

# Columbia Business School

## Preventing the Next Financial Crisis

### Speaker Biographies

#### Introductions and Purpose of the Conference

**Bruce Kogut** is the Sanford C. Bernstein & Co. Professor of Leadership and Ethics and director of the Sanford C. Bernstein Center for Leadership and Ethics at Columbia Business School. He received his Ph.D. from the MIT Sloan School of Management and holds an honorary doctorate from the Stockholm School of Economics. Previously, he was on the faculties of the Wharton School of the University of Pennsylvania and INSEAD, and he has been a research fellow and visiting professor at the Rand Corporation, École Polytechnique, Social Science Research Center Berlin, Stockholm School of Economics, among others.

Kogut was the editor of the *European Management Review* and a member of the editorial boards of several leading academic journals. As an early research innovator on real options, knowledge and innovation, culture and direct investment, options and diversification, and knowledge and joint ventures, he has won several awards and has been published in leading sociology, management and economic journals. Sponsored by Wharton, INSEAD and the World Economic Forum, his edited book (coedited by Peter Cornelius) on governance and international capital flows was presented at Davos meetings. He has also written books on comparative management, the Internet and redesigning the business school, and a selection of his articles was published under the title *Knowledge, Options, and Institutions* (Oxford University Press, 2008).

#### Welcome and Overview

**R. Glenn Hubbard** is the dean and Russell L. Carson Professor of Finance and Economics at Columbia Business School. Professor Hubbard is a specialist in public finance, managerial information and incentive problems in corporate finance, and financial markets and institutions. He has written more than 90 articles and books on corporate finance, investment decisions, banking, energy economics and public policy, including two textbooks, and has co-authored *Healthy, Wealthy, & Wise: Five Steps to a Better Health Care System*. In a recent book, *Tax Policy and Multinational Corporations*, he argues that U.S. tax policy significantly affects financing and investment decisions of multinational corporations. Hubbard has applied his research interests in business (as a consultant on taxation and corporate finance to many corporations), in government (as deputy assistant of the U.S. Treasury Department and as a consultant to the Federal Reserve Board, Federal Reserve Bank of New York and many government agencies) and in academia (in faculty collaboration or visiting appointments at Columbia, University of Chicago and Harvard).

#### The Credit Crisis: What Happened?

**Patrick Bolton** is the David Zalaznick Professor of Business at Columbia Business School. He received his Ph.D. from the London School of Economics in 1986 and holds a BA in economics from the University of Cambridge and a BA in political science from the Institut d'Études Politiques de Paris. His research and areas of interest are in contract theory and contracting issues in corporate finance and industrial organization. A central focus of his work is on the allocation of control and decision rights to contracting parties when long-term contracts are incomplete. This issue is relevant in many different contracting areas including: the firm's choice of optimal debt structure, corporate governance and the firm's optimal ownership structure, vertical integration and constitution design. His work in industrial organization focuses on antitrust economics and the potential anticompetitive effects of various contracting practices. He recently published his first book, *Contract Theory*, with Mathias Dewatripont and has co-edited a second book with Howard Rosenthal, *Credit Markets for the Poor*. His most recent research focuses on financial crises and debt restructuring.

**Markus Brunnermeier** is the Edwards S. Sanford Professor at Princeton University. He is a member of the Department of Economics and affiliated with Princeton's Bendheim Center for Finance and the International Economics Section. He is also a research associate at CEPR, NBER and CESifo, and an academic consultant to the Federal Reserve Bank of New York. He was awarded his Ph.D. by the London School of Economics (LSE), where he was also affiliated with its Financial Markets Group. He is a Sloan Research Fellow, an associated editor of the *Journal of Finance*, the *Review of Financial Studies* and on the editorial board of the *Journal of Financial Intermediation*.

His research spans economics and finance. He is primarily interested in studying financial crises and significant mispricings due to institutional frictions, strategic considerations, and behavioral trading. His work shows that a bubble can emerge and persist since rational sophisticated traders prefer to ride it rather than attack it. His research also explains why liquidity dries up when it is needed most and has important implications for risk management. His research on belief distortions proposes a shift away from the rational expectations paradigm towards "optimal expectations."

**Michelle White** is a professor of economics at the University of California, San Diego, and a research associate at NBER. She received her Ph.D. in economics from Princeton University and was formerly a faculty member at the University of Pennsylvania, New York University and the University of Michigan.

She is an associate editor of the *Journal of Economic Perspectives* and a current or former editorial board member of the *American Law and Economics Review*, the *Journal of Urban Economics*, *Land Economics* and the *Journal of Real Estate Finance and Economics*. She is currently president of the American Law and Economics Association.

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During the past several years, her research has focused on the personal bankruptcy system in the U.S., why households file for bankruptcy, how bankruptcy affects the decision to become an entrepreneur, the effects of bankruptcy on availability of credit to individuals and small businesses, and the effects of the recently-adopted U.S. bankruptcy reform. Other recent research projects include the effect of Proposition 13 in California on household mobility, the effects of SUVs and pickup trucks on traffic safety, and the causes and consequences of asbestos exposure and asbestos litigation.

**Christopher Mayer** is Senior Vice Dean and Paul Milstein Professor of Real Estate at Columbia Business School. He is also Research Director of the Paul Milstein Center for Real Estate, Visiting Scholar at the Federal Reserve Bank of New York and Research Associate at the National Bureau of Economic Research. Professor Mayer serves on the Board of Editors of *Real Estate Economics* and *Journal of Urban Economics* and is a Fellow of the Homer Hoyt Institute. He also works as part-time research director and member of the Board of Directors of Oak Hill REIT Management, a REIT hedge fund. Mayer previously held positions at The Wharton School, the University of Michigan, and the Federal Reserve Bank of Boston.

Mayer's research explores a variety of topics in real estate, including real estate cycles, capital markets, housing, public and private real estate values and debt securitization. He has also written on the market for reverse mortgages, the link between local government activities and housing values, and the economics of airline congestion.

### The Role of the Federal Reserve, Treasury, and SEC

**Til Schuermann** is a Vice President in the Financial Intermediation Function at the Federal Reserve Bank of New York. His research focuses on risk measurement and management in financial institutions and capital markets, and he has published in a variety of journals including the *Journal of Financial Economics* and the *Review of Financial Studies*. He is also a Sloan Research Fellow at the Wharton Financial Institution Center and an associate editor for the *Journal of Financial Services Research* and the *Journal of Risk*. Prior to joining the New York Fed, he was a Director and Head of Research at the management consulting firm Oliver, Wyman & Company. From 1993 to 1996 he was at Bell Laboratories.

**Pierre Collins-Dufresne** is the Carson Family Professor of Business at Columbia Business School. Prior to joining Columbia University, Collins-Dufresne worked three years as a senior portfolio manager responsible for fixed income and credit strategies in the Quantitative Strategies Group of Goldman Sachs Asset Management. He joined GSAM from Haas School of Business, U.C. Berkeley, where he had been an associate professor of finance since 2004. After obtaining his Ph.D. in 1998 from the HEC School of Management, Paris, France, he started as an assistant professor of finance at the Graduate School of Industrial Administration of Carnegie Mellon University, where he became associate professor in 2003. Collins-Dufresne's teaching and research interests include asset and contingent claim pricing, fixed income securities, default risk, emerging markets, international finance and real estate economics. His research has been published in refereed journals such as *Econometrica*, *Journal of Finance* and *Journal of Derivatives*. He has served as a member of the NBER and of the Advisory Research Board of Moody's. He also served as associate editor for the *Journal of Quantitative Financial Analysis*, *Finance and Stochastics*, *Mathematics and Financial Economics* and the *Review of Financial Studies*.

**Bengt Holmström** is the Paul A. Samuelson Professor of Economics and the former Head of the Department of Economics at the Massachusetts Institute of Technology. He holds a joint appointment with MIT's Sloan School of Management. Holmström has made seminal contributions to the theory of the firm, particularly in the areas of contracting and incentives, corporate governance, corporate finance and the supply of liquidity, including its implications for asset pricing.

Holmström is an elected fellow of the American Academy of Arts and Sciences, the Econometric Society, the European Economic Association and the European Corporate Governance Institute and an elected foreign member of the Royal Swedish Academy of Sciences, the Royal Swedish Engineering Society, the Finnish Society of Sciences and Letters and the Finnish Academy of Sciences and Letters. He is a research associate of the National Bureau of Economic Research (NBER) and a member of the executive committee of the Center for Economic Policy Research (CEPR). He recently gave the Raben lecture (2007) on "Corporate Governance in Context" at the Yale Law School.

Holmström holds a doctorate from the Graduate School of Business at Stanford University (1978) and honorary doctorate degrees from the Stockholm School of Economics, Sweden, the Swedish School of Economics and Business Administration, Finland and the University of Vaasa, Finland.

**Suresh Sundaresan** is the Chase Manhattan Bank Professor of Economics and Finance at Columbia Business School. He has published in the areas of Treasury auctions, bidding, default risk, habit formation, term structure of interest rates, asset pricing, pension asset allocation, swaps, options, forwards, futures, fixed-income securities markets and risk management. His research papers have appeared in major journals, including the *Journal of Finance*, *Review of Financial Studies*, *Journal of Business*, *Journal of Financial and Quantitative Analysis*, *European Economic Review*, *Journal of Banking and Finance* and *Journal of Political Economy*. Sundaresan has also contributed articles in *Financial Times* and *World Bank Conferences*. He is an associate editor of *Journal of Finance* and *Review of Derivatives Research*. His current research focus is on

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default risk and how it affects asset pricing and sovereign debt securities. He has consulted for Morgan Stanley Asset Management and Ernst and Young. His consulting work focuses on term structure models, swap pricing models, credit risk models, valuation and risk management. He has conducted training programs for leading investment banks, including Goldman Sachs, Morgan Stanley, CSFB and Lehman Brothers. He is the author of the text "Fixed-Income Markets and Their Derivatives" and has served on the Treasury Bond Markets Advisory Committee.

**Tano Santos** is a professor of finance at Columbia Business School. He is a member of the National Bureau of Economic Research (NBER) and the Centre for Economic Policy Research (CEPR). Santos's Ph.D. is from the Department of Economics of the University of Chicago.

Santos's research concentrates on the role of financial intermediaries in markets. His recent work focuses on how the public provision of liquidity in financial crises can crowd out private liquidity at great cost in terms of allocative efficiency.

Santos has been concerned with building asset-pricing models, based both on economic theory as well as psychology, that can help rationalize the observed history of stock prices in the United States.

Organizational economics is a recent addition to Professor Santos's research portfolio. Here the emphasis has been on the understanding of the determinants of specialization in the organization of production when firms face standard trade-offs of adaptation versus coordination.

### Lunch and Keynote

**Frederic Mishkin** is the Alfred Lerner Professor of Banking and Financial Institutions at Columbia Business School. He is also a research associate at the National Bureau of Economic Research, and from September 2006 to August 2008 was a member (governor) of the Board of Governors of the Federal Reserve System. He has also been a senior fellow at the FDIC Center for Banking Research and past president of the Eastern Economic Association. Since receiving his Ph.D. from the Massachusetts Institute of Technology in 1976, he has taught at the University of Chicago, Northwestern University, Princeton University and Columbia. He also received an honorary professorship from the Peoples (Renmin) University of China. From 1994 to 1997 he was Executive Vice President and Director of Research at the Federal Reserve Bank of New York and an associate economist of the Federal Open Market Committee of the Federal Reserve System.

Mishkin's research focuses on monetary policy and its impact on financial markets and the aggregate economy. He is the author of *The Economics of Money, Banking, and Financial Markets, 8th Edition* (Addison Wesley Longman, 2007), the number one selling textbook in its field. In addition he is the author of more than 15 other books, including *Financial Markets and Institutions, 6th edition* (Pearson, 2009), *Monetary Policy Strategy* (MIT Press, 2007), *The Next Great Globalization: How Disadvantaged Nations Can Harness Their Financial Systems to Get Rich* (Princeton University Press, 2006), *Inflation Targeting: Lessons from the International Experience* (Princeton University Press, 1999), *Money, Interest Rates, and Inflation* (Edward Elgar, 1993), *A Rational Expectations Approach to Macroeconometrics: Testing Policy Ineffectiveness and Efficient Markets Models* (University of Chicago Press, 1983), and has published over 150 articles in professional journals and books.

Mishkin has served on the editorial board of the *American Economic Review*, has been an associate editor at the *Journal of Business and Economic Statistics*, *Journal of Applied Econometrics*, and the *Journal of Economic Perspectives*, and was the editor of the Federal Reserve Bank of New York's *Economic Policy Review*. He is currently an associate editor (member of the editorial board) at six academic journals, including the *Journal of Money, Credit and Banking*, *Macroeconomics and Monetary Economics Abstracts*, *Journal of International Money and Finance*, *International Finance*, *Finance India*, and *Economic Policy Review*. He has been a consultant to the Board of Governors of the Federal Reserve System, the World Bank, the Inter-American Development Bank and the International Monetary Fund, as well as to numerous central banks throughout the world. He was also a member of the International Advisory Board to the Financial Supervisory Service of South Korea and an advisor to the Institute for Monetary and Economic Research at the Bank of Korea.

**Paul Glasserman** is the Jack R. Anderson Professor of Business at Columbia Business School. His research and teaching address risk management and the pricing of derivative securities. His book, *Monte Carlo Methods in Financial Engineering*, received the 2005 I-Sim Outstanding Publication Award and the 2006 Lanchester Prize from INFORMS. Paul is also a recipient of the Wilmott Award for Cutting-Edge Research in Quantitative Finance (2004) and Risk Magazine's Quant of the Year Award (2007). He was named an INFORMS Fellow in 2008. He is a member of the Education and Standards Committee of the Professional Risk Managers International Association, which oversees the Professional Risk Manager certification. Paul served as senior vice of Columbia Business School from 2004 to 2008 and as interim director of the Sanford C. Bernstein & Co. Center from 2005 to 2006.

### National Regulation

**Wei Jiang** is the Sidney Taurel Associate Professor of Business at Columbia Business School. Jiang's main research interest lies in investment companies (such as mutual funds, closed-end funds, and hedge funds), and institutional investors' role in corporate decisions and governance. Her research has been featured in major

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media, including the *Wall Street Journal*, *The Economist*, *Institutional Investors*, *Money*, *Fortune*, *Business Week*, *New York Times* and *Financial Times*. She also received the Smith-Breeden Distinguished Paper Prize from the *Journal of Finance*. Jiang has been a fellow at the TIAA-CREF Institute since 2005. Prior to joining Columbia, she spent two years as an investment banking associate. Jiang has taught various courses in corporate finance and is the recipient of multiple teaching awards.

**David Skeel** is the S. Samuel Arsht Professor of Corporate Law at the University of Pennsylvania Law School. He is the author of *Icarus in the Boardroom* (Oxford University Press, 2005) and *Debt's Dominion: A History of Bankruptcy Law in America* (Princeton University Press, 2001), as well as numerous articles and other publications. Skeel has twice received the Harvey Levin award for outstanding teaching, as selected by a vote of the graduating class, and the University's Lindback Award for distinguished teaching. In addition to corporate law and bankruptcy, Skeel also writes on sovereign debt, law and religion, and poetry and the law, and is an elder at Tenth Presbyterian Church in Philadelphia.

**Stephan Meier** is an assistant professor at Columbia Business School and a visiting scholar at the Center for Behavioral Economics and Decision-Making at the Federal Reserve Bank of Boston. He holds a Ph.D. in economics from the University of Zurich and was previously a senior economist at the Federal Reserve Bank of Boston. His research interests are in behavioral economics. He applies insights from psychology and economics to questions in two areas: prosocial behavior (e.g., how to foster cooperative behavior within or between organizations?) and consumer finance (e.g., how do consumers make financial decisions?). His work has been published in the *American Economic Review*, *Journal of the European Economic Association* and *Journal of Law, Economics and Organization*.

**Charles Calomiris** is the Henry Kaufman Professor of Financial Institutions at Columbia Business School. He is one of the country's leading authorities on financial institutions. His research spans the areas of banking, corporate finance, financial history and monetary economics. He has advised numerous firms, agencies and governments on the performance and regulation of financial institutions. Calomiris is a research associate at the National Bureau of Economic Research and directs the American Enterprise Institute's project on financial regulation. He teaches international banking, corporate finance and emerging financial markets.

### Global and Comparative Regulation

**Katharina Pistor** is the Michael I. Sovern Professor of Law at Columbia Law School. She previously taught at the Kennedy School of Government and has held research positions at the Max Planck Institute for Comparative and International Private Law in Hamburg and at the Harvard Institute for International Development in Cambridge, MA. Pistor's research focuses on comparative law and institutional development with special emphasis on corporate governance and financial market development. She has conducted several studies on the legal framework for the evolving corporate governance regime in transition economies, including field research of privatized firms and financial intermediaries in Russia. Pistor has published widely on comparative legal developments.

**Jean Charles Rochet** is a professor of mathematics and economics at the Toulouse School of Economics (TSE) and is a research director at the Institute of Industrial Economics (IDEI). He has been a fellow of the Econometric Society since 1995. Previously, he taught in Paris and London. He has served as a council member of the European Association and associate editor of *Econometrica*. Rochet's research interests include two-sided markets, payments systems, theory of contracts, banking crises and solvency regulations for financial institutions. He is the author of more than 50 articles published in international scientific journals and has written three textbooks on the subject of microeconomics.

**Erik Berglöf** is Chief Economist and Special Adviser to the President at the European Bank for Reconstruction and Development. Prior to joining the EBRD, Berglöf (Ph.D., Stockholm School of Economics, 1991) was the director of the Stockholm Institute of Transition Economics and a professor at the Stockholm School of Economics. He was previously an assistant professor at the Université Libre de Bruxelles and has held visiting positions at Harvard, Stanford and the Massachusetts Institute of Technology.

He is a widely published and internationally respected specialist in the fields of corporate governance and transition economics. Recently his focus has been on policy-related issues in transition economies and he has regularly provided advice to national governments and international institutions including the International Monetary Fund (IMF) and the World Bank.

Berglöf was the founder and president of the Centre for Economic and Financial Research (CEFIR) in Moscow, programme director at the Centre for Economic Policy Research (CEPR) in London, Senior Fellow at the Brookings Institution in Washington, D.C., and board member and research fellow of the European Corporate Governance Institute.

**Howard Rosenthal** is a professor of politics at New York University and Roger Williams Straus Professor of Social Sciences, Emeritus, at Princeton. Most of his career was spent at Carnegie Mellon University. He is a coauthor of *Predictor Analysis of Cross Classifications*, *Partisan Politics*, *Divided Government and the Economy*, *Congress: A Political Economic History*, *Polarized America: The Dance of Ideology and Unequal*

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*Riches and Ideology and Congress.* A member of the American Academy of Arts and Sciences, Rosenthal has been a fellow of the Center for Advanced Study in the Behavioral Sciences, a visiting scholar at the Russell Sage Foundation and a Sherman Fairchild Distinguished Scholar of the California Institute of Technology.

#### Concluding Comments: The View from the Press

**Matthew Bishop** is Chief Business Writer/U.S. Business Editor of *The Economist*, based in New York. He was previously *The Economist's* London-based Business Editor and has also served as its New York Bureau Chief. Bishop is the author of several *Economist* special survey supplements, including most recently "The Business of Giving," which looks at the industrial revolution taking place in philanthropy; "Kings of Capitalism," which anticipated and analyzed the recent boom in private equity; and "Capitalism and its Troubles," an examination of the impact of problems such as the collapse of Enron. Bishop is the author of *Essential Economics*, the official *Economist* layperson's guide to economics. Before joining *The Economist*, Bishop was on the faculty of London Business School, where he co-authored three books for the Oxford University Press, on subjects ranging from privatization and regulation to corporate mergers. Bishop has served as a member of the Sykes Commission on the investment system in the 21st Century. He was also on the Advisors Group of the United Nations International Year of Microcredit 2005. He has been honored as a Young Global Leader by the World Economic Forum. He has been interviewed on numerous media outlets including NPR, BBC World TV and BBC Radio 4 'Today.'

**Chrystia Freeland** is the U.S. Managing Editor of the *Financial Times*. She leads the editorial development of the paper's U.S. edition and of U.S. news on *FT.com*.

Freeland began her career working as a stringer in Ukraine, writing for the *FT*, *The Washington Post* and *The Economist*.

Her expertise lies in the history and culture of eastern Europe and the former Soviet Union. She received her bachelor's degree in history and literature from Harvard University and earned a Master of Studies degree from St. Anthony's College at Oxford University, which she attended as a Rhodes Scholar.

She authored *Sale of a Century: The inside story of the second Russian revolution* (2000), detailing Russia's journey from communism to capitalism. Her piece on Mikhail Khodorkovsky, which appeared in *FT Magazine*, won 'Best Energy Submission' at the Business Journalist of the Year Awards in 2004. She has been honored as a Young Global Leader by the World Economic Forum.

**Floyd Norris** is the chief financial correspondent of *The New York Times* and writes a weekly column for the financial section. He was named to that post in September 1999, after spending more than a year as a member of The Editorial Board of *The Times*. He joined the paper in October 1988 as a financial columnist, a position he held until he joined the Editorial Board in May 1998.

Before joining *The Times*, Norris was with *Barron's National Business and Financial Weekly* since December 1982, where he began as a staff writer and subsequently was promoted to stock market editor. He began writing "The Trader" column in mid-1983 and was cited by the New York Society of Certified Public Accountants for outstanding reporting on accounting issues in 1984. In 1998, he was cited by the Financial Writers Association of New York for outstanding lifetime achievement. He and his wife, Christine Bockelmann, compiled and edited *The New York Times Century of Business* (McGraw-Hill, 1999).

Norris attended the University of California in Irvine. He was a Walter Bagehot Fellow in Economics and Business Journalism at Columbia University for two terms and received an MBA in 1983.