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Education

Ph.D. Finance (Expected) 2014
Rotman School of Management, University of Toronto
Dissertation Committee: Alexander Dyck (Chair), Susan Christoffersen, Craig Doidge

B.Sc. (Hons) Mathematics & Statistics, Economics Minor 2008
University of Toronto

Research Interests

Corporate Finance, Corporate Governance, Mergers & Acquisitions, Institutional Investors

Working Papers

What is the Impact of "Social Issues" in the Market for Corporate Control?
Job Market Paper, 2013

When Acquirers Get Cold Feet: What Is The Value Of The Reverse Termination Fee?
with Hamed Mahmudi and Xiaofei Zhao, 2013

Presented at: Midwest Finance Association 2013 meeting (Chicago)
Northern Finance Association 2013 meeting (Quebec City)

Work In Progress

Institutional Investors and Corporate Governance
with Craig Doidge, Alexander Dyck and Hamed Mahmudi, 2013

Winner of the Rotman International Centre for Pension Management Research Grant, 2013

Do Disagreeing Directors Make Better Decisions? Evidence From CEO Hiring
with Hamed Mahmudi and Ashley Newton, 2013

Case Studies

Buying Into The 407: The Syndication Protocol As A New Model For Infrastructure Investing
Rotman ICPM Case Study, with Alexander Dyck, 2012

Presented at: Rotman International Centre for Pension Management June 2012 Forum (co-author)

Conferences

Northern Finance Association 2013 Meeting (presenter)
Midwest Finance Association 2013 Meeting (presenter and discussant)
American Finance Association 2013 Meeting (attendee and student travel grant recipient)
NBER Entrepeneurship Research Boot Camp 2012 (participant)
Rotman International Centre for Pension Management Forum, 2011, 2012, 2013 (participant)

Professional Activities

Ad Hoc Referee, Journal of Financial Services Research
Member, American Finance Association, 2012-present

Work Experience

Teaching Assistant:

Finance II - Corporate Finance (MBA), Winter 2013
Financial Acumen - Finance I (Executive Program), Fall 2012
Introduction to Corporate Finance, Winter 2010, 2011, 2012
International Financial Management (MBA), Fall 2011
International Finance, Fall 2011
Advanced Corporate Finance ,Winter 2010
Capital Market Theory, Fall 2009, 2012

Non-Academic:

Associate, Retail Risk Management, CIBC, Toronto, ON, Summer 2007
Associate, Interest Rate Derivatives, TD Securities, Toronto, ON, Summer 2006

Awards & Honours

Rotman International Centre for Pension Management Research Grant, 2013
Canadian Credit Management Foundation Ph.D. Fellowship, 2011-2013
American Finance Association Student Travel Grant, 2013
Harvey Rorke Financial Foundation of Canada Ph.D. Fellowship, 2009-2011
Rotman Ph.D. Fellowship, 2008-2009
Rotman Ph.D. Tuition Scholarship, 2008-2013
University of Toronto In-course Scholarships 2004-08
Dean's List, 2004-05, 2005-06, 2006-07, 2007-08
University of Toronto Scholar, 2004-06
Frank Urquhart and University of Toronto Entrance Scholarships, 2004-05

Personal Background

Nationality: Kenyan Citizen, Canadian Permanent Resident
Languages: English (native), Swahili (conversational)

References

Alexander Dyck (Committee Chair)
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Research Paper Descriptions

What is the Impact of "Social Issues" in the Market for Corporate Control?
Job Market Paper, 2013

"Social issues" is a term used by merger professionals to refer to agreements that address the interests of stakeholders of takeover targets. These include retaining the CEO and directors of the target, maintaining the target's corporate identity and operations, and commitments to the community and employees of the target. I find that social issues are pervasive, being present in over half of mergers as measured by value, and that they mostly serve the interests of targets' management. Target shareholders' announcement returns are 4% lower in deals with any social issues, and are 9% lower when a target manager obtains a top executive position in the merged firm. Social issues are both more likely to be negotiated and more costly for shareholders when targets' management has enhanced negotiating power, as measured by the presence of a classified board. Social issues are further associated with a lower likelihood of deal completion and poorer post-merger performance. The evidence suggests that social issues reflect substantial agency costs and are an important friction in the takeover process.

When Acquirers Get Cold Feet: What Is The Value Of The Reverse Termination Fee?
with Hamed Mahmudi and Xiaofei Zhao, 2013

We study a feature of takeovers which permits acquirers to walk away, after having signed a merger agreement, by paying a fee known as the reverse termination fee. Our key insight is that this feature transforms the merger contract into a real call option on the assets of the target firm. We introduce a simple theoretical framework to model this option and demonstrate its value. By ensuring that a merger is terminated in circumstances when completion is sub-optimal, giving an acquirer the option to walk away can increase the expected value created from a change in control. Consistent with this theory, our empirical analysis shows that this feature is more commonly seen in mergers where, between announcement and consummation, there is a higher risk that the target's value to the acquirer will fall below its stand-alone value. We also show that the size of the reverse termination fee is driven by call option-like characteristics of mergers and the relative bargaining power of targets. Our evidence suggests that the option to terminate a transaction creates value in the market for corporate control. Given the discussion surrounding some takeovers with very high reverse termination fees, our analysis also provides a framework which can be used to assess whether such high fees are in fact appropriate.

Institutional Investors And Corporate Governance
with Craig Doidge, Alexander Dyck and Hamed Mahmudi, 2013

We study the role of institutional investors in the evolution of corporate governance. We leverage unique data provided to us by the largest and most influential institutional investor coalition in Canada, whose activities include private written communications and engagement meetings with the boards of large firms. We link these activities to the contacted firms' adoptions of shareholder democracy measures, improved compensation structure and say-on-pay advisory votes. We also document market-wide impacts with spillovers from contacted firms to non-targeted firms, and from engagement activity to widely-publicized governance scores associated with further governance changes. Actions to create common knowledge are important contributors to successful initiatives. These results support the importance of interest groups in driving governance mechanisms, and of institutional investors in particular. For the issues we examine, legal protections are important for firms least susceptible to investor pressure, but laws are not the primary source of emerging investor protections for the bulk of traded equities.