PAUL A. LAUX

Department of Finance
Alfred Lerner College of Business and Economics
University of Delaware
Newark, Delaware 19716
(302) 831-6598
Email: laux@udel.edu
Web: www.buec.udel.edu/laux

7 Markham Court
Hockessin, Delaware 19707
(302) 250-4598
(302) 239-0915

Employment History

2004- Professor of Finance, Department of Finance, Alfred Lerner College of Business & Economics, University of Delaware, Newark, Delaware, U.S.A.

- 2010- Professor Catedrático Convidado, Lisbon University Institute - Instituto Superior de Ciências do Trabalho e da Empresa (ISCTE - IUL) (Secondary appointment)
- Summer 2011 Visiting Scholar, Department of Economics Marco Fanno (Accounting Area), University of Padova, Italy
- Winter 2011 Director, UD-ISCTE Microstructure & Trading Institute Program
- 2008 Summer Fulbright Senior Scholar Fellowship, ISCTE
- 2004-2006 Department Chairperson

1994-2004 Associate Professor of Banking and Finance, Weatherhead School of Management, Case Western Reserve University, Cleveland, Ohio, U.S.A.

- 2002-2004 Associate Professor of Law (Secondary Appointment)
- 2003 Fulbright Distinguished Chair: Luso-American Development Foundation Professor in Banking, Instituto Superior de Ciências do Trabalho e da Empresa (ISCTE) Escola de Gestão, Lisbon, Portugal (Spring Semester)
- 1997-1999 MBA Program Director
- 1997-1998 Visiting Faculty at International Management Center, Budapest, Hungary (Intermittent, 3 MBA courses)

1988-1994 Assistant Professor of Finance, College and Graduate School of Business, The University of Texas, Austin, Texas, U.S.A

1990-1991 Financial Economist, Division of Economic Analysis, Commodity Futures Trading Commission, Washington, D.C., U.S.A.; on leave from The University of Texas

Educational History

1988 Ph.D., Vanderbilt University
Dissertation: *Dealer Markets for Securities in a Competitive Setting: Three Essays*
Supervisor: Hans R. Stoll

1984 Enrolled in graduate Economics courses, University of Cincinnati

1983 M.B.A., Xavier University

1982 A. B., University of Cincinnati

Refereed Articles

"Examining Bank SEOs: Are Offers Made by Undercapitalized Banks Different," with E. Ergungor, C.N.V. Krishnan, A. Singh and A. Zebedee, *Journal of Financial Intermediation* 19:2, 2010, 207-234

"Capital flows, Volatility and Growth," with M. Ferreira, *Journal of International Money and Finance* 28:2, 2009, 271-292

"Legal Advisors: Popularity vs. Performance in Acquisitions," with C.N.V. Krishnan, *Corporate Ownership and Control* 6:2, 2008, 475-500

"Corporate Governance, Idiosyncratic Risk, and Information Flow" with M. Ferreira, *The Journal of Finance* 62:2, April 2007, 951-989

"Misreaction," with C.N.V. Krishnan, *Journal of Financial and Quantitative Analysis* 40: 2, 2005, 403-435

"The Information Content of Corporate Investment Announcements: The Case of Joint Ventures," with A. Keown and J. Martin, *Research in Finance* 22, Fall 2005

"Fragmentation and Complementarity: The Case of EFPs" with S. Brown-Hruska, *Journal of Futures Markets* 22:8, August 2002, 697-727 (Lead Article)

"An Empirical Framework and Teaching Note for Introducing Financial Management in the First MBA Core Class," with B. Simkins, *Journal of Financial Education*, Fall 2002 (Lead Article)

"Operational Hedges and the Foreign Exchange Exposure of US Multinational Corporations," with B. Simkins and C. Pantzalas, *Journal of International Business Studies* 32:4, December 2001

"How US Multinational Corporations Manage Foreign Exchange Rate Exposure," with C. Pantzalis and Betty Simkins, *Corporate Finance Review* 4:6, May/June 2000, 5-14

"The Relative Importance of Competition and Contagion in Intraindustry Information Transfers: An Investigation of Dividend Announcements," with L. Starks and P. Yoon, *Financial Management* 27:3, Autumn 1998, 5-16

Refereed Articles (continued)

"Trading Costs, Volatility, and the Trading Systems for Nasdaq Stocks," with M. Kothare, *The Financial Analysts Journal*, March/April 1995, 42-53

"Dealer Market Structure, Outside Competition, and the Bid-Ask Spread," *Journal of Economic Dynamics and Control* 19:4, 1995, 683-710

"Estimating the Bid-Ask Spread in a Heteroskedastic Market: The Case of Currency Futures," with A. J. Senchack, *Review of Quantitative Finance and Accounting* 4, 1994, 219-237 (Lead Article)

"The Sources of GARCH: Empirical Evidence from an Intraday Returns Model Incorporating Systematic and Unique Risks," with L. Ng, *The Journal of International Money and Finance* 12:5, October 1993, 543-560

"Trade Sizes and Theories of the Bid-Ask Spread," *Journal of Financial Research* 16:3, 1993, 237-249

"Bid Ask Spreads in Financial Futures," with A. J. Senchack, *Journal of Futures Markets* 12:6, 1992, 621-634

"On the Existence of an Optimal Tick Size," with S. Brown and B. Schachter, *Review of Futures Markets* 10:1, 1991, 50-71

"Research Issues in Futures Market Microstructure," with G. Gay, *Financial Practice and Education* 1:2, 1991

Non-refereed Articles, Chapters, and Cases

"The Sarajevo Graduate School of Business," with J. Stocker, Ivey School of Business Case Series, 2010 (forthcoming)

"Shareholders," with James Markham, in *Corporate Governance*, A. Kostyuk, U. Braendle, D. Falaschetti and R. Apreda (eds.), Virtus Interpess, 2007

"Fundamentals of Growth Equity Markets," in *Study of a Growth Equity Market for Australia*, Report DIST 06097, Department of Industry, Science, and Tourism of the Government of Australia, 1997

"Review of US and European Growth Equity Markets," in *Study of a Growth Equity Market for Australia*, Report DIST 06097, Department of Industry, Science, and Tourism of the Government of Australia, 1997

"Criteria for Successful Growth Equity Markets," in *Study of a Growth Equity Market for Australia*, Report DIST 06097, Department of Industry, Science, and Tourism of the Government of Australia, 1997

Non-refereed Articles, Chapters, and Cases (continued)

The Role of EFPs in Futures Markets: An Old Dog Does New Tricks, with S. Brown-Hruska, Catalyst Institute Research Monograph: Chicago, 1997

"Soap and Detergent," with E. Miller and J. Siegfried, in *Handbook of American Business History, Volume II*, D. Whitten and B. Whitten, ed., Greenwood Press, 1996

"Liquidity, Volatility, and Price Formation of Individual Stocks around Index Arbitrage Trading," with D. Furbush, abstract in *The Journal of Finance* 50, July 1995. Preliminary version published in *Proceedings, Seminar on the Analysis of Security Prices,* Center for Research in Security Prices, University of Chicago, November 1993

"Joint Ventures, Latent Asset Value, and the Information Content of Corporate Announcements," with A. Keown and J. Martin, abstract in *The Journal of Finance* 48, July 1993

Book Review of *Theoretical Studies in Islamic Banking and Finance*, in *Journal of Development Economics*, 1990

"The Effect of Market Structure on the Cost of Borrowing," with R. Blitz, B. Bolch and J. Siegfried, in *Issues After a Century of Federal Competition Policy*, R. Wills, J. Caswell, and J. Culbertson, eds., 1987, Lexington Books

Working Papers

"Corporate Boards and SEOs: The Effect of Certification and Monitoring," with M. Ferreira

"Opacity and Executive Compensation," with M. Ferreira and G. Markarian

"What Do Investment Bank and Law Firm M&A League Tables Really Mean? Evidence from Clashes of the Titans," with C.N.V. Krishnan

Teaching Experience

Introduction to Finance (Undergraduate Honors Core Course), 2008-2011
Advanced Corporate Finance (Undergraduate Honors Elective Course), 2008-2011
Workshop in Financial Economics (Master/Ph.D. Elective), 2007-2011
International Finance (MBA Elective), 2006-2011. Some sections have been taught in Sarajevo, Bosnia in U.D.'s MBA program in the Balkans under a USAID Contract, and as a distance learning course in the U.S. via live audio/visual conference
Corporate Finance for ISCTE Master of Finance students, 2009-2011 (shorter course)
International Finance (Masters in Finance/Masters in International Management Elective, ISCTE, Lisbon, Portugal), 2003-2010 (every summer or fall)
Accounting Information and Financial Markets (Ph.D. Short Course, University of Padova, 2009)
Corporate Governance (MBA Elective), 2005-2007; also taught jointly via videoconference with MBA students in Sarajevo, Bosnia and in Delaware, U.S.A.
MBA Iberia Institute (MBA Elective; Study abroad course), 2004
Financial Principles for Lawyers (Law School Elective), 2001-2004

Teaching Experience (cont.)

Finance, Law and Corporate Governance (MBA Elective), 2002-2004
Financial Management (MBA Core Course, Full Time and Evening Programs), 1994-2003
Accelerated Financial Management (Condensed MBA Core Course), 1998-2003
Financial Modeling (MBA Elective), 2000
MBA South African Institute (MBA Elective; Study abroad course), 2000
Advanced Managerial Finance (MBA Elective), International Management Center, Budapest, Hungary, 1997 and 1998 (3 offerings total)
Investment Management (MBA Elective), 1995-98, 2004
MBA European Summer Institute (MBA Elective; Lecture/tour study abroad course), 1995-96
Seminar in Futures and Options (MBA Elective), 1996
Applications of Investment Theory (MBA Elective), 1989-94
Derivative Markets (MBA Elective), 1991-94
Investments (Undergraduate Elective), 1988-89

Executive Education Experience

"International Finance: A Managerial Perspective," Course for Executive MBA Program, ISCTE - Lisbon, 2005

"Finance for Lawyers," for Cuyahoga County, Ohio, Bar Association, 2004

"Using Financial Thinking to Manage for Value Creation," Case Western Executive Education Program, 2002

"Finance in the U.S.," Presentations at Case Western for visiting executives from Erasmus University, The Netherlands, 2001-2003

"Markets and Institutions for Securities Trading," Module for Coca-Cola Visiting Fellows at Case Western Reserve University, 2000

"Takeovers and Valuation in the U.S.," Case Western Executive Education Program, 1998

"Investment Vehicles and Portfolio Theory," University of Texas management development program for executives of Cementos Mexicanos, S.A., Monterrey, Mexico, 1994

Honors and Awards

Research:
Award for the Outstanding Paper in Derivatives, Southern Finance Association, 1999
CBOT Award for Best Paper in Futures and Futures Options, Western Finance Association Meetings, for "Intraday Price Formation in the Stock Index Futures Market," 1993
CBOT Award for Best Paper in Futures and Futures Options, Southwestern Finance Association Meetings, for "Estimating the Bid-Ask Spread in a Heteroskedastic Market: The Case of Currency Futures," with A. J. Senchack, 1993
Teaching:
Dorney Grant for Development of Finance Instructional Software, 2000

Honors and Awards (cont.)

Finalist for Weatherhead School of Management Best Teacher Award, 1995, 1999
Department of Finance Nominee for CBA Foundation Teaching Award (Graduate School of Business, University of Texas Award for Assistant Professors), 1993
Rendigs Fels Award for Teaching Excellence, Vanderbilt University, 1988

Presentations at Professional Meetings

Lisbon University Institute Risk Management Conference, May 2011 (discussant)
American Accounting Association, August 2010 (paper presented by co-author)
European Finance Association, August, 2008 (paper presentation and session chair)
Mid-Atlantic Finance Conference, March, 2008 (discussant)
American Finance Association, January 2006 (paper presentation)
European Financial Management Association, June 2002 (paper presentation and instructor for doctoral student seminar)
Southern Finance Association, October 1999 (paper presentation)
Financial Management Association, October 1999 (paper presentation)
European Financial Management Association, June 1999 (paper presentation)
Financial Management Association, October 1998 (paper presentation and discussant)
Financial Management Association, November 1997 (paper presentation)
American Finance Association, January 1997 (discussant)
International Association for Financial Engineering, November 1996 (paper presentation)
Western Finance Association, June 1996 (paper presentation)
Georgia State University Conference on International Finance, May 1996 (paper presentation)
American Finance Association, January 1995 (paper presentation)
Western Finance Association, June 1994 (paper presentation)
Western Finance Association, June 1993 (paper presentation)
American Finance Association, January 1993 (paper presentation)
Texas Finance Symposium, September 1992 (paper presentation)
Western Finance Association, June 1992 (paper presentation)
Eastern Finance Association, April 1991 (paper presentation)
American Finance Association, December 1990 (discussant)
Chicago Board of Trade Research Symposium, December 1990 (paper presentation)
Texas Finance Symposium, September 1990 (paper presentation)
Financial Management Association, October 1990 (paper presentation)
Western Finance Association, June 1990 (discussant)
Southwestern Finance Association, April 1990 (paper presentation and discussant)
Financial Management Association, October 1989 (two paper presentations and discussant)
Western Finance Association, June 1989 (discussant)
Financial Management Association Doctoral Student Seminar, October 1987 (paper presentation)

Invited Seminar and Workshop Presentations

"Opacity and Executive Compensation," University of Padova, Padova, Italy, October, 2009; ISCTE-Lisbon, November, 2009

Corporate Boards and SEOs: The effect of certification and monitoring," University of Padova, Padova, Italy, June, 2008; ISCTE-Lisbon, June, 2008; Instituto de Empresa, Madrid, Spain, January 2008; State University – Higher School of Economics, Moscow, Russia, Corporate Governance Conference, November 2007

"Legal Advisors: Popularity versus Economic Performance in Acquisitions," Kent State University, December 2003; University of Delaware, April 2004; Harvard Law School, September 2004

"Misreaction," Instituto Superior de Ciências do Trabalho e da Empresa, Lisbon, Portugal, April 2003

"What Do They Know and When Do They Know It: A Closer Look at Value Line Rank Changes," University of Cincinnati, March 2001; Kent State University, April 2000

"Liquidity, Volatility, and Price Formation of Individual Stocks around Index Arbitrage Trading," Federal Reserve Bank of Cleveland, January 1995

"Intraday Price Formation in the Stock Index Futures Market," Case Western Reserve University, May 1994

"Liquidity, Volatility, and Price Formation of Individual Stocks around Intermarket Trading: What's Different about Index Arbitrage," Center for Research in Security Prices (CRSP), The University of Chicago, November 1993

"Market Microstructure," Seminar for Ph.D. candidates in Business Administration, Instituto Tecnologico y de Estudios Superiores de Monterrey, Mexico, July 1993

"Joint Ventures, Latent Asset Value, and the Information Content of Corporate Announcements," The University of New Mexico, April 1992

"The Sources of GARCH: Empirical Evidence from an Intraday Returns Model Incorporating Systematic and Unique Risks," Georgetown University, March 1991

"Asymmetric Information, Imperfect Competition, Trade Sizes and Pricing: Theory and Empirical Evidence," Financial Markets Research Center, Vanderbilt University, April 1990

"Dealer Market Structure and the Bid-Ask Spread," Syracuse University, November 1991; Commodity Futures Trading Commission, December 1989; University of Houston, November, 1989

University Service

Chair, College Committee on Organization, Lerner College of Business, University of Delaware, 2008-2010

Chair, Faculty Council, Weatherhead School of Management, Case Western Reserve University, 2000-2002

Chair, International Programs Task Force, Weatherhead School of Management, 2000

Chair, Faculty Senate Nominating Committee, Case Western Reserve University, 1998-2000

University Service (cont.)

Member, Faculty Council, Weatherhead School of Management, 1997-2004

Weatherhead School Representative to Board of Directors, International Management Center, Budapest, Hungary, Spring 1998

Faculty Advisor, JD-MBA Student Association, 2001-2004

Various Faculty Committees at the University of Delaware:

University Interim Accreditation Report Task Force (2006), College MBA Committee (2009-10), College Graduate Programs Committee (2006-2008), College Organization Committee (2006-2010), Dean's International Task Force (2006-2007), Dean's MBA Task Force (2007), Assessment of Learning Task Force (2009-2011), Faculty Senate (2011-12)

Various Faculty Committees at Case Western Reserve University:

Banking and Finance Department Recruiting Committee 1994-2001 (chair in some years); Dean Search Committee, 2000-2001; Information Systems Committee 1994-5 and 1998-99; Professional Degree Programs Committee, 1998-2004; Action Learning Task Force, 1999-2000; eLearning Task Force, 1999-2000; Lewis Campus Building Committee, 1998-2000; Dean's Strategic Planning Task Forces, 2000 and 2001

Additional Professional Service and Other Activities

Consultant to a currency, interest rate and real estate risk-management firm, 2006-09

Consultant (lecturer) for the International Finance Corporation, Albania and Bosnia, 2006

Consultant to the Chicago Stock Exchange, 1998-2000

Consultant to the Government of Australia, 1997

Consultant to the Sydney Futures Exchange, 1996

Consultant to the National Association of Securities Dealers, 1995-96

Occasional expert/consultant on finance topics, various other clients

Program Chairman for Futures and Options Track, Financial Management Association, 1996 Meeting

Program Committee, Southern Finance Association, 2008 meeting

Program Committee, Western Finance Association, 1992 meeting

Program Committee, Financial Management Association, 1991 through 2004 meetings

Best Paper Awards Committees, Financial Management Association, 1992, 1994, 2000 meetings

Reviewer: *The Journal of Finance, The National Science Foundation, Financial Management, Journal of Financial Intermediation, Journal of Money, Credit and Banking, Journal of Empirical Finance, Journal of Futures Markets, Journal of International Money and Finance*, *European Financial Management*, *Journal of Economic Dynamics and Control*, *The Economic Journal*, *Journal of Financial Research*, *Review of Quantitative Finance and Accounting, Advances in Futures and Options Research, International Review of Financial Analysis, Quarterly Review of Business and Economics*

March 2011