Sarbanes–Oxley Act of 2002. He also represented the PCAOB in obtaining a successful result in the United States Supreme Court in the landmark challenge to its constitutionality, *Free Enterprise Fund v. PCAOB*.

Mr. Doty was raised in Houston, Texas. He earned a B.A. in History from Rice University and was a Rhodes Scholar at Oxford University in England. He also received an M.A. in History from Harvard University before getting an LL.B from Yale Law School.

### **Ronald J. Gilson**

*Charles J. Meyers Professor of Law and Business at Stanford Law School*

Ronald J. Gilson is the Meyers Professor of Law and Business at Stanford University and the Stern Professor of Law and Business at Columbia University. Professor Gilson's academic work has focused on corporate governance and acquisitions along both comparative and domestic dimensions, and on the economic structure of transactions and complex contracting. He is the author of *The Law and Finance of Corporate Acquisitions* (with B. Black), *Cases and Materials on Corporations* (with J. Choper & J. Coffee), and *(Some of) the Essentials of Finance and Investment* (with B. Black), and over eighty articles in law and economics journals.

Professor Gilson was one of the Reporters of the American Law Institute's Corporate Governance Project and is a fellow of the American Academy of Arts and Sciences, and of the European Corporate Governance Institute. He is the U.S. chair of the Transatlantic Corporate Governance Dialogue, held annually on a rotating basis in Washington, D.C., and Brussels, Belgium, with the support of the U.S. Securities and Exchange Commission and the European Commission of the European Union. Professor Gilson is the independent chair of the boards of directors of the American Century Mountain View Family of Mutual Funds with assets under management of approximately \$30 billion.

### **Jeffrey N. Gordon**

*Richard Paul Richman Professor of Law at Columbia Law School*

Jeffrey N. Gordon is the Richard Paul Richman Professor of Law and Co-director of the Center for Law and Economic Studies at Columbia Law School and a Fellow of the European Corporate Governance Institute. He teaches and writes extensively on corporate governance, mergers and acquisitions, and financial regulation. He recently published *Confronting Financial Crisis: The Case for a Systemic Emergency Insurance Fund*, 28 Yale J. on Reg. 151 (2011) (with Christopher Muller) and has posted working papers on financial crisis-related executive compensation, money market funds, and, with Colin Mayer, a paper on *The Micro, Macro, and International Design of Financial Regulation*.

Professor Gordon graduated from Yale University and Harvard Law School, clerked for a federal appeals court judge, practiced at a New York law firm, and worked in the General Counsel's office of the U.S. Treasury. He began his academic career at NYU in 1982 and moved to Columbia in 1988. While at Treasury, he worked on the Chrysler Corporation loan guarantee program and financial regulation.

### **Joseph A. Grundfest**

*W.A. Franke Professor of Law and Business at Stanford Law School*

Joseph A. Grundfest, an attorney and economist, joined Stanford Law School's faculty in 1990 after having served for four years as a Commissioner of the U.S. Securities and Exchange Commission. His scholarship has been published in the Harvard, Yale, and Stanford law reviews. He has been recognized as one of the most influential attorneys in the United States and among the leading authorities on corporate governance. His fields of specialization include the regulation of modern capital markets, securities fraud litigation, corporate governance, and complex business transactions.

Professor Grundfest founded the award-winning Stanford Securities Class Action Clearinghouse, which provides detailed, online information about the prosecution, defense, and settlement of federal class action securities fraud litigation. He also launched Stanford Law School's executive education programs and co-directs Directors' College, the nation's leading venue for the continuing professional education of directors of publicly traded corporations. In addition, he is a senior faculty member at the Arthur and Toni Rembe Rock Center for Corporate Governance.

Professor Grundfest also served on the staff of the President's Council of Economic Advisors as counsel and senior economist for legal and regulatory matters, and worked as a research associate at the Brookings Institution and as an economist and consultant with the RAND Corporation. He is also a co-founder and director of Financial Engines and a director of KKR LLC.

### **Judge Patrick E. Higginbotham**

*United States Court of Appeals for the Fifth Circuit*

Patrick E. Higginbotham is now serving his 37th year on the federal bench. He commenced the trial of cases at the age of twenty-two and when appointed was the youngest sitting federal judge in the United States. He has been in one courtroom or another for the past fifty plus years. He currently teaches courses in Constitutional Law and Federal Courts at SMU, and previously at the law schools of the Universities of Alabama, Texas, Texas Tech, and St. Mary's.

B.A. and LL.B. University of Alabama; honorary Doctor of Laws SMU; JAG-USAF (1961–1964); private practice (1964–1975); life member, ALI; Trustee (1974–), Center for American & International Law (Chair, 1997–2010); President, American Inns of Court Foundation (1996–2000); the oldest American Inns of Court in

Dallas, Texas bears his name; fellow, American Bar Foundation; member, Ethics 2000 Commission, ABA; former Chair, Appellate Judges Conference, ABA and member of Board of Editors, ABA Journal; member Board of Overseers, Institute for Civil Justice, RAND; former Chair U.S. Advisory Committee on Civil Rules; Samuel E. Gates Litigation Award, American College of Trial Lawyers; A. Sherman Christensen Award, American Inns of Court; TEX-ABOTA Judge of the Year; Lewis Powell Award at the United States Supreme Court; Professionalism Award, Fifth Circuit; Chief Justice John Marshall Award for lifetime contribution to legal profession by the JAG Association Washington, DC.; St. Thomas More Award, St. Mary's School of Law.

### **Henry T. C. Hu**

*Allan Shivers Chair in the Law of Banking and Finance at  
The University of Texas School of Law*

Henry Hu holds the Allan Shivers Chair in the Law of Banking and Finance at The University of Texas. Appointed by U.S. Securities and Exchange Commission Chairman Mary L. Schapiro, he served as the inaugural Director of the Division of Risk, Strategy, and Financial Innovation. The first new Division in thirty-seven years, "Risk Fin" was created to provide sophisticated, interdisciplinary analysis across the entire spectrum of SEC activities, including policymaking, rulemaking, enforcement, and examinations.

Interested in an interdisciplinary approach to financial innovation and complex capital market and corporate governance issues generally, he has written on asset allocation; bank, derivatives, hedge fund, and mutual fund regulation; corporate control and disclosure; creditor, derivatives-dealer, managerial, shareholder, and trader behavior; debt, equity, and hybrid "decoupling;" director fiduciary duties; investor illiteracy; model risk; risk management; systemic risk; "time diversification"; and Warren Buffett.

From a research standpoint, he is best known for his early articles on the risks posed by derivatives, articles on the corporate objective, and recent articles on "decoupling." A 1989 article argued that the pioneering 1988 Basel bank capital accord was inadequate in the face of modern financial innovation. A 1993 *Yale Law Journal* article receiving renewed attention in the wake of the global financial crisis showed how cognitive bias, compensation, financial "science," and other factors can lead "sophisticated" financial institutions to take undue risks and make other mistakes as to complex derivatives. His research on the corporate objective had one unexpected result: in recognition of a 1995 article, an exchange-traded derivative introduced in 1996 was assigned the ticker symbol of "HUI." Today, the "HUI" (NYSE Arca Gold BUGS Index) and "XAU" (PHLX Gold/Silver Sector Index) are the world's two most widely followed indexes for gold mining stocks. The recent (2006–2009) research on "decoupling" offered the first systematic analysis of debt and equity "decoupling" and coined terms that have come into worldwide use, such as "empty voter," "empty creditor," and "hidden (morphable) ownership." This decoupling research has attracted

attention, including a lead front-page story in the *Wall Street Journal* and stories in the *Economist*, the *Financial Times*, and the *New York Times*. The research has also influenced governmental, capital market, and corporate developments.

Professor Hu teaches subjects such as Corporate Law, Modern Finance and Governance, and Securities Regulation, and has also taught them at Harvard Law School. He has been chair of the Association of American Law Schools' Business Associations Section and a member of the Legal Advisory Board of the NASD (now Financial Industry Regulatory Authority) and the NASD and NASDAQ Market Regulation Committees. He is on the Editorial Board of the Oxford University Press's *Capital Markets Law Journal*. He has testified before Congress, including on behalf of the SEC as to landmark derivatives legislation. In 2010, the National Association of Corporate Directors named him as one of the 100 most influential people in corporate governance (the "Directorship 100"), based on a nationwide survey.

He holds a B.S. (Molecular Biophysics & Biochemistry), M.A. (Economics), and J.D., all from Yale.

## **Howell E. Jackson**

*James S. Reid, Jr. Professor of Law at Harvard Law School*

Howell Jackson is the James S. Reid, Jr. Professor of Law at Harvard Law School. His research interests include financial regulation, international finance, consumer protection, federal budget policy, and entitlement reform. Professor Jackson has served as a consultant to the United States Treasury Department, the United Nations Development Program, and the World Bank/International Monetary Fund. He is a member of the National Academy on Social Insurance, a trustee of the College Retirement Equities Fund (CREF) and its affiliated TIAA-CREF investment companies, a member of the panel of outside scholars for the NBER Retirement Research Center, and a senior editor for Cambridge University Press Series on International Corporate Law and Financial Regulation.

Professor Jackson frequently testifies before Congress and consults with government agencies on issues of financial regulation. He is co-editor of *Fiscal Challenges: An Inter-Disciplinary Approach to Budget Policy* (Cambridge University Press, 2008), co-author of *Analytical Methods for Lawyers* (Foundation Press, 2003) and *Regulation of Financial Institutions* (West, 1999), and author of numerous scholarly articles.

Before joining the Harvard Law School faculty in 1989, Professor Jackson was a law clerk for Justice Thurgood Marshall of the U.S. Supreme Court and practiced law in Washington, D.C., Professor Jackson received J.D. and M.B.A. degrees from Harvard University in 1982 and a B.A. from Brown University in 1976.

## **Andrew W. Lo**

*Harris & Harris Group Professor of Finance at the MIT Sloan School of Management*

Andrew W. Lo is the Harris & Harris Group Professor of Finance at the MIT Sloan School of Management, the director of MIT's Laboratory for Financial Engineering, and a principal investigator at the MIT Computer Science and Artificial Intelligence Laboratory. He received his Ph.D. in economics from Harvard University in 1984 and taught at the University of Pennsylvania's Wharton School as the W.P. Carey Assistant Professor of Finance from 1984 to 1987 and as the W.P. Carey Associate Professor of Finance from 1987 to 1988.

His research interests include the empirical validation and implementation of financial asset pricing models; the pricing of options and other derivative securities; financial engineering and risk management; trading technology and market microstructure; statistics, econometrics, and stochastic processes; computer algorithms and numerical methods; financial visualization; nonlinear models of stock and bond returns; hedge fund risk-and-return dynamics and risk transparency; and, most recently, evolutionary and neurobiological models of individual risk preferences and financial markets.

He has published numerous articles in finance and economics journals and is a co-author of *The Econometrics of Financial Markets*, *A Non-Random Walk Down Wall Street*, and *The Evolution of Technical Analysis*, and author of *Hedge Funds: An Analytic Perspective*. He is currently co-editor of the *Annual Review of Financial Economics* and an associate editor of *Financial Analysts Journal*, *Journal of Computational Finance*, *Journal of Portfolio Management*, and *Quantitative Finance*. His awards include the Harry M. Markowitz Award, the Alfred P. Sloan Foundation Fellowship, the Paul A. Samuelson Award, the American Association for Individual Investors Award, the Graham and Dodd Award, the 2001 IAFE–SunGard Financial Engineer of the Year award, a Guggenheim Fellowship, the CFA Institute's James R. Vertin Award, and awards for teaching excellence from both Wharton and MIT. He is a former governor of the Boston Stock Exchange and is currently a research associate of the National Bureau of Economic Research, a member of FINRA's Economic Advisory Board, and founder and chief investment strategist of AlphaSimplex Group, LLC, a quantitative investment management company based in Cambridge, Massachusetts.

## **Joseph A. McCahery**

*Professor of International Economic Law and Professor of Financial Market Regulation at Tilburg University (Netherlands)*

Joseph A. McCahery is Professor of Financial Market Regulation and International Economic Law at Tilburg University and the Tilburg Law and Economics Center. He is also Program Director in Finance and Law at the Duisenberg School of Finance.

Professor McCahery's research interests and main publications fall in the areas of Corporate Law and Financial Market Regulation. He has served as an advisor on these topics to several governments, multilateral institutions, investment funds, and

corporations. He has many publications in top law journals and has recently published two books on the governance of nonlisted companies. Before coming to Tilburg, he was a professor at the University of Amsterdam, Solvay School of Economics and Management, and Warwick University in the U.K.

### **Randall S. Thomas**

*John S. Beasley II Professor of Law and Business at Vanderbilt University Law School*

Randall S. Thomas is the John S. Beasley II Professor of Law and Business, the Director of the Law and Business Program, and the Director of the LL.M Program at the Vanderbilt University Law School. He is also a Professor of Management at the Owen School of Management. He received a J.D. and a Ph.D. in economics from the University of Michigan and a B.A. from Haverford College. Prior to entering teaching in 1990, he practiced law for several years at Skadden, Arps, Slate, Meagher & Flom and at Potter Anderson & Corroon, both in Wilmington, Delaware.

Professor Thomas's recent publications are concentrated in several areas at the intersection of law and finance, including hedge fund and institutional investor activism, shareholder voting, executive compensation, and shareholder litigation. He has also applied economic analysis in numerous studies covering a broad variety of legal issues in the fields of corporations, securities law, bankruptcy, environmental law, and civil procedure. His current work is concentrated on empirical projects concerning hedge fund and institutional investor activism, CEO employment contracts, state corporate and federal securities shareholder litigation, and international executive pay.

### **Jay L. Westbrook**

*Benno C. Schmidt Chair of Business Law at The University of Texas School of Law*

Professor Westbrook teaches and writes in insolvency law, commercial law, and international business litigation. He practiced in these areas as a partner in Surrey & Morse (now part of Jones Day) in Washington, D.C., before joining the faculty in 1980. He has written a number of articles, primarily focused on empirical research and international/comparative studies. He is co-author of *A Global View of Business Insolvency Systems* (Martinus Nijhoff, 2010), *The Law of Debtors and Creditors* (Aspen, 6th ed., 2009), *As We Forgive Our Debtors: Bankruptcy and Consumer Credit in America* (Oxford, 1989), and *The Fragile Middle Class* (Yale, 2000).

Professor Westbrook has been Visiting Professor at Harvard Law School and the University of London and is a member of the American Law Institute, the National Bankruptcy Conference, and the American College of Bankruptcy. He serves as a consultant to the International Monetary Fund and the World Bank. He was the United States Reporter for the ALI's Transnational Insolvency Project and co-head

of the United States delegation to the UN (UNCITRAL) Working Group on cross-border insolvency. He is a director emeritus of the International Insolvency Institute and past president of the International Academy of Commercial and Consumer Law. He has twice been named the Outstanding Teacher at The University of Texas School of Law.

**Ann Yerger**

*Executive Director of the Council of Institutional Investors*

Ann Yerger has served as executive director of the Council of Institutional Investors since 2005. She joined the organization in 1996 as director of the Council's research service. Founded in 1985, the Council is a nonprofit association of public, union, and corporate pension funds with combined assets that exceed \$3 trillion. The organization's objective is to educate its members, policymakers, and the public about good corporate governance, shareowner rights, and related investment issues, and to advocate on its members' behalf. Before joining the Council, Yerger was deputy director of the Investor Responsibility Research Center's corporate governance service. Prior to that, she spent five years in the domestic corporate banking division of Wachovia Bank.

Yerger is a member of the Investor Advisory Group of the Public Company Accounting Oversight Board as well as the NASDAQ Listing and Hearing Review Council. She also serves on the board of directors for the National Institute on Retirement Security.

TEXAS LAW REVIEW THANKS THE FOLLOWING SPONSORS

PLATINUM SPONSORS

Baker Botts L.L.P.  
Jones Day

GOLD SPONSORS

Gibson, Dunn & Crutcher  
K&L Gates LLP  
Milbank, Tweed, Hadley & McCloy LLP

SILVER SPONSORS

Cleary Gottlieb Steen & Hamilton LLP  
Haynes and Boone, LLP  
Susman Godfrey L.L.P.

MEAL SPONSORS

Joseph A. Cialone, II  
Akin Gump Strauss Hauer & Feld LLP  
King & Spalding  
Sullivan & Cromwell LLP