nfa 2008 northern finance association
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*Annual Conference*

# Kananaskis Village, Alberta

*September 5-7, 2008*

## Conference Chair

*Gordon Sick*

## Program Chair

*Alexander David*

*Haskayne School of Business*

*University of Calgary*

## Keynote Speakers

*Michael Brennan*
*University of California, Los Angeles*

*Philip Dybvig*
*Washington University, St. Louis*

HASKAYNE
School of Business

UNIVERSITY OF CALGARY

# NFA 2008
# Sessions Summary

## Friday September 5, 2008

5:00 - 7:00 Registration and Reception in the Conference Foyer
Sponsored by the Canada Pension Plan Investment Board

## Saturday September 6, 2008

7:30 - 8:30 am Breakfast in the Conference Foyer and Gold Room
Sponsored by TransAlta

8:30 - 10:00 am: Parallel sessions (6)
10:00 - 10:15 am: Coffee and snacks
10:15 am - 11:45 am: Parallel sessions (6)

12:00 - 1:30 pm: Lunch in the Gold Room, with keynote speaker Philip Dybvig
Lunch sponsored by the Bank of Canada
Keynote Speaker sponsored by the International Journal of Managerial Finance

1:45 - 3:15 pm: Parallel sessions (6)
3:15 - 3:30 pm: Coffee and snacks
3:30 - 5:00 pm: Parallel sessions (6)

5:00 - 7:00 pm: Free time

7:00 - 9:30 pm: Dinner in the Gold Room with keynote speaker Michael Brennan
Dinner sponsored by the Haskayne School of Business
Keynote Speaker sponsored by The Canadian Institute of Chartered Business Valuators

## Sunday September 7, 2008

7:30 - 8:30 am Breakfast in the Conference Foyer and Gold Room
Sponsored by Direct Energy

8:30 - 10:00 am: Parallel sessions (6)
10:00 - 10:15 am: Coffee and snacks
10:15 am - 11:45 am: Parallel sessions (6)

## Friday September 5
## 5:00 - 7:00 pm

**_Reception in the Gold Room_**

**Sponsored by the Canada Pension Plan Investment Board.**

## Saturday September 6
## 7:30 - 8:30 am

**_Breakfast in the Gold Room_**

**Sponsored by TransAlta Corp**

## Saturday September 6
## 8:30 - 10:00 am

### _Session A1: Asset Pricing I, Silver Room_

**Chair: Raymond Kan, University of Toronto**

*8:30 AM:* Black's Simple Discounting Rule: A Simple Implementation
*Claudio Loderer, University of Bern; John B. Long, University of Rochester; Lukas Roth, Penn State University*
*Discussant: Felipe Aguerrevere, University of Alberta*

*9:00 AM:* Who Holds Risky Assets?
*Bryan Routledge, Carnegie Mellon University; David Backus, New York University; Stanley Zin, Carnegie Mellon University*
*Discussant: Ali Lazrak, University of British Columbia*

*9:30 AM:* Empirical Likelihood Estimators for Stochastic Discount Factors
*Caio Almeida, Getulio Vargas Fundacao; René Garcia, EDHEC Business School*
*Discussant: Raymond Kan, University of Toronto*

### _Session B1: Governance I, Bronze Room_

**Chair: Paul Seguin, University of Minnesota**

*8:30 AM:* Trading Places: Impact of Ownership Changes on Canadian Firms
*Michael King, Bank for International Settlements; Eric Santor, Bank of Canada*
*Discussant: Pei Shao, University of Northern British Columbia*

*9:00 AM:* Operating Performance Changes Associated with Corporate Mergers and the Role of Corporate Governance
*Nicholas Carline, University of Lancaster; Scott Linn, Pradeep Yadav, University of Oklahoma*
*Discussant: Paul Seguin , University of Minnesota*

*9:30 AM:* Multiple Large Shareholders, Control Contests, and Implied Cost of Equity
*Najah Attig, Saint Mary's University; Omrane Guedhami, University of South Carolina; Dev Mishra, University of Saskatchewan*
*Discussant: Kee-Hong Bae, Queen's University*

### _Session C1: Risk I, Sinclair Room_

**Chair: Giovanna Zanotti, SDA Bocconi**

*8:30 AM:* The Structure of Jumps: Evidence from Returns with Implications for Option Valuation
*Peter Christoffersen, Kris Jacobs, Chayawat Ornthanalai, McGill University*
*Discussant: Giovanni Barone Adesi, University of Lugano*

*9:00 AM:* VaR and Expected Shortfall: A Non-normal Regime Switching Framework
*Robert Elliott, Hong Miao; University of Calgary*
*Discussant: Alexander Melnikov, University of Alberta*

*9:30 AM:* The immunization performance of traditional and stochastic durations: A mean-variance analysis
*Pascal François, HEC Montréal; Franck Moraux, Université de Rennes*
*Discussant: Giovanna Zanotti, SDA Bocconi*

### _Session D1: Capital Structure, Dawson Room_

**Chair: Vikas Mehrotra, University of Alberta**

*8:30 AM:* The Long-Term Debt Ratios of US Multinationals and the Securities Laws in the Countries of Subsidiaries
*Dev Mishra, George Tannous; University of Saskatchewan*
*Discussant: Lorne Switzer, Concordia University*

*9:00 AM:* Country of Origin Effects in Capital Structure Decisions: Evidence from Foreign Direct Investment in China
*Kai Li, Dale Griffin, University of British Columbia; Heng Yue, Longkai Zhao, Peking University*
*Discussant: Vikas Mehrotra, University of Alberta*

*9:30 AM:* Predation, Stock Prices and Financial Structure
*Andres Almazan, University of Texas, András Marosi, University of Alberta; Sheridan Titman, University of Texas*
*Discussant: James Thompson, University of Waterloo*

### *Session E1: Mutual Funds I, Palliser Room*

### Chair: Anna Scherbina, University of California at Davis

*8:30 AM:* Seasonal Asset Allocation: Evidence from Mutual Fund Flows
*Mark Kamstra, York University; Lisa Kramer, University of Toronto; Maurice Levi, University of British Columbia; Russ Wermers, University of Maryland*
*Discussant: Anna Scherbina, University of California at Davis*

*9:00 AM:* The role of demographic dynamics in explaining asset returns: Italy as a case study
*Marianna Brunetti, University of Rome; Costanza Torricelli, University of Modena*
*Discussant: Xifeng Diao, University of Calgary*

### *Session F1: Information I, Stewart Room*

### Chair: Nadia Massoud, York University

*8:30 AM:* Risk and Return Reaction of the Stock Market to Public Announcements about Fundamentals: Theory and Evidence
*Tolga Cenesizoglu, HEC Montréal*
*Discussant: Bo-Young Chang, McGill University*

*9:00 AM:* Media Coverage, Investor Inattention, and the Market's Reaction to News
*Charles Gaa, University of British Columbia*
*Discussant: Nadia Massoud, York University*

*9:30 AM:* Does short-sale constraint impede long run informational efficiency?
*Siu-Kai Choy, University of Toronto; Hua Zhang, Chinese University of Hong Kong*
*Discussant: Volkan Kayacetin, University of Alberta*

## Saturday September 6
## 10:00 - 10:15 am

### *Refreshments*

### Convention Foyer

## Saturday September 6
## 10:15 - 11:45 am

### *Session A2: Asset Pricing II, Silver Room*

### Chair: Masahiro Watanabe, Rice University

*10:15 AM:* The Changing Nature of Systematic Risk
*Francesco Franzoni, University of Lugano*
*Discussant: Hong Miao, University of Colorado at Boulder*

*10:45 AM:* A Market Based Approach To Inflation Expectations, Risk Premia And Real Interest Rates
*Jose Manuel Marques Sevillano, Ricardo Gimeno Nogues, Banco de España*
*Discussant: Masahiro Watanabe, Rice University*

*11:15 AM:* A Disaggregate Approach to Test Financial Integration in North America Using the Four Factors Model
*Marie-Hélène Gagnon, Marie-Claude Beaulieu, Université Laval; Lynda Khalaf, Carleton University*
*Discussant: Ethan Chiang, Boston College*

### *Session B2: Governance II, Bronze Room*

### Chair: Alan Kraus, University of British Columbia

*10:15 AM:* How does Venture Capital Financing Improve Efficiency in Private Firms? A Look Beneath the Surface.
*Thomas Chemmanur, Karthik Krishnan, Boston College; Debarshi Nandy, York University*
*Discussant: Michael Robinson, University of Calgary*

*10:45 AM:* When Bad Stocks Make Good Investments: The Role of Hedge Funds in Leveraged Buyouts
*Jiekun Huang, Boston College*
*Discussant: Blake Phillips, University of Alberta*

*11:15 AM:* The Value of a Reputation for Corporate Social Responsibility: Empirical Evidence
*Stephanie Bertels, Anne Kleffner, University of Calgary; Michael Robinson, University of Calgary*
*Discussant: Alan Kraus, University of British Columbia*

### *Session C2: Risk II, Sinclair Room*

### Chair: Phelim Boyle, Wilfrid Laurier University

*10:15 AM:* Can the Black-Scholes Model Survive Under Transaction Costs? An Affirmative Answer
*Stylianos Perrakis, Michal Czerwonko, Concordia University*
*Discussant: Lars Stentoft, HEC Montréal*

*10:45 AM:* Barrier Option Pricing using adjusted transition probabilities
*Giovanni Barone-Adesi, Nicola Fusari, John Theal, University of Lugano*
*Discussant: Phelim Boyle, Wilfred Laurier University*

*11:15 AM:* An Empirical Comparison of Convertible Bond Valuation Models
*Yuriy Zabolotnyuk, Robert Jones, Simon Fraser University; Chris Veld, University of Stirling*
*Discussant: TBA*

### *Session D2: Investment Banking II, Dawson Room*

### Chair: Espen Eckbo, Dartmouth College

*10:15 AM:* Why are firms that raise more financing worth more?
*Ambrus Kecskes, University of Toronto*
*Discussant: Rick Green, Carnegie Mellon University*

*10:45 AM:* Institutional Holdings and Seasoned Equity Offerings
*Hamed Mahmudi, University of Toronto; Huasheng Gao, University of British Columbia*
*Discussant: Espen Eckbo, Dartmouth College*

*11:15 AM:* Private Placements and Liquidity
*Ari Pandes, Elizabeth Maynes, York University*
*Discussant: David Koslowsky, University of British Columbia, Okanagan*

### *Session E2: Mutual Funds II, Palliser Room*

### Chair: Aymen Karoui, HEC Montréal

*10:15 AM:* Performance gauging in discrete time using a Luenberger portfolio productivity indicator
*Olivier Brandouy, University of Sciences and Technologies, Lille; Walter Briec, University of Perpignan; Kristiaan Kerstens, IESEG School or Management; Ignace van de Woestyne, KU Bruxelles*
*Discussant: Aymen Karoui, HEC Montréal*

*10:45 AM:* Measuring Performance in a Dynamic World: Conditional Mean-Variance Fundamentals
*Ranjini Jha, University of Waterloo; Bob Korkie, University of Alberta; Harry Turtle, Washington State University*
*Discussant: Olivier Brandouy, University of Sciences and Technologies Lille 1*

*11:15 AM:* Earnings Forecasts and Idiosyncratic Volatilities
*Sana Mohsni, Lawrence Kryzanowski; Concordia University*
*Discussant: Keywan Rasekhschaffe, University of Lugano*

### *Session F2: Information II, Stewart Room*

### Chair: Michael Hertzel, Arizona State

*10:15 AM:* Debt Rating Initiations and Accompanying Corporate Behavior
*Laurence Booth, University of Toronto; Sean Cleary, Lynnette Purda, Queen's University*
*Discussant: Andras Marosi, University of Alberta*

*10:45 AM:* The Use Of Accounting And Stock Market Data To Predict Bank Rating Changes: The Case Of South East Asia
*Isabelle Distinguin, Amine Tarazi, Université de Limoges*
*Discussant: Mark Kamstra, York University*

*11:15 AM:* The Euro 4 billion Gambling Loss and Failure of the Mortgage Bank AHBR - Clinical Study and Implications for Theoretical Results on Risk-Shifting
*Ulrich Schuewer, Olaf Clemens, Goethe-University Frankfurt*
*Discussant: Matt Lyle, University of Calgary*

## Saturday September 6
## 12:00 - 1:30 pm

### Luncheon sponsored by the Bank of Canada.

### Chair: Alex David

### *Keynote Address:* The Collected Works of Stephen A Ross

### Speaker: Philip Dybvig, Washington University at St. Louis

### Keynote speaker sponsored by The International Journal of Managerial Finance

## Saturday September 6
## 1:45 - 3:15 pm

### *Session A3: Asset Pricing III, Silver Room*

### Chair: Evan Gatev, Simon Fraser University

*1:45 PM:* Return Comovement
*Jason Chen, Jenny Chen, University of British Columbia; Feng Li, University of Michigan*
*Discussant: Evan Gatev, Simon Fraser University*

*2:15 PM:* Industry-Specific Human Capital, Idiosyncratic Risk and the Cross-Section of Expected Stock Returns
*Esther Eiling, Rotman School of Management, University of Toronto*
*Discussant: Tim Simin, Pennsylvania State University*

### *Session B3: Governance III, Bronze Room*

### Chair: Vijay Jog, Carleton University

*1:45 PM:* The Role of Mutual Funds in Corporate Governance: Evidence from Mutual Funds' Proxy Voting and Trading Behavior
*Ying Duan, Boston College*
*Discussant: Wolfgang Bessler, University of Giessen*

*2:15 PM:* Capital Markets and Corporate Control: Empirical Evidence from Hedge Fund Activism in Germany
*Wolfgang Bessler, Julian Holler, University of Giessen*
*Discussant: Vijay Jog, Carleton University*

*2:45 PM:* Analyst Following of Privatized Firms around the World: The role of Institutions and Ownership Structure
*Lobna Bouslimi, Narjess Boubakri, HEC Montréal*
*Discussant: Ambrus Kecskes, Virginia Tech*

### *Session C3: Risk III, Sinclair Room*

### Chair: Jingzhi Huang, Pennsylvania State University

*1:45 PM:* Liquidity and Credit Default Swap Spreads
*Dragon Tang, Kennesaw State University; Hon Yan, University of South Carolina*
*Discussant: Jingzhi Huang, Pennsylvania State University*

*2:15 PM:* Hedging With Futures In A Context Of High Time Varying Volatility: An Application Of Garch Correlation Models To European Electricity Markets
*Giovanna Zanotti, Bocconi University; Giampaolo Gabbi, Siena University; Manuela Geranio, Bocconi University*
*Discussant: Stylianos Perrakis, Concordia University*

### *Session D3: Investment Banking II, Dawson Room*

### Chair: George Tannous, University of Saskatchewan

*1:45 PM:* Counterparty Risk in Financial Contracts: Should the Insured Worry about the Insurer?
*James Thompson, Queen's University*
*Discussant: Jean Helwege, Pennsylvania State University*

*2:15 PM:* Aggregate Volatility Risk: Explaining the Small Growth Anomaly and the New Issues Puzzle
*Alexander Barinov, University of Georgia*
*Discussant: René Garcia, University of Montréal*

*2:45 PM:* The Persistence of SEO Market Timing
*David Koslowsky, University of British Columbia, Okanagan*
*Discussant: George Tannous, University of Saskatchewan*

### *Session E3: Structured Investment Products, Palliser Room*

### Chair: Rick Green, Carnegie Mellon University

*1:45 PM:* Structured Investment Products and the Retail Investor
*Carole Bernard, University of Waterloo; Phelim Boyle, Wilfrid Laurier University*
*Discussant: Rick Green, Carnegie Mellon University*

*2:15 PM:* Why Mutual Funds "Underperform"
*Vincent Glode, Carnegie Mellon University*
*Discussant: Russ Wermers, University of Maryland*

*2:45 PM:* Systemic Risk as Renegotiation Breakdown: The Role of Structured Investment Products
*Alexander David, Alfred Lehar, University of Calgary*
*Discussant: Phil Dybvig, Washington University in St. Louis*

### *Session F3: Information III, Stewart Room*

### Chair: Michael Halling, University of Utah

*1:45 PM:* Information Asymmetry, Signaling, and Share Repurchase
*Jin Wang, Lewis Johnson, Queen's University*
*Discussant: Michael Halling, University of Utah*

*2:15 PM:* Information Leakages in Financial Markets: Evidence from Shorting around Insider Sales
*Bidisha Chakrabarty, Saint Louis University; Andriy Shkilko, Wilfrid Laurier University*
*Discussant: Jung-Wook Kim, University of Alberta*

*2:45 PM:* Does Initial Placement Matter for Equity Analysts' Forecast Accuracy?
*Lin Zou, Jess Cornaggia, University of Texas at Dallas*
*Discussant: Jean Helwege, Pennsylvania State University*

## Saturday September 6
## 3:15 - 3:30 pm

### *Refreshments*

### Convention Foyer

## Saturday September 6
## 3:30 - 5:00 pm

### *Session A4: Asset Pricing IV, Silver Room*

### Chair: Murray Carlson, University of British Columbia

*3:30 PM:* Value, Trading Strategies and Financial Investment of Natural Gas Storage Assets
*Youyi Feng, Chinese University of Hong Kong; Zhan Pang, University of Calgary*
*Discussant: Gordon Sick, University of Calgary*

*4:00 PM:* Expected Commodity Futures Returns
*Saqib Khan, University of Regina; Zeigham Khokher, University of Western Ontario; Timothy Simin, Penn State University*
*Discussant: Murray Carlson, University of British Columbia*

*4:30 PM:* The Explanatory Power Of The Hotelling Valuation Principle On Canadian Oil And Gas Royalty Trusts
*Michael Shumlich, Jennings Capital; Craig Wilson, University of Saskatchewan*
*Discussant: Charles Gaa, University of British Columbia*

### *Session B4: Governance IV, Bronze Room*

### Chair: Tom Cottrell, University of Calgary

*3:30 PM:* Trends in Earnings Volatility, Earnings Quality and Idiosyncratic Return Volatility: Managerial Opportunism or Economic Activity
*Changling Chen, Alan G. Huang, Ranjini Jha, University of Waterloo*
*Discussant: Akiko Watanabe, University of Alberta*

*4:00 PM:* Compensation, Decentralization and Investment in Firm-Specific Human Capital
*Neil Brisley, University of Western Ontario; Alan Douglas, University of Waterloo*
*Discussant: Tom Cottrell, University of Calgary*

*4:30 PM:* Can earnings manipulation create value?
*Anton Miglo, University of Guelph*
*Discussant: Eric Santor, Bank of Canada*

### *Session C4: Risk IV, Sinclair Room*

### Chair: Jean Helwege, Pennsylvania State University

*3:30 PM:* Exploring the Common Factors in the Term Structure of Credit Spreads
*Marcos Perez, Wilfrid Laurier University; Seung Ahn, Stephan Dieckmann, Arizona State University*
*Discussant: Yaxuan Qi, Concordia University*

*4:00 PM:* Cash Holdings and Credit Risk
*Viral Acharya, London Business School; Sergei Davydenko, University of Toronto; Ilya Strebulaev, Stanford University*
*Discussant: Bryan Routledge, Carnegie Mellon University*

*4:30 PM:* Specification Analysis of Structural Credit Risk Models
*Jing-zhi Huang, Penn State University; Hao Zhou, Federal Reserve Board*
*Discussant: Pascal François, HEC Montréal*

### *Session D4: International, Dawson Room*

### Chair: Sean Cleary, Queen's University

*3:30 PM:* Restructuring, corporate performance, and returns in Japan
*Vikas Mehrotra, Dick Beason, Akiko Watanabe, University of Alberta; Ken Gordon, JapanInvest*
*Discussant: Scott Linn, University of Oklahoma*

*4:00 PM:* Privatization and Risk Sharing: Evidence from the Split Share Structure Reform in China
*Kai Li, Tan Wang, University of British Columbia; Yan-Leung Cheung, Ping Jiang, City University of Hong Kong*
*Discussant: Sean Cleary, Queen's University*

*4:30 PM:* Political Rights and the Cost of Debt
*Yaxuan Qi, Concordia University; Lukas Roth, Pennsylvania State University; John Wald, University of Texas at San Antonio*
*Discussant: Dick Beason, University of Alberta*

### *Session E4: Fixed Income, Palliser Room*

### Chair: Alexander David, University of Calgary

*3:30 PM:* Inflation Risk Premium: Evidence from the TIPS Market
*Olesya Grishchenko, Jing-zhi Huang, Penn State University*
*Discussant: Shubo Wang, University of British Columbia*

*4:00 PM:* Term Premium Dynamics and the Taylor Rule
*Michael Gallmeyer, Texas A & M, Burton Hollifield, Carnegie Mellon; Fanciso Palmonino, University of Michigan; Stanley Zin, Carnegie Mellon*
*Discussant: Alexander David, University of Calgary*

*4:30 PM:* Skewness and co-skewness in bond returns
*I-Hsuan Ethan Chiang, Boston College*
*Discussant: Kris Jacobs, McGill University*

### *Session F4: Institutions I, Stewart Room*

### Chair: Greg Hebb, Dalhousie University

*3:30 PM:* Performance Analysis of New Mutual Funds: a Bayesian Approach
*Aymen Karoui, HEC Montréal*
*Discussant: Blake Phillips, University of Alberta*

*4:00 PM:* How Bank Regulation and Lender Location Influence Loan Pricing
*Li Hao, CitiGroup Hong Kong; Debarshi Nandy, York University; Gordon Roberts, York University*
*Discussant: Greg Hebb, Dalhousie University*

## Saturday September 6
## 5:30 - 6:00 pm

*Cash Bar in the Gold Room*

## Saturday September 6
## 7:00 - 9:30 pm

*Dinner Keynote Address in the Gold Room*

**Dinner sponsored by the Haskayne School of Business at the University of Calgary**

**Chair: Gordon Sick**

*Keynote Address:* **Tranching and Rating**

**Speaker: Michael Brennan, University of California at Los Angeles**

**Keynote Speaker sponsored by the Canadian Institute of Chartered Business Valuators.**

## Sunday September 7
## 7:30 - 8:30 am

*Breakfast in the Gold Room*

**Sponsored by Direct Energy.**

## Sunday September 7
## 8:30 - 10:00 am

### *Session A5: Asset Pricing V, Silver Room*

**Chair: Lynette Purda, Queen's University**

*8:30 AM:* Productivity-based Asset Pricing: Does the Real Side of the Economy Help Explain Stock Returns?
*Laurence Booth, Walid Hejazi, University of Toronto; Bin Chang, University of Ontario Institute of Technology; Pauline Shum, York University*
*Discussant: Jason Chen, University of British Columbia*

*9:00 AM:* Forecasting Interest Rates and Inflation: Blue Chip Clairvoyants or Econometrics?
*Albert Lee Chun, HEC Montréal*
*Discussant: Craig Wilson, University of Saskatchewan*

*9:30 AM:* Rethinking Idiosyncratic Volatility: Is It Really a Puzzle?
*Fatma Sonmez Saryal, University of Toronto*
*Discussant: Lynette Purda, Queen's University*

### *Session B5: Governance V, Bronze Room*

**Chair: Amir Barnea, University of Texas, Austin**

*8:30 AM:* Impact of Restricted Voting Share Structure on Firm Value and Performance
*Vijay Jog, PengChen Zhu, Carleton University; Shantanu Dutta, St. Francis Xavier University*
*Discussant: Tony Tang, Wilfred Laurier University*

*9:00 AM:* Adoptive Expectations: Rising Son Tournaments in Japanese Family
*Vikas Mehrotra, Randall Morck, University of Alberta; Jungwook Shim, Yupana Wiwattanakantang, Hitotsubasshi University*
*Discussant: Amir Barnea, Claremont McKenna College*

### *Session C5: Risk V, Sinclair Room*

**Chair: Peter Klein, Simon Fraser University**

*8:30 AM:* The Impact of Earnings on the Pricing of Credit Default Swaps
*Jeffrey Callen, University of Toronto; Joshua Livnat, New York University*
*Discussant: Yuriy Zabolotnyuk, Simon Fraser*

*9:00 AM:* Default Dependence: the Equity Default Relationship
*Stuart Turnbull, University of Houston; Jun Yang, Bank of Canada*
*Discussant: Peter Klein, Simon Fraser University*

*9:30 AM:* Determinants of Credit Spread Changes within Switching Regimes
*Olfa Maalaoui, George Dionne, Pascal François, HEC Montréal*
*Discussant: Muhammed Farooqi, University of Western Ontario*

### *Session D5: Investment Banking III, Dawson Room*

**Chair: Kai Li, University of British Columbia**

*8:30 AM:* Market Misvaluation, Managerial Horizon, and Acquisitions
*Huasheng Gao, University of British Columbia*
*Discussant: Carmen Stefanescu, University of Alberta*

*9:00 AM:* Reverse split announcements, effective dates and survival
*Marie-Claude Beaulieu, William Sodjahin, Université Laval*
*Discussant: Si Li, Wilfrid Laurier University*

*9:30 AM:* The Long Term Performance of Acquiring Firms: A Re-examination of an Anomaly
*Shantanu Dutta, St. Francis Xavier University; Vijay Jog, Carleton University*
*Discussant: Kai Li, University of British Columbia*

### *Session E5: Microstructure I, Palliser Room*

### Chair: Aditya Kaul, University of Alberta

*8:30 AM:* Volatility, Market Structure, and the Bid-Ask Spread
*Kee Chung, SUNY, Buffalo; Youngsoo Kim, University of Regina*
*Discussant: Dan Smith, Simon Fraser University*

*9:00 AM:* Does Risk Aversion Vary During the Year? Evidence from Bid-Ask Spreads
*Ramon DeGennaro, University of Tennessee and Federal Reserve Bank of Atlanta; Mark Kamstra, York University; Lisa Kramer, University of Toronto*
*Discussant: Xifeng Diao, University of Calgary*

*9:30 AM:* Multimarket Trading, Volume Dynamics, and Market Integration
*Michael Halling, University of Utah; Pamela Moulton, Fordham University; Marios Panayides, University of Utah*
*Discussant: Aditya Kaul, University of Alberta*

### *Session F5: Institutions II, Stewart Room*

### Chair: Alfred Lehar, University of Calgary

*8:30 AM:* Liquidity Risk and Syndicate Structure
*Evan Gatev, Simon Fraser University; Philip Strahan, Boston College*
*Discussant: Gordon Roberts, York University*

*9:00 AM:* Industry contagion in loan spreads
*Michael Hertzel, Arizona State; Micah Officer, University of Southern California*
*Discussant: Sergei Davydenko, University of Toronto*

*9:30 AM:* Why Do Larger Lenders obtain Higher Returns in Syndicated Lending? Evidence from Sovereign Loans
*Issam Hallak, Bocconi University; Paul Schure, University of Victoria*
*Discussant: Alfred Lehar, University of Calgary*

## Sunday September 7
## 10:00 - 10:15 am

### *Refreshments*

### Convention Foyer

## Sunday September 7
## 10:15 - 11:45 am

### *Session A6: Asset Pricing VI, Silver Room*

### Chair: Ranjini Jha, University of Waterloo

*10:15 AM:* Do Financing Expectations Affect Firm Performance?
*Mark Kamstra, Debarshi Nandy, York University; Pei Shao, University of Northern British Columbia*
*Discussant: Ranjini Jha, University of Waterloo*

*10:45 AM:* The Exact Distribution of the Hansen-Jagannathan Bound
*Raymond Kan, University of Toronto; Cesare Robotti, Federal Reserve Bank of Atlanta*
*Discussant: Burton Hollifield, Carnegie Mellon University*

*11:15 AM:* Alternative Explanations of the Volatility Trend: Are They Really That Different?
*Amir Rubin, Daniel Smith; Simon Fraser University*
*Discussant: Mark Kamstra, York University*

### *Session B6: Governance VI, Bronze Room*

### Chair: Dev Mishra, University of Saskatchewan

*10:15 AM:* The Impact of Management Voluntary Disclosure on Firm Risk and Firm Value
*Stephen Foerster, Stephen Sapp, Yaqi Shi; University of Western Ontario*
*Discussant: Si Li, Wilfrid Laurier University*

*10:45 AM:* Backdating of CEO Stock Option Grants and Timing of Earnings Disclosures
*Wenli Huang, Boston University; Hai Lu, University of Toronto*
*Discussant: Igor Semenenko, University of Alberta*

*11:15 AM:* The Effect of the Sarbanes-Oxley Act on CEO Pay for Luck
*Teodora Paligorova, Bank of Canada*
*Discussant: Dev Mishra, University of Saskatchewan*

### *Session C6: Risk VI, Sinclair Room*

### Chair: Carlton Osakwe, Mount Royal College

*10:15 AM:* Option Pricing with Stochastic Volatility Using Fuzzy Sets Theory
*Anatoliy Swishchuk, Tony Ware, Hua Li, University of Calgary*
*Discussant: Robert Elliott, University of Calgary*

*10:45 AM:* Optimal Early Exercise of Vulnerable American Options
*Peter Klein, Simon Fraser University; Jun Yang, Manulife*
*Discussant: Carlton Osakwe, Mount Royal College*

*11:15 AM:* American Option Pricing When the Underlying Assets Follow Augmented GARCH Processes and Their Diffusion Limits
*Lars Stentoft, HEC Montréal*
*Discussant: Chay Ornthanalai, McGill University*

### *Session D6: Investment Banking IV, Dawson Room*

### Chair: Steve Foerster, University of Western Ontario

*10:15 AM:* Markup pricing and short-term toeholds in takeovers
*Sandra Betton, Concordia University; Espen Eckbo, Karin Thorburn, Dartmouth University*
*Discussant: TBA*

*10:45 AM:* To wait or not to wait: When do announced Initial Public Offerings are completed?
*William Sodjahin, Marie-Claude Beaulieu, Laval University*
*Discussant: Daisy Li, University of Western Ontario*

*11:15 AM:* Does Investor Heterogeneity Lead to IPO Overvaluation?
*Ming Dong, Jean-Sébastien Michel, York University*
*Discussant: Steve Foerster, University of Western Ontario*

### *Session E6: Microstructure II, Palliser Room*

### Chair: David Michalyuk, University of Technology, Sydney

*10:15 AM:* Limit Orders, Trading Activity, and Transactions Costs in Equity Futures in an Electronic Trading Environment
*Lorne Switzer, Fan Haibo, Concordia University*
*Discussant: David Michalyuk, University of Technology, Sydney*

*10:45 AM:* Hidden Orders and Optimal Submission Strategies in a Dynamic Limit Order Market
*Sabrina Buti, University of Toronto; Barbara Rindi, Bocconi University*
*Discussant: Carmen Stefanescu, University of Alberta*

*11:15 AM:* Equity Market Order Flow, Macroeconomic Fundamentals, And Expected Stock Returns
*Volkan Kayacetin, Aditya Kaul, University of Alberta*
*Discussant: Masahiro Watanabe, Rice University*

### *Session F6: Information IV, Stewart Room*

### Chair: Lisa Kramer, University of Toronto

*10:15 AM:* Does It Help to Secretly Buy Stock Recommendations?
*Saif Ullah, University of Alberta; Nadia Massoud, York University; Barry Scholnick, University of Alberta*
*Discussant: Jeffrey Callen, University of Toronto*

*10:45 AM:* Option introduction, short sale constraints and the speed of stock price adjustment to negative news
*Blake Phillips, University of Alberta*
*Discussant: Lisa Kramer, University of Toronto*

*11:15 AM:* Information Quality and Risk Premium: the Role of Endogenous Consumption
*Shubo Wang, University of British Columbia*
*Discussant: Tolga Cenesizoglu, HEC Montréal*

## Conference Chair
## and Jack of All Trades
## Gordon Sick, University of Calgary

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Anne Elliot, Colleen Loewen, Andrew Sick, Carmel Sick

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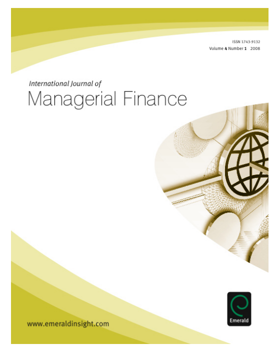


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