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ACADEMIC WORK EXPERIENCE

2006 – present, Assistant Professor of Finance, Pamplin College of Business, Virginia Tech

EDUCATION

University of Florida, Gainesville, FL
Ph.D., Finance, 2006

University of Michigan, Ann Arbor, MI
M.S., Mechanical Engineering, 2001

Istanbul Technical University, Istanbul, Turkey
B.S., Mechanical Engineering, 2001

RESEARCH AND TEACHING INTERESTS

Corporate Finance, Investments, Institutional Investors, Venture Capital, Investment Banking

PUBLICATIONS

"Individual Equity Return Data From Thomson Datastream: Handle with Care!" with Robert B. Porter, Journal of Financial Research 29, 2006, 463-479.

"The Evolution of Boards and CEOs Following Performance Declines" with John Easterwood And Charu Raheja, Journal of Corporate Finance 18, 2012, 727-744.

WORKING PAPERS

"Institutional Investors and Stock Return Anomalies" with Greg Kadlec and Roger Edelen. (Under review at the *Journal of Financial Economics*)
We examine institutional investor demand for stocks that are categorized as mispriced according to twelve well-known pricing anomalies. We find that institutional demand during the year prior to anomaly portfolio formation is typically on the wrong side of the anomalies' implied mispricing. Moreover, abnormal returns for all twelve anomalies are concentrated almost entirely in stocks with institutional demand on the wrong side.

- 2013 Frontiers of Finance Conference
- 2013 Chicago Quantitative Alliance Fall Conference
- 2012 Financial Research Association Conference
- University of Oregon, Auckland, New South Wales, and Sydney

“Post-SEO Performance and Institutional Investors” with Greg Kadlec and Roger Edelen.

We document a strong link between institutional investors and long-run stock return and operating performance following seasoned equity offerings (SEOs). Virtually all of the underperformance is confined to the top two quintiles of stocks with the largest increase in number of institutional investors prior to the post-issue underperformance. Our results suggest that post-SEO underperformance is not due to the SEO event per se but rather is a manifestation of more general effects associated with changes in institutional interest in a firm’s stock.

- 2013 American Finance Association Annual Meeting
- 2013 Chicago Quantitative Alliance Fall Conference
- UC Davis, Hong Kong University of Science and Technology, Singapore Management University, National University of Singapore

“Last Exit Before Toll: Venture Capital Funds and Liquidity Pressure” with Debarati Bhattacharya.

We study the impact of venture capital funds’ (VC) liquidity concerns on the timing and outcome of their portfolio firms’ exit events. We find that the probability of an IPO for VC-backed entrepreneurial firms declines with VC fund age. Late exits are more likely to take place during cold market conditions, indicating a loss in market timing flexibility for aging funds. Focusing on the aftermath of IPOs, VC-backed firms experience significantly larger trading volume and lower stock returns around lock-up expirations if they are backed by older funds, and this lock-up effect is amplified if there are multiple VC firms approaching the end of their lifespan. Altogether, our results suggest that the exit process is strongly influenced by VCs’ liquidity concerns.

- 2013 Financial Management Association Annual Meeting
- 2013 Midwest Finance Association Annual Meeting

“Benefits and Costs of Reallocation in Mergers” with John Easterwood and Wei-Hsien Li.

Recent studies have failed to find supportive evidence for the Q-theory of mergers, which proposes that takeovers of low-Q targets by high-Q acquirers should create value. We present a simple model that suggests three modifications to the standard empirical approach. After the modifications, we find evidence consistent with Q-theory using announcement returns and operating performance as alternative measures of value creation. The relation between value creation and Q-difference is inverse U-shaped, indicating a tradeoff between benefits and costs of asset reallocation. We also find that the long- and short-run components of Q relate significantly differently to value creation in M&As.

- 2013 Financial Management Association Annual Meeting

“Asset Prices When Difference of Opinion are Common Knowledge” with Umut Celiker.

We document a strong link between institutional investors and long-run stock return and operating performance following seasoned equity offerings (SEOs). Virtually all of the underperformance is confined to the top two quintiles of stocks with the largest increase in number of institutional investors prior to the post-issue underperformance. Our results suggest that post-SEO underperformance is not due to the SEO event per se but rather is a manifestation of more general effects associated with changes in institutional interest in a firm's stock.

- 2011 Financial Management Association Annual Meeting

"The Role of Venture Capital in IPOs: Evidence from Repeated Interactions Between VCs and Investment Banks"
This study investigates the role of repeated interactions between venture capital firms and unaffiliated investment banks in the IPO process. I find strong evidence for venture capital investors' influence on their portfolio firms' underwriter choice towards relationship banks. These relationship banks are more likely to underwrite IPOs with more severe information asymmetry and agency problems. Moreover, underpricing is lower if the IPO is underwritten by a relationship bank, driven by both a reduction in information asymmetry problems and a better alignment of incentives. Overall, the evidence suggests that VCs' relationships play a beneficial role in the IPO process.

"Why do IPO Offer Prices Only Partially Adjust?"
This study investigates how new information is incorporated into IPO offer prices. I find that offer prices are *not* revised more fully in response to publicly observed information compared to information produced privately by investors during the bookbuilding stage. Upward offer price adjustments reflect only 25% of the total change in firm value when the revision is due to private information or market returns observed early on in the registration period. Late market returns from the last week before the final pricing, on the other hand, have an upward adjustment rate of only 9%. Downward adjustment rates are around 100% for both public and private information. Overall, our findings indicate that the timing of new information arrival rather than its origin plays a key role in the partial adjustment phenomenon.

WORK IN PROGRESS

"Pricing of Idiosycratic Risk: Evidence from Exogeneous Shocks"

"Demand Elasticity and Equity Prices: Evidence from IPO Lock-up Expirations"

AWARDS AND HONORS

Pamplin College Certificates of Teaching Excellence and Warren L. Holtzman Outstanding Educator of the Year (2012, 2013)

TEACHING

Venture Capital and Investment Banking, Virginia Tech (2007 – present)

- 4000-level finance elective
- Average evaluation (23 sections): 4.60 over 5.00

  2012 – 2013: 4.75, 4.62, and 4.92 over 5.00

  2013 – 2014: 4.40 and 5.00 over 5.00
- Course Twitter-feed: **http://twitter.com/FIN4234**
- Course objective: This course provides students with an understanding of venture capital, private equity, and investment banking, with special emphasis on the financing of high-tech start-up companies. The first part of the course explores the venture capital cycles of fund-raising, deal origination, valuation and exits. The second part of the course focuses primarily on the role of investment banks in helping firms raise capital in the public markets. The third part of the course focuses on investment banking regulations and the financial crisis of 2008.

Ph.D. Seminar in Corporate Finance, Virginia Tech (2006 – present)

- Offered every other year
- Average evaluation (3 sections): 5.00 over 5.00
- Course objective: To give 1st and 2nd year doctoral students a broad overview of relevant research in the major subject areas for corporate finance. The first part of the course focuses on the foundations of the theory of corporate finance. The second part of the course focuses on important empirical papers, primarily from capital structure, financing, payout policy, and investment policy literatures.

AQ Bridge Program, Virginia Tech (2008, 2011)

- Post-doctorate education in financial research

Equity and Capital Markets, University of Florida (2003, 2006)

- Course objective: FIN 4504 provides an in-depth discussion of fundamental principles related to equity securities and options for both institutional and individual investors. Objectives of this class include understanding (a) how security markets function, (b) what influences a stock's rate of return, and (c) how to develop investment strategies.

INSTITUTIONAL SERVICE

College Committee:

- Pamplin Multicultural Diversity Committee, 2012 - present (member)

Department Committees:

- Ph.D. Program Committee, 2006 – present (member)
- Recruiting Committee, 2007 – present (member)
- Seminar Series, 2007 – present (coordinator and member)
- Awards Committee, 2006 – present (member)
- Dissertation Committees:

- Nikolaos Artavanis (member), Debarati Bhattacharya (co-chair), Wei-Hsien Li (co-chair), Umut Celiker (co-chair), Jaideep Chowdhury (member), Gokhan Sonaer (member), Megan Michelle McInerney (Accounting, Outside member), Michele D. Meckfessel (Accounting, Outside member), James W. Penner (Accounting, Outside member), Todd White (Accounting, Outside member), Ryan D. Leece (Accounting, Outside member).

PROFESSIONAL ACTIVITIES

Referee: Journal of Banking and Finance, Pacific-Basin Finance Journal, Journal of Empirical Finance

Conference program committee: Midwest Finance Association (2013), Financial Management Association (2007)

CITIZENSHIP: U.S. Citizen