

DAVID L. YERMACK
Department of Finance
Stern School of Business, New York University
44 West Fourth St., Suite 9-160
New York, NY 10012-1126
Phone: (212) 998-0357 Fax: (212) 995-4220
E-mail: dyermack@stern.nyu.edu

Education

Harvard University, Cambridge, MA

- Ph.D. in Business Economics, June 1994.
- A.M. in Business Economics, June 1993.
- J.D. *cum laude*, June 1991.
- M.B.A. with High Distinction, June 1991.
- A.B. *magna cum laude* in Economics, June 1985.

Research Areas

Corporate finance; Executive compensation; Executive stock options; Boards of directors; Corporate governance; Law and economics; Sports economics; Finance and fashion.

Permanent Academic Appointment

New York University Stern School of Business: 1994-present.

- Albert Fingerhut Professor of Finance and Business Transformation, 2009-present.
Previously Professor of Finance (2006-09), Associate Professor (1998-2006),
and Assistant Professor (1994-98). Voted tenure in 1999, effective in 2001.
- Paduano Faculty Fellow in business ethics, 2007-2009.
- Adjunct Professor of Law, NYU School of Law, 1995-present.
- Director, NYU Salomon Center Corporate Governance Research Program.
- Member, Board of Directors, NYU Pollack Center for Law and Business.

Visiting Academic Appointments

University of Basel: Visiting Professor, Summers 2001-02, 2004-11.

Center for Financial Studies (Frankfurt): Doctoral summer school instructor, 2007.

Erasmus University Rotterdam: Visiting Professor, Summers 2008-11.

Free University of Berlin: Deutsche Bundesbank Visiting Professor, Summers 2003, 2007.

Federal Reserve Bank of New York: Visiting Scholar, 2003-05, 2007-10.

Freiburg University: Visiting Professor, Summer 2008.

London Business School: Visiting Professor, Summers 2006-08.

Mannheim Business School: Visiting Professor, Summers 2009-11.

Moscow New Economic School: Visiting Professor, Summer 2009.
University of St. Gallen: Visiting Professor, Summers 2006, 2009.
Stockholm School of Economics: guest instructor, Fall 2005.
Swedish Institute for Financial Research: Hans Dalborg Visiting Professor, Fall 2005.
University of Western Australia Business School:
Stan and Jean Perron Visiting Fellow, 2009; Visiting Professor, Summers 2010-11.
University of Zurich: Visiting Professor, Summer 2008.

Academic Journal Publications

“Investor Reactions to CEOs’ Inside Debt Incentives,” *Review of Financial Studies*, forthcoming (co-authored with Chenyang Wei).

“Negative Hedging: Performance Sensitive Debt and CEOs’ Equity Incentives,” *Journal of Financial and Quantitative Analysis* 46, ___-___ (June 2011) (co-authored with Alexei Tchisty and Hayong Yun).

“Shareholder Voting and Corporate Governance,” *Annual Review of Financial Economics* 2, 103-125 (December 2010).

“Is a Higher Calling Enough? Incentive Compensation in the Church,” *Journal of Labor Economics* 28, 509-540 (July 2010) (co-authored with Jay Hartzell and Christopher Parsons).

“Deductio Ad Absurdum: CEOs Donating Their Own Stock to Their Own Family Foundations,” *Journal of Financial Economics* 94, 107-123 (October 2009).

“You Can’t Take It With You: Sunset Provisions for Equity Compensation When Managers Retire, Resign, or Die,” *Journal of Corporate Finance* 14, 499-511 (December 2008) (co-authored with Sandeep Dahiya).

“Pay Me Later: Inside Debt and Its Role in Managerial Compensation,” *Journal of Finance* 62, 1551-1588 (August 2007) (co-authored with Rangarajan Sundaram).

“Golden Handshakes: Separation Pay for Retired and Dismissed CEOs,” *Journal of Accounting and Economics* 41, 237-256 (September 2006).

“Flights of Fancy: Corporate Jets, CEO Perquisites, and Inferior Shareholder Returns,” *Journal of Financial Economics* 80, 211-242 (April 2006).

“Board Members and Company Value,” *Financial Markets and Portfolio Management* 20, 33-47 (April 2006).

“On Recissions in Executive Stock Options,” *Journal of Business* 78, 1809-1835 (September

2005) (co-authored with Menachem Brenner and Rangarajan Sundaram).

“Remuneration, Retention, and Reputation Incentives for Outside Directors,” *Journal of Finance* 59, 2281-2308 (October 2004).

“What’s In It For Me? CEOs Whose Firms Are Acquired,” *Review of Financial Studies* 17, 37-61 (Spring 2004) (co-authored with Jay Hartzell and Eli Ofek).

“Litigation Exposure, Capital Structure, and Shareholder Value: The Case of Brooke Group,” *Journal of Corporate Finance* 9, 271-294 (June 2003) (co-authored with Sandeep Dahiya).

"Altering the Terms of Executive Stock Options," *Journal of Financial Economics* 57, 103 -128 (July 2000) (co-authored with Menachem Brenner and Rangarajan Sundaram).

"Taking Stock: Equity-Based Compensation and the Evolution of Managerial Ownership," *Journal of Finance* 55, 1367-1384 (June 2000) (co-authored with Eli Ofek).

"CEO Involvement in the Selection of New Board Members: An Empirical Analysis," *Journal of Finance* 54, 1829-1853 (October 1999) (co-authored with Anil Shivdasani).

"CEO Ownership, Leasing and Debt Financing," *Financial Management* 28:2, 5-14 (Summer 1999) (co-authored with Hamid Mehran and Robert Taggart).

"Investment Opportunities and the Design of Debt Securities," *Journal of Law, Economics and Organizations* 14, 136-151 (April 1998) (co-authored with Marcel Kahan).

"Companies' Modest Claims About the Value of CEO Stock Option Awards," *Review of Quantitative Finance and Accounting* 10, 207-226 (March 1998).

"Managerial Entrenchment and Capital Structure Decisions," *Journal of Finance* 52, 1411-1438 (September 1997) (co-authored with Philip G. Berger and Eli Ofek). Reprinted in Michael J. Brennan, ed., *Empirical Corporate Finance* (Edward Elgar Publishing, 2000).

"Good Timing: CEO Stock Option Awards and Company News Announcements," *Journal of Finance* 52, 449-476 (June 1997).

"Higher Market Valuation of Companies with a Small Board of Directors," *Journal of Financial Economics* 40, 185-212 (February 1996). Reprinted in Diane Denis and John McConnell, eds., *Governance: An International Perspective* (Edward Elgar Publishing, 2005).

"Do Corporations Award CEO Stock Options Effectively?" *Journal of Financial Economics* 39, 237-269 (October 1995). Reprinted in Kevin F. Hallock and Kevin J. Murphy, eds., *The Economics of Executive Compensation, Volume 1* (Edward Elgar Publishing, 1999).

Working Papers

“How Much of the Diversification Discount Can Be Explained By Poor Corporate Governance?” February 2011 (co-authored with Daniel Hoechle, Markus Schmid, and Ingo Walter).

“The Michelle Markup: The First Lady’s Impact on Stock Prices of Fashion Companies,” April 2010.

“Where Are the Shareholders’ Mansions? CEOs’ Home Purchases, Stock Sales, and Subsequent Company Performance,” October 2007 (co-authored with Crocker Liu).

"Major League Baseball Contracts: An Empirical Investigation of the Properties of Real Options," September 2001 (co-authored with Matthew Clayton).

“Dilution from Stock-Based Compensation,” August 2001 (co-authored with Jennifer N. Carpenter).

“Compensation and Top Management Turnover,” November 1997 (co-authored with Hamid Mehran).

Business Commentary Publications

“How This First Lady Moves Markets,” *Harvard Business Review*, November 2010.

“Keeping the Executive Pay Police at Bay,” *The Wall Street Journal*, November 15, 2009.

“Just Say No to Detroit,” *The Wall Street Journal*, October 10, 2008.

“A Pound of Cure: How the British Are Reforming Executive Compensation,” *D&O Advisor*, Fall 2004 (co-authored with Arthur Rosenbloom).

“Flights of Fancy,” *SternBusiness*, Fall/Winter 2004, 30-35.

"The Dark Side of Executive Stock Options," *SternBusiness*, Fall 1998, 22-25.

"Why CEOs Use Insufficient Debt," *Financial Times*, May 23, 1997 (co-authored with Philip Berger and Eli Ofek).

Books

Executive Compensation and Shareholder Value, Kluwer, 1998.

Conference proceedings volume co-edited with Jennifer N. Carpenter.

Academic Conferences (partial list)

Paper Presentations: American Finance Association (2008, 2006, 2005, 2004, 1999, 1998, 1996); Western Finance Association (2009, 1999); National Bureau of Economic Research (2009, 2005, 2004, 1995); Gerzensee European Summer Symposium in Financial Markets (2008, 2006); London Business School Corporate Governance Conference (2007); Universidade Nova de Lisboa Executive Compensation Conference (2011); Erasmus University Rotterdam Executive Compensation Conference (2010); Madrid Finance Workshop (2011); Financial Management Association (1997); Tuck/JFE Corporate Governance Conference (2000); Duke-North Carolina Corporate Finance Conference (2004); IDC/Arison Finance Conference (2005); Utah Winter Finance Conference (1996); American Law and Economics Association (2009, 1996); Conference on Empirical Legal Studies (2009); Midwest Finance Association (1996).

Program Committees: Western Finance Association (2003-11); European Finance Association (2010-11); Financial Management Association (1997, 2003, 2004, 2006, 2008, 2011); Conference on Financial Economics and Accounting (2007); Conference on Empirical Legal Studies (2008); Utah Winter Finance Conference (2010-11); Finance Down Under (2011).

Paper Discussions: American Finance Association (1998, 2000, 2004, 2006, 2008, 2010, 2011); American Economic Association (2004, 2008); Swedish Institute for Financial Research (2007); Gerzensee European Summer Symposium in Financial Markets (2007); Western Finance Association (1996); Federal Reserve Bank of New York Conference on Bank Mergers (2001); London Business School Corporate Governance Conference (2004).

Addresses: Cardiff Business School / *Journal of Corporate Finance* Conference on Executive Compensation (2010); California Corporate Finance Conference (2010); Swedish Institute for Financial Research Corporate Governance Conference (2005); TIAA-CREF Corporate Governance Forum (2001).

Panelist: Stanford Law School conferences on Corporate Governance in the 21st Century (2008) and the SEC's Regulation of Executive Compensation Disclosure (2006); National Forum on Corporate Finance (2001); Financial Management Association (1999, 2010).

Invited University Seminars

University of Adelaide (2), University of Alabama, University of Amsterdam (2), University of Arizona (2), Arizona State University, Australian National University, Baruch College, University of Basel (2), Binghamton University, Boston College, Universidad Carlos III de Madrid, Case Western Reserve University, Center for Financial Studies (Frankfurt), Chinese University Hong Kong (3), City University Hong Kong, Cornell Law School, Edith Cowan University, Deutsche Bundesbank, Drexel University, Duke University, Erasmus University Rotterdam (3), European School of Management and Technology (Berlin), Federal Reserve Bank of New York (4), Florida State University, Fordham University School of Law (3), Free University of Berlin, Georgetown University, University of Georgia, Goethe University Frankfurt, Harvard Business School,

Harvard Law School, Helsinki School of Economics (2), Hong Kong University of Science & Technology, Humboldt University, INSEAD, Indiana University, University of Iowa, Lehigh University, Lingnan University, London Business School, London School of Economics, Loyola-Marymount University, University of Lugano, Mannheim University (3), University of Maryland, George Mason University, University of Melbourne (2), Monash University, Michigan State University, University of Mississippi, New Economic School (Moscow), University of New South Wales, New York University, University of North Carolina, Northwestern University Law School, University of Notre Dame (2), Ohio State University, University of Oklahoma, University of Oregon (2), Oxford University, University of Pennsylvania (2), Universitat Pompeu Fabra de Barcelona, Purdue University, Queensland University, Rice University, Rutgers University, University of St. Gallen, University of Southern California, Southern Methodist University, Stockholm School of Economics, Swedish Institute for Financial Research, Syracuse University, Temple University, University of Texas, Texas Christian University, University of Tennessee, Tilburg University, Tulane University, Vanderbilt University, University of Virginia Darden School, University of Virginia School of Law, Virginia Polytechnic Institute and State University, University of Washington, University of Western Australia, Yale Law School, University of Zurich.

Honors and Awards

Research

Yamaichi Faculty Fellowship, 2004-2009, and Ira Rennert Faculty Fellowship, 2001-2004, from NYU Stern School in recognition of research productivity.

Paduano Faculty Fellowship, 2007-2009, from NYU Stern School to support interdisciplinary research in business ethics.

Four-time nominee for Smith Breeden or Brattle Prize for outstanding paper published in the *Journal of Finance*: "Good Timing: CEO Stock Option Awards and Company News Announcements," 1997; "CEO Involvement in the Selection of New Board Members: An Empirical Analysis," 1999 (co-authored with Anil Shivdasani); "Remuneration, Retention, and Reputation Incentives for Outside Directors," 2004; "Pay Me Later: Inside Debt and Its Role in Managerial Compensation," 2007 (co-authored with Ragarajan Sundaram).

Two "All Star Paper" citations in 2002 from *Journal of Financial Economics* for high citation counts achieved by "Higher Market Valuation of Companies with a Small Board of Directors," 1996, and "Do Corporations Award CEO Stock Options Effectively?," 1995.

Four Glucksman Institute Research Awards for best finance research paper by NYU Stern School faculty: "Managerial Entrenchment and Capital Structure Decisions," 1997-98 (co-authored with Philip G. Berger and Eli Ofek) (first place); "Altering the Terms of

Executive Stock Options," 1999-2000 (co-authored with Menachem Brenner and Ragarajan Sundaram) (first place); "Remuneration, Retention, and Reputation Incentives for Outside Directors," 2002-03 (first place); "Deductio ad Absurdum: CEOs Donating Their Own Stock to Their Own Family Foundations," 2008-09 (second place).

Teaching

Finalist (1996-97) and nominee (1995-96) for Teacher of the Year (undergraduate college); finalist (2000-01, 2003-04), and nominee (1996-97, 1997-98) for Professor of the Year (MBA program), Stern School of Business, NYU.

Allyn Young Teaching Prize as outstanding teaching fellow (from group of 36) in undergraduate "Principles of Economics" survey course, Harvard College, 1991.

Two Certificates of Distinguished Teaching from Harvard Faculty of Arts and Sciences, 1990-91.

Three-time nominee for Levinson Award as outstanding teaching fellow in Harvard Faculty of Arts and Sciences, 1990-91.

Graduate School -- Academic

Dean's Doctoral Fellowship, Harvard Business School, 1991-94; won in competition with Harvard MBA graduates for PhD support.

Baker Scholar, Harvard Business School, 1991, for graduating in top five percent of MBA class. First-Year MBA Honors, 1988.

College -- Academic

Dean's List during all eight semesters.

Harvard College Scholarship and John Harvard Scholarship for academic achievement.

Teaching Experience

"Restructuring Firms and Industries" jointly offered by Stern School of Business and School of Law, NYU, 1996-2011 (graduate).

"Seminar: Agency and Executive Compensation," Stern School of Business, NYU, 2004, 2008, and 2010 (doctoral).

"Seminar: Corporate Governance," Stern School of Business, NYU, 2006, 2008 and 2010

(doctoral).

"Financial Management," Stern School of Business, NYU, 1994-97 (undergraduate).

"Corporate Finance," Stern School of Business, NYU, 1995-2002, various semesters (graduate, undergraduate, and Executive MBA).

"Topics in Corporate Governance," Stern School of Business, NYU, 2001 (Executive MBA).

"Legal Foundations of Applied Finance," Stern School of Business, NYU, 2001-2002 (graduate).

"Seminar: Economic Analysis of Developing Issues in Corporate Theory," School of Law, NYU, 1995.

"Principles of Economics," Harvard College, 1989-91. Teaching Fellow under Prof. Martin Feldstein.

Work Experience

Management Consulting

JSA International, Cambridge, MA, 1989-91.

Premier/USTravel, San Francisco, CA, 1988-99.

Bain & Co., Boston, MA, 1985-87.

Legal

Skadden, Arps, Slate, Meagher and Flom, Boston, MA, Summer Associate, 1990.

Journalism

Pittsburgh Post-Gazette, Pittsburgh, PA, summer 1985.

The Wall Street Journal, Philadelphia, PA, summer 1984.

Professional Appointments and Organizations

American Finance Association.

Financial Management Association

(elected to Board of Directors for a two-year term as an Academic Director, 2009-11).

Turnaround Management Association

(member of Academic Advisory Board).

Associate Editor, *Journal of Financial Economics*, 2008 - present.

Associate Editor, *Financial Markets and Portfolio Management*, 2005 - present.

Associate Editor, *Journal of Financial and Quantitative Analysis*, 2001 - present

Associate Editor, *Journal of Corporate Finance*, 2001 - present.

Licensed to practice law in Massachusetts.