

TODD T. MILBOURN

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AREAS OF RESEARCH AND TEACHING INTERESTS

Corporate finance, CEO compensation, valuation, credit ratings, and corporate governance.

EDUCATION

Ph.D. in Finance, Indiana University, November 1995
B.A. in Economics, Finance, and Mathematics, Augustana College, May 1991

ACADEMIC APPOINTMENTS

Hubert C. and Dorothy R. Moog Professor of Finance, Washington University in St. Louis, 2010+
Professor of Finance, Washington University in St. Louis, 2007-2010
Visiting Associate Professor of Finance, University of Chicago, Spring Quarter 2005
Associate Professor of Finance (with tenure), Washington University in St. Louis, 2003-2007
Assistant Professor of Finance, Washington University in St. Louis, 2000-2003
Visiting Assistant Professor of Finance, University of Chicago, 1999-2000
Assistant Professor of Finance, London Business School, 1996-1999

ADMINISTRATIVE APPOINTMENTS AT WASHINGTON UNIVERSITY IN ST LOUIS

Vice Dean of Faculty & Research, 2017+
Senior Associate Dean of Programs, Faculty & Research, 2016-2017
Senior Associate Dean of Faculty & Research, 2013-2016
Finance Area Coordinator, 2005-2013
Academic Director, MBA *Corporate Finance & Investments* Track, 2011-2014
Academic Director, MS in Finance Program, 2005-08, 2011-13

OTHER EXPERIENCE

Independent Board Member, *The Xanthus Fund*, Oppenheimer Asset Management, 2016+

- Chair of the Audit Committee/Long-Short Hedge Fund

Independent Board Member, *Mountain Crest Acquisition Company* (SPAC), 2020

- NASDAQ Ticker: MCAC; Chair of the Audit Committee

Member, Standard & Poor's Academic Council, 2004-present
Independent Board Member, *The Chartist Fund*, Oppenheimer Asset Management, 2011-2013

- Chair of the Audit Committee

Board Member and Co-Founder, *St. Louis Military Officer Support Foundation*, 2008-2012

PROFESSIONAL ASSOCIATIONS

Member of AFA, WFA, FIRS, and FRA.

HONORS AND AWARDS

- Winner of the 2016 Olin Award for Faculty Research That Impacts Business
- 2015 Washington University in St. Louis Founder's Day Distinguished Faculty Award.
- Reid Teaching Awards, Washington University in St. Louis, BSBA 2012, 2011, 2009, Full-Time MBA 2004, EMBA 53, 45, 44, 39, 25, 24, 23, 22, EMBA-HSM IV, EMBA-Mumbai Batch 3.
- Winner of the 2011 Olin Award for Faculty Research That Impacts Business
- Winner of Citigroup Award for the best paper at the 2009 Summer Research Conference hosted by The Centre for Analytical Finance (CAF) at the Indian School of Business (ISB)
- Fellow, Center for Financial Research, FDIC, 2004-2005
- Marcile and James Reid Chair, Washington University in St. Louis, 2002-2003
(In Recognition of Excellence in Teaching by a Junior Faculty Member)
- Indiana University School of Business - MBA Teaching Excellence Award (1994-1995)
- Indiana University Doctoral Student Association - Associate Instructor Teaching Award (1995)
- Beta Gamma Sigma (member since 1996)
- Participant in the FMA Ph.D. Student Consortium (1995)
- Graduated *magna cum laude* from Augustana College (1991)
- Phi Beta Kappa (member since 1991)
- Pi Mu Epsilon Mathematics Honor Society (member since 1990)
- Presidential Scholar at Augustana College (1987-1991)
- GTE Academic All-American Nominee in Track and Field (1991)

PUBLICATIONS

1. "Product Market Peers and Relative Performance Evaluation", (joint with Sudarshan Jayaraman and Hojun Seo), July 2020 (*forthcoming at The Accounting Review*).
2. "Targets that Work", (joint with John Horn and Radhakrishnan Gopalan), *Harvard Business Review*, September-October 2017, Volume 95, Number 5, pp. 102 – 107.
3. "Compensation Goals and Firm Performance", (joint with Benjamin Bennett, J. Carr Bettis , and Radhakrishnan Gopalan), *Journal of Financial Economics* 124-2, 307-330, May 2017.
4. "Which Skills Matter in the Market for CEOs? Evidence from Pay for CEO Credentials" (joint with Antonio Falato and Dan Li), *Management Science* 61-12, December 2015.
5. "The Effect of Auditor Expertise on Executive Compensation", (joint with Sudarshan Jayaraman), *The Accounting Review* 90-1, February 2015.
6. "Duration of Executive Compensation", (joint with Radhakrishnan Gopalan, Fenghua Song, and Anjan V. Thakor), 2014, *Journal of Finance* 59-6.
7. "CEO Compensation and Corporate Risk-Taking: Evidence from a Natural Experiment", (joint with Todd A. Gormely and David A. Matsa), *Journal of Accounting and Economics* 56, 79-101, December 2013.

8. "The Role of Stock Liquidity in Executive Compensation", (joint with Sudarshan Jayaraman), *The Accounting Review*, 2012, 87-2, 537-563.
9. "How did increased competition affect credit ratings?", (joint with Bo Becker), *Journal of Financial Economics* (lead article) 101-3, 493-514, September 2011.
10. "Compensation and Risk Incentives in Banking and Finance", (joint with Jian Cai and Kent Cherny), in *Economic Commentary*, Federal Reserve Bank of Cleveland, September 14, 2010.
11. "Bank Executive Pay", (joint with Jian Cai) In *Economic Trends* at the Federal Reserve Bank of Cleveland, July 30, 2010.
12. "Strategic Flexibility and the Optimality of Pay for Luck", (joint with Radhakrishnan Gopalan and Fenghua Song), *Review of Financial Studies* 23-5, 2060-2098, 2010.
13. "Asymmetric Benchmarking in Compensation: Executives are Paid for Good Luck But Not Punished for Bad", (joint with Gerald Garvey), *Journal of Financial Economics* 82-1, 197-225, October 2006.
14. "Credit Ratings as Coordination Mechanisms", (joint with Arnoud Boot and Anjolein Schmeits), *Review of Financial Studies*, 19-1, 81-118, Spring 2006.
15. "Sunflower Management and Capital Budgeting", (joint with Arnoud Boot and Anjan Thakor), *Journal of Business* 78-2, March 2005, 501-527.
16. "Incentive Compensation When Executives Can Hedge the Market: Evidence of Relative Performance Evaluation in the Cross-Section", (joint with Gerald Garvey), *Journal of Finance* 58-4, 1557-1581, August 2003.
17. "CEO Reputation and Stock-Based Compensation", *Journal of Financial Economics* 68-2, 233-262, 2003.
18. "Managerial Career Concerns and Investments in Information", (joint with Richard Shockley and Anjan Thakor), *Rand Journal of Economics* 32-2, 334-351, 2001.
19. "EVA versus Earnings: Does it Matter Which is More Highly Correlated with Stock Returns", (joint with Gerald Garvey), *Journal of Accounting Research* 38, 209-245, 2000.
20. "Regulation and the Evolution of the Financial Services Industry", (joint with Arnoud Boot and Silva Dezelan), in *Topics in Corporate Finance: Perspectives on the Regulation of the Financial Services Industry*, ed. by Arnoud Boot and Jeroen Ligterink, Amsterdam Center for Corporate Finance Number 2, 25-41, 2000.
21. "The Theory of Security Design", (joint with Arnoud W.A. Boot and Anjan V. Thakor), in *The Handbook of Equity Derivatives*, Second Edition, ed. by Jack Francis, William Toy and J. Gregg Whittaker, Irwin Professional Publishers, 665-687, 2000.
22. "Megamergers and Expanded Scope: Theories of Bank Size and Activity Diversity", (joint with Arnoud Boot and Anjan Thakor), *Journal of Banking and Finance* 23, 195-214, 1999.
23. "Regulatory Distortions in a Competitive Financial Services Industry", (joint with Arnoud Boot and Silva

Dezelan), *Journal of Financial Services Research* 16-2/3, 249-259, 1999.

24. “The Search for the Best Financial Performance Measure: Yes, Basics are Better – If You Understand Them”, (joint with Jeff Bacidore, John Boquist, and Anjan V. Thakor), *Financial Analysts Journal*, 1999.
25. “How Do You Win the Capital Allocation Game?”, (joint with John Boquist and Anjan Thakor), *Sloan Management Review* 39-2, 59-71, 1999.
26. “EVA’s Charm as a Performance Measure”, in *Mastering Finance*, ed. by George Bickerstaffe, FT Pitman Publishing, 133-138, 1998.
27. “The Search for the Best Financial Performance Measure”, (joint with Jeff Bacidore, John Boquist, and Anjan V. Thakor), *Financial Analysts Journal*, May-June, 11-20, 1997.
28. “EVA and Total Quality Management”, (joint with Jeff Bacidore, John Boquist, and Anjan Thakor), *Journal of Applied Corporate Finance*, Summer, 81-89, 1997.

PUBLISHED COMMENTS

29. “Comment on Colin Mayer’s ‘Financial Systems and Corporate Governance’ ”, *Journal of Institutional and Theoretical Economics* 154-1, 170-176, 1998.
30. “The Winner-Takes-All: An Alternative View of CEO Incentives” (comment on three papers), in *Executive Compensation and Shareholder Value: Theory and Evidence*, ed. by Jennifer Carpenter and David Yermack, Kluwer Academic Publishers, 47-52, 1999.

WORKING PAPERS

31. “What Will It Do For My EPS? A Straightforward But Powerful Motive for Mergers”, (joint with Thomas Bates, Gerald T. Garvey, Jame Linck and Kangzhen Xie), May 2019 (revising for *third round at the Journal of Financial Economics*).
32. “Corporate Investment Under the Cloud of Litigation” (joint with Benjamin Bennett, Todd Milbourn, and Zexi Wang), May 2019 (under first round review).
33. “The Role of Stock Price Informativeness in Compensation Complexity”, (joint with Benjamin Bennett, Gerald Garvey, and Zexi Wang), May 2019 (under first round review).
34. “Why Do Firms Use Equity-based Pay? Managerial Compensation and Stock Price Informativeness”, joint with Benjamin Bennett, Gerald Garvey, and Zexi Wang), May 2019 (under first round review).
35. “How Well Do Investors Process (More Subtle) Information? The Case of Employee Stock Options”, (joint with Jian Cai and Gerald Garvey), December 2008.

BOOKS

36. *The Value Sphere: Secrets of Creating & Retaining Shareholder Wealth*, 4th edition, (written jointly with John A. Boquist and Anjan V. Thakor), World Scientific Publishing, 2000

PAPER PRESENTATIONS AT PROFESSIONAL MEETINGS

- 2017 AFA Meetings (paper accepted for presentation)
- 2016 AFA Meetings (paper accepted for presentation)
- 2012 AFA Meetings (two papers accepted for presentation)
- 2011 WFA Meetings (paper accepted for presentation)
- 2011 University of Alberta Frontiers in Finance (invited presentation)
- 2011 FIRS meeting (paper accepted for presentation)
- 2011 AFA Meeting (paper accepted for presentation)
- 2010 FMA Meetings (paper accepted for presentation)
- 2010 WFA Meeting (paper accepted for presentation)
- 2010 EFA Meetings (paper accepted for presentation)
- 2010 NBER Credit Ratings Summer Institute
- 2008 NBER Corporate Finance Summer Institute
- 2008 UBC Summer Finance Conference
- 2006 WFA Meeting
- 2005 NBER Corporate Finance Summer Institute
- 2004 AFA Meeting
- 2003 WFA Meeting
- 2002 Colorado Summer Finance Conference
- 2000 AFA Meeting
- 1999 CEPR Conference on Core Competencies.
- 1998 WFA Meeting
- 1998 AFE Meeting
- 1998 *JBF* Conference on the Consolidation in Financial Services at the Fed – New York
- 1998 Conference on Financial Modernization and Regulation, sponsored by the Federal Reserve Banks of Atlanta and San Francisco
- 1997 FMA International Meetings in Zurich.
- 1997 AFA Meeting
- 1997 Econometric Society meetings
- 1997 WFA Meeting
- 1997 CEPR Corporate Finance Workshop (London).
- 1996 WFA Meeting
- 1996 European Finance Association Symposium on Corporate Governance

UNIVERSITY WORKSHOP PRESENTATIONS

Birkbeck College; Boston College; Drexel University; Federal Reserve Bank of New York; Indiana University; INSEAD; Lancaster University; London Business School; London School of Economics; Maastricht University; Michigan State University; Northwestern University; Norwegian School of Management; Oxford University; Rice University, Southern Methodist University, Stockholm School of Economics; Texas Christian University; Texas Tech University; University of Amsterdam; University of Arizona; University of British Columbia; UCLA; University of Chicago; University of Georgia; University of Illinois, University of Iowa, University of Miami; University of Michigan; University of Missouri; UMSL; University of North Carolina; University of Notre Dame, University of Pittsburgh; University of Texas; University of Texas at Dallas; University of Utah; University of Western Ontario; Vanderbilt University, Washington University in St. Louis; and York University

CONFERENCE PARTICIPATION

- WFA Program Committee 1999-2020
- Financial Research Association (Las Vegas) Program Committee 2004-2020
- Track Chair, 2014 FMA Meetings in Nashville
- Conference Organizer, Washington University Corporate Finance Conference 2004-2012
- EFA Program Committee 2007-2020
- China International Conference in Finance Program Committee 2007

REFEREEING EXPERIENCE

Serve as an ad hoc referee for *Journal of Finance*; *Review of Financial Studies*; *Journal of Financial Economics*; *American Economic Review*; *Review of Economic Studies*; *Quarterly Journal of Economics*; *Journal of Economic Theory*; *Rand Journal of Economics*; *Journal of Business*; *Journal of Economics, Management and Strategy*; *Journal of Financial Intermediation*; *Management Science*; *Journal of Banking and Finance*; *Journal of Corporate Finance*; and *European Economic Review*.

DISSERTATION COMMITTEES

Committee Member: Nina Baranchuk, Jian Cai, Engin Kose, Jason Smith, Fenghua Song, Rong Wang, Jun Yang, and Chris Yung
Dissertation Co-Chair: Evrim Akdogu
Dissertation Chair: Kangzhen Xie

SELECTED TEACHING EXPERIENCE

- Fin 340 Capital Markets & Financial Management (BSBA 2013-2020)
- Fin 740 Corporate Financial Management (EMBA – Four Times Yearly in STL, Shanghai and Mumbai)
- Fin 534 Advanced Corporate Finance I – Valuation (MBA 2017)
- Fin 5203 Finance Core (MBA – Fall 2007/2008/2009/2010/2011, PMBA –2012, 2017-20)
- Fin 500I Advanced Corporate Finance III – Corporate Financial Strategy (MBA –Fall 2008/2009/2010/2015)
- MGMT400X Sports Management (BSBA/MBA – Spring 2008/2009/2010/2011/2012/2013/2014/2015/2016)
- Fin 448 Advanced Financial Management (BSBA – Fall 2007/2008/2009/2010/2011)
- Fin 534B Advanced Corporate Finance II – Financing (MBA)
- Fin 523B Mergers & Acquisitions (MBA)

SELECTED EXECUTIVE EDUCATION EXPERIENCE

- “Finance Skills for General Managers” (open enrolment program Certificate program)
- “Resource Allocation and Shareholder Value” for MSCI
- “Financial Evaluation of Strategies and Decisions” for MSCI
- “Strategic Financial Customer Integration Program” for Nestlé Purina Pet Care

- “Finance and Strategy in the Quest for the Summit” for Centene Corporation
- “Evaluating Projects in Practice – Growing in a Value-Creating Manner” for Metal Service Center Institute (MSCI)
- “Finance for the Non-Financial Manager” (delivered in open-enrolment programs, along with various customized versions for AB-InBev, DST, Unigroup, Scottrade, Sigma Aldrich, MSCI, Bunge Ltd, Black & Veatch, Energizer, Synergetics, Sara Lee, TALX, Bell-Bowe-Howell, and Essex Industries)
- “Resource Allocation in Practice” (delivered in open-enrolment programs, along with customized versions for Centene, Sara Lee, Bunge Ltd, Black & Veatch, Whirlpool Corporation, and MSCI)
- “Using Numerical Reasoning To Solve Problems” (delivered to Tyson Foods)
- Delivered ten-week “Financial Core” class to the writers of the *Lex Group* and Senior Editors of the *Financial Times*

SELECTED EXPERT WITNESS AND CONSULTING EXPERIENCE

- Serve as an expert witness work for cases related to investment programs, fair rates of return, valuation of financial damages, valuation of lost wages, and employee stock option valuations (clients served include several non-financial companies and the US Department of Justice)
- Advise on performance measurement and incentive pay for legal, nonfinancial, and financial firms
- Facilitating the redesign of corporate resource allocation practices and policies within non-financial firms
- Advise on issues related to valuation and capital structure policies for both investment banks and non-financial firms, including valuation of financial securities, such as common equity, preferred equity, and fixed income
- Serve on an academic advisory board to a major credit rating agency
- Served as an independent director for a registered hedge fund

EXPERT WITNESS TESTIMONY AND ANALYSIS

1. Lynne Houserman v. Comtech Telecommunications Corporation, Fred Kornberg, and Michael D. Porcelain, Case No. 2:19-cv-00644-RAJ-BAT, United States District Court, Western District of Washington at Seattle.
 - a. Role: economic analysis of lost earnings and earnings capacity for defendant. Expert report (October 2020) and deposition (pending November 2020).
2. Police & Fire Retirement System of the City of Detroit, et al, derivatively on behalf of Skechers U.S.A., Inc. v. Robert Greenberg, Michael Greenberg, David Weinberg, Jeffrey Greenberg, et al, Case No. 2019-0578-MTZ, Court of Chancery of the State of Delaware.
 - a. Role: economic analysis of executive compensation of executive C-suite for defendants. (pending as of March 2020).
3. Norma Melgoza v. Rush University Medical Center, Case No. 17-CV-6819, United States District Court for the Northern District of Illinois, Eastern Division.
 - a. Role: economic analysis of lost earnings and earnings capacity for defendant. Expert report (September 2019) and deposition (October 2019).
4. Victoria Rennison (on behalf of the Estate of Miss Anastasia Lyalenko) v. Thomas Jefferson University Hospitals, Inc., Case no. 002037, Court of Common Pleas of Philadelphia County, Pennsylvania.

- a. Role: economic analysis of lost earnings and earnings capacity for plaintiff. Expert report (June 2018) and video testimony (December 2018).
5. William C. Hardy & Bertie Ann Hardy, et al., v. United States of America, Case no. 14-338L, United States Court of Federal Claims in Washington, D.C.
 - a. Role: analysis of fair rate of return for prejudgment interest on behalf of plaintiffs. Expert report (April 2018).
6. Mr. Craig Clearwater v. AMTRAK, as part of settlement from May 2015 Amtrak Derailment.
 - a. Role: economic analysis of lost earnings and earnings capacity for plaintiff. Expert report and video testimony (April 2017).
7. Dennis Brian Anders, et al., v. Medtronic, Inc. et al. (now Medtronic, plc), Cause number 1322-CC10219-02, State of Missouri Circuit Court, Twenty-Second Judicial Circuit, in the City of St. Louis, Missouri, in Division 5.
 - a. Role: economic analysis of an acquisition and plaintiff's ability to pay damages. Expert report and deposition (June 2016).
8. Claude Sears, et al., individually for Themselves and as Representatives of a Class of Similarly Situated Persons v. the United States, Cases Nos. 12-889L and 13-404L, United States Court of Federal Claims in Washington, D.C.
 - a. Role: analysis of fair rate of return for prejudgment interest on behalf of plaintiffs. Expert report (January 2016).
9. 1610 Design Way, LLC v. American Capital Financial Services, Inc., American Decorative Surfaces, Inc., Michael Marcum, and American Capital, Ltd., Case No. 07-L-315, Twentieth Judicial Circuit, St. Clair County, Illinois.
 - a. Role: valuation of damages for defendants. Expert report (June 2015)
10. Michael Santas, et al, v. Zimmer, et al, Case No. 11-L-136, filed in the Circuit Court, Twentieth Judicial Circuit, St. Clair County, Illinois.
 - a. Role: valuation of damages for defendants. Expert report (August 2014)
11. Donald U. Hurst v. Union Pacific Railroad Company, Case No. 13-L-21, Twentieth Judicial Circuit, St. Clair County, Illinois.
 - a. Role: economic analysis of lost earnings and earnings capacity for plaintiff. Expert report and deposition (June 2014)
12. John P. Furlong and Lauren B. Pearce, et al., individually for Themselves and as Representatives of a Class of Similarly Situated Persons v. the United States, Case No. 09-367L, United States Court of Federal Claims in Washington, D.C.
 - a. Role: analysis of fair rate of return for prejudgment interest on behalf of plaintiffs. Expert report and deposition (March 2014).
13. Jenkins v. United States, Rasmuson v. United States, and Adkins v. United States, Cases Nos. 09-503L, 09-241L, and 09-158L, United States Court of Federal Claims in Washington, D.C.
 - a. Role: analysis of fair rate of return for prejudgment interest on behalf of plaintiffs. Expert report (December 2013).

14. American Hotline, LLC, Rauckman Utility Products, LLC, and James (Jim) Rauckman v. Hubbell Incorporated, Hubbell Power Systems, Inc., Hubbell Distribution, Inc., and Hubbell Wiegmann, Case No. 08-L-0454, Twentieth Judicial Circuit, St. Clair County, Illinois.
 - a. Role: valuation of Damages for plaintiffs. Expert report and deposition (October 2010)
15. United States v. Nicholas A Smirnow, Case No. 10-M-6147, US District Court, Southern District of Illinois.
 - a. Role: analysis of fair rate of return for plaintiff, criminal case. Expert report (May 2010)