

CONFERENCE PROGRAM

Agency Problems and Conflicts of Interest in Financial Intermediaries

A conference jointly sponsored by the Federal Reserve Bank of New York, the Dice Center for Research in Financial Economics of The Ohio State University, and the *Journal of Financial Economics*

December 3- 4, 2004

Fisher College of Business, Columbus, Ohio

Organizers:

Hamid Mehran, Federal Reserve Bank of New York
René Stulz, Fisher College of Business, The Ohio State University

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Conference Introduction

In financial markets, financial intermediaries act as agents of issuers and investors, and “gatekeepers.” This multiplicity of functions can lead to conflicts of interest. By performing its gatekeeping role well, for instance, a financial intermediary may have to forgo profitable investment banking assignments.

This conference aims to promote a better understanding of the economic relevance of conflicts of interest in financial intermediaries by examining: whether the conflicts were particularly worse at the end of the 1990s; how conflicts are managed within financial institutions; how contracting, legal, and reputation mechanisms affect conflicts; and the role of regulatory authorities and regulations in overseeing conflicts.

Friday December 3

7:15 am Registration and Continental Breakfast

8: 00 am Welcoming remarks

Session 1: Analyst Behavior

- 8:15 am Daniel J. Bradley, Clemson University
Bradford D. Jordan, University of Kentucky
Jay R. Ritter, University of Florida
Analyst Behavior Following IPOs: The “Bubble Period” Evidence
- Xia Chen, University of British Columbia
Analyst ranking, affiliation, and the market reaction to stock recommendations for IPOs
- Brad M. Barber, University of California at Davis
Reuven Lehavy, University of Michigan
Brett Trueman, University of California at Los Angeles
Comparing the Stock Recommendation Performance of Investment Banks and Independent Research Firms
- Discussant: Maureen McNichols, Stanford University
- 10: 15 am Break
- 10: 45 am Ulrike Malmendier, Stanford University
Devin Shanthikumar, Harvard Business School
Are Investors Naïve About Incentives?
- Discussant: Paul Schultz, University of Notre Dame
- Amanda Cowen, Harvard Business School
Boris Groysberg, Harvard Business School
Paul Healy, Harvard Business School
Which types of analyst firms make more optimistic forecasts?
- Discussant: Richard G. Sloan, University of Michigan
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- 12: 30 pm Lunch
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Session 2: Banking Relationships

- 2:00 pm Jonathan Reuter, University of Oregon
Are IPO Allocations For Sale? Evidence from Mutual Funds
- John M. Griffin, University of Texas at Austin
Jeffrey H. Harris, University of Delaware
Selim Topaloglu, Queen's University
Why are IPO Investors Net Buyers through Lead Underwriters?
- Discussant: Reena Aggarwal, Georgetown University
- Patrick Bolton, Princeton University
Xavier Freixas, Universitat Pompeu Fabra
Joel Shapiro, Universitat Pompeu Fabra
Conflicts of Interest, Information Provision, and Competition in Banking
- Discussant: Doug Diamond, University of Chicago
- 3: 45 pm Break
- 4: 15 pm Luc Laeven, The World Bank
Ross Levine, University of Minnesota
Is There a Diversification Discount in Financial Conglomerates?
- Discussant: Vojislav Maksimovic, University of Maryland
- Sreedhar Bharath, University of Michigan
Sandeep Dahiya, Georgetown University
Anthony Saunders, New York University
Anand Srinivasan, University of Georgia
So what do I get? A bank's view of lending relationships
- Discussant: Christopher James, University of Florida
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- 7 pm Reception and Dinner
Distinguished Speaker: Chester Spatt, Securities Exchange Commission
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Saturday, December 4

7:30 am Continental Breakfast

Session 3: Institutional investors and the money management industry

8:15 am Ajay Khorana, Georgia Institute of Technology
Henri Servaes, London Business School
Conflicts of Interest and Competition in the Mutual Fund Industry

Ajay Khorana, Georgia Institute of Technology
Peter Tufano, Harvard Business School
Lei Wedge, Georgia Institute of Technology
Board Structure, Mergers and Shareholder Wealth: A Study of the Mutual Fund Industry

Discussant: Russell Wermers, University of Maryland

Alexander Ljungqvist, New York University
Felicia Marston, University of Virginia
Laura T. Starks, University of Texas at Austin
Kelsey D. Wei, SUNY at Binghamton
Hong Yan, University of Texas at Austin
Conflicts of Interest in Sell-Side Research and the Moderating Role of Institutional Investors

Discussant: S.P.Kothari, MIT

10:15 am Break

10:45 am E. Han Kim, University of Michigan
Jerry Davis, University of Michigan
Would Mutual Funds Bite the Hand that Feeds Them? Conflicts of Interest in Proxy Voting and Business Ties

Discussant: Bernard S. Black, University of Texas at Austin and Stanford University

Eric Zitzewitz, Stanford University
How Widespread is Late Trading in Mutual Funds?

Discussant: Edwin Elton, New York University

12: 30 pm Lunch and Adjournment
