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Acedemic Experience:

Jan 2014 - May 2014: Visiting Professor of Finance, Washington University in St. Louis.

Jul 2014 - : Assistant Professor of Finance, Northeastern University

Research Interests:

Empirical Corporate Finance; Banking.

Teaching Interests:

Capital Markets and Financial Management; Investments; Options, Futures and Derivatives Securities.

Education:

Olin Business School, Washington University in St. Louis
Ph.D. in Finance, December 2013
M.S. Business Administration, May 2011

Universidad de los Andes, Bogota, Colombia
B.A. Economics, May 2008

Working Papers

Firms' Opaqueness and Corporate Cash Holdings
Abstract: Although existing theories predict a causal link between firm opaqueness and firm cash holdings, the lack of an exogenous and clean measure of informational frictions hinders the precise identification of this link. Using the discontinuous requirement of financial reporting introduced

by Section 404 of the Sarbanes-Oxley (SOX) Act, we identify a causal effect of informational frictions on cash holdings. We show that firms that comply with Section 404 and provide more reliable information to the financial markets reduce their holdings of cash or liquid assets compared to observationally similar firms. In the cross-section, the reduction in the cash ratio is more pronounced among firms that face financial constraints and have weaker governance. This is consistent with the fact that such firms incur a high opportunity cost for funds and is consistent with the view that SOX reduces agency conflicts through increased controls. Finally, firms that comply with Section 404 and hold less cash exhibit higher R&D expenditures relative to non-compliant firms. This difference sheds light on the opportunity costs of holding cash.

Does Securitization Increase Risk?: A Theory of Loan Securitization, Reputation, and Credit Screening (Joint with Anjan Thakor)
*Abstract:*How does securitization affect the risk of the loans that are originated for securitization? While the standard view is that the originate-to-distribute (OTD) model weakens the originator's screening incentives and leads to higher risk, theories on reputation suggest that an originator's concern about its ability to return to the market would prevent lax screening. In a model with reputational concerns, OTD model of securitization and pooling of loans, we analyze how loan securitization dilutes reputation-driven incentives to screen. With sufficiently strong reputational concerns there may be an overinvestment in screening even relative to the no-securitization case, so the OTD model does *not* suffice for securitization to increase risk. However, when multiple loans are pooled together and securitized, reputational incentives to screen become weaker with an increase in the size of the loan pool being securitized. Moreover, there is a mutually reinforcing feedback effect between the originator's screening incentives and the incentives of investors to acquire information about the quality of the loan pool, so investors are also less informed about larger loan pools. For sufficiently large loan pools, securitization reduces idiosyncratic risk but increases systematic risk.

Corporate Inversions and Americanizations: A Case of Having the Cake and Eating it Too? (Joint with Armando Gomes and Radha Gopalan)
Abstract: The race by American companies to change their incorporation to countries with lower corporate tax rate has reached fever pitch. Using a comprehensive sample of U.S. companies that reincorporate overseas (invert) between 1996 and 2013 and a matched set of U.S. incorporated multinational firms, we study the benefits and costs of such transactions. On the benefit side, we find that inverted firms have 7%-8% lower effective tax rate, mainly on account of the lower marginal tax rate in their country of incorporation. On the cost side, we find that inverted firms have higher bid-ask spread, their stock has less institutional ownership and investors put a lower value on the cash on their balance sheet. We also find inverted firms to have more concentrated institutional share ownership structure. Overall, our results highlight both the benefits and costs of inversions.

Stock price informativeness and the mix of long-term and short-term pay: Causal evi-

dence (Joint with Shashwat Alok and Radha Gopalan)
Abstract: How do changes to stock price informativeness aect the mix of long-term and short-term pay? Using two exogenous shocks to price informativeness: the reduction in analyst coverage due to closure of brokerage houses and mutual-fund ow driven price pressure, we find that rms increase the duration of top executive pay following a decrease in price informativeness. We document a 10% increase in pay duration following brokerage house closures – concentrated in rms with less entrenched management and those with low initial analyst coverage. The increase in duration following mutual-fund ow driven price pressure is more modest at 2.5% and occurs both with inow and outow driven price pressure and is larger for rms that experience price pressure over a longer period. The increase in pay duration occurs both from a decrease in the cash component of pay and through an increase in the vesting period of stock and option awards. Our evidence is consistent with board of directors reacting to changes in price informativeness in designing executive pay.

Work in progress

Credit Rating Downgrades and Noise Trading (Joint with Diego Vega and Anjan Thakor)

Debt Overhang and Inside Debt (Joint with Dirk Hackbarth and Jayant Kale)

Creditor's Bargaining Power, Bankruptcy Outcomes and Ex-post Performance (Joint with Shashwat Alok)

Teaching Experience:

Introduction to Finance (Graduate), Investments (Undergraduate).

Professional Activities:

Conferences/Presentations:

2015: Annual Conference on Corporate Finance, Olin Business School (Discussion), Financial Management Association (Discussions), Western Finance Association (Discussion and Presentation), Financial Intermediation Research Society (FIRS) Conference (Presentation), Boston Area Finance Symposium (Discussion), Northeastern University Brown Bag Series

2013: Financial Intermediation Research Society (FIRS) Conference (Presentation and Discussion), University of Amsterdam (Presentation), University of Cambridge (Presentation), University of Houston (Presentation), Paris December 2013 Finance Meeting (Discussion and Presentation)

2012: University of Missouri-St. Louis (Presentation), Washington University in St. Louis (Presentation).

Referee:

The Journal of Banking and Finance, Management Science

Other Professional Experience:

Research Assistant, Economic and Social Research Studies Center (FEDESARROLLO)	Feb 2008-May 2008
Lecturer, Econometrics II, Universidad de los Andes	Jan 2008-May 2008
Lecturer, Statistics for Social Projects Evaluation, Universidad de los Andes	Aug 2007-Dec 2007
Research Assistant, *Economica Consultants*	Jul 2006 - May 2008

References:

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