

## Robert Tumarkin

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Sydney NSW 2052

ACADEMIC EXPERIENCE **UNSW Business School, University of New South Wales**  
*Sydney NSW 2052*

Senior Lecturer (Assistant Professor) 2010 - present

EDUCATION **Leonard N. Stern School of Business, New York University**  
*New York, NY USA*

Ph.D. in Finance, May 2010

M.Phil. in Finance, May 2008

Masters of Business Administration with Honors, May 2000

**Brown University**  
*Providence, RI USA*

Sc.B. with Honors in Biomedical Engineering, May 1995

RESEARCH INTERESTS Corporate Finance, Executive Compensation and Incentives, Behavioral Finance,  
Portfolio Choice, Derivatives

PUBLICATIONS **Stocking Up: Executive Optimism and Share Retention** (with Rik Sen), 2015,  
*Journal of Financial Economics*, Vol. 118, No. 2, pp. 399-430.

We show that an executive is optimistic about her company's prospects if and only if she retains some of the shares received whenever she exercises company stock options. Empirically, an indicator of optimism based on this idea matches the expected relations between optimism and corporate decision-making better than commonly used indicators based on the timing of option exercise. This makes sense, as our model of an executives optimal option exercise and portfolio choice demonstrates that the timing of option exercise depends just as much on stock and other executive characteristics as it does on optimism.

**News or Noise? Internet Postings and Stock Prices** (with Robert Whitelaw), 2001, *Financial Analysts Journal*, Vol. 57, No. 3, pp. 41-51.

The anecdotal evidence is growing that postings in Internet financial forums affect stock prices, either because the postings contain new information or because they represent successful attempts to manipulate stock prices. From an investment perspective, knowing whether this phenomenon is pervasive is important. We examined the relationship between Internet message board activity and abnormal stock returns and trading volume in the period from mid-April 1999 to mid-February 2000. Our study focused on the RagingBull.com discussion forum, an extremely popular site whose format permits the construction of an objective measure of investor opinions. For stocks in the Internet service sector, we found that on days with abnormally high message activity, changes in

investor opinion are correlated with abnormal industry-adjusted returns. These event days also coincided with abnormally high trading volume, which persisted for a second day. However, we found that message board activity did not predict industry-adjusted returns or abnormal trading volume, which is consistent with market efficiency.

WORKING PAPERS **Does the Political Power of Non-Financial Stakeholders Affect Firm Values? Evidence from Labor Unions** with Jared Stanfield

*Revise and Resubmit 2<sup>nd</sup> round: Journal of Financial and Quantitative Analysis*

*Semi-finalist for Best Paper in Corporate Finance at the 2016 FMA Annual Meeting*

While the political connections of a firm can enhance firm outcomes, we demonstrate that union political connections can have the opposite effect. We examine the consequences of a recent law in New South Wales, Australia that restricted the political influence of unions, but did not change their collective bargaining ability. In the wake of this legislation, the value of affected unionized firms significantly increased and these firms were able to negotiate more favorable labor contracts relative to their unionized peers in other states. These consequences of the legislation are related: affected firms with the largest increase in value were able to negotiate the most favorable contract terms with labor unions. We propose that unions use political connections to increase their ability to extract rents from shareholders.

**Death By Committee: An Analysis of Delegation in Corporate Boards**, with Renèe Adams and Vanitha Rangunathan

*Winner of the Best Paper Award in Corporate Finance at the 2016 FMA Annual Meeting*

Boards are working harder over time, but are they working better? Using text-based algorithms to construct a dataset with over 30,000 firm-year observations from 1996 to 2010, we document that the governance reforms of the early 2000s may have had unintended consequences. While readily observable board characteristics have not changed much over time, boards have increasingly delegated responsibilities to committees staffed by independent directors. We find evidence that this delegation may have erected barriers to communication and effective board decision-making. Investors discount the informativeness of the personal stock purchases for independent director who are active committee members; returns to firms announcing an acquisition decrease as board delegation increases. Reform-induced delegation does not appear to be value-enhancing; a conservative estimate suggests that Tobin's  $q$  of the typical firm in the sample decreases by 1.7% after the reforms. Board committees are relatively understudied, but our results suggest that ignoring them leads to a very incomplete picture of board governance.

**How Much Do CEO Incentives Matter?**

The impact of CEO incentive compensation on firm performance is difficult to quantify because performance also affects incentives. To circumvent this problem, I form an estimate of the changes in CEO incentives caused by exogenous stock price movements using a return index for each firm's peer group and lagged CEO holdings. For the mean incentive level, Tobin's  $q$  increases by 10.0% compared to that of counterfactual firms that lack CEO incentive compensation. I also introduce an ex ante measure of the CEO's discretion over her incentive portfolio and show that the greater this discretion the less incentives mitigate agency conflicts.

**Pretty Pennies: Realtor Attractiveness and Home Prices**, with Joakim Bång

Although buying one's home is by far the largest financial transaction in most people's lives, micro-level behavioral research on home pricing has been quite limited. We test for a simple behavioral effect; does the attractiveness of a realtor influence the final purchase

price of a home? To do so, we take advantage of two unique structural characteristics of the Australian real estate market in which (i) buyers rarely use their own realtor and (ii) homes are commonly sold both by auction and by negotiated price private treaty. Our results show that buyers pay a 2.3% average premium (approximately USD 16,000) for their house when the realtor is one standard deviation of attractiveness above average. This premium is concentrated in homes sold by auction, which is consistent with a behavioral interpretation where private treaty home buyers partially filter the impact of realtor appearance over time.

WORK IN  
PROGRESS

**Do Corporate Political Connections Affect Acquisition Outcomes?**, with Alexei Ovtchinnikov and Ron Masulis

**The Value of Debt Covenants**, with Jin Yu

PRESENTATIONS

**Death By Committee: An Analysis of Delegation in Corporate Boards**

- AFA Annual Meeting (2017)\*
- FMA Annual Meeting (2016) (*Winner Best Paper in Corporate Finance*)
- FMA Asia (2016)\* (*Semi-finalist for Best Paper*)
- China International Conference in Finance (2015)
- Global Corporate Governance Colloquia (2015)\*
- Asian Bureau of Finance and Economic Research (2015)
- BI Conference on Corporate Governance (2015)\*

**The Effect of Union Political Power of Wages and Firm Values**

- FMA Annual Meeting (2016) (*Semi-finalist for Best Paper in Corporate Finance*)
- AEA Annual Meeting (2016)\*
- Society for Empirical Legal Studies Annual Conference (2015)\*
- NBER Law and Economics Program Meeting (2014)
- Frontiers in Finance, Banff, Alberta (2013)\*
- ANU RSFAS Summer Research Camp (2013)\*
- Financial Integrity Research Network Annual Conference (November 2012)\*

**Stocking Up: Executive Optimism and Share Retention**

- China International Conference in Finance (2015)
- University of Adelaide (2012)
- Macquarie University (2012)
- Australasian Finance and Banking Conference (2011)
- American Finance Association Annual Meeting (2010)
- LBS Transatlantic Doctoral Conference (2009)

**Pretty Pennies: Realtor Attractiveness and Home Prices**

- University of Queensland (2011)
- University of South Australia Behavioral Finance and Capital Markets Conference (2011)
- Financial Integrity Research Network Annual Conference (2011)
- Australasian Finance and Banking Conference (2011)

**How Much Do CEO Incentives Matter?**

- Australasian Finance and Banking Conference (2010)

**Discussant**

- Australasian Finance and Banking Conference (2010)
- Financial Intermediation Research Society (FIRS) Conference (2011)
- Financial Integrity Research Network (FIRN) Conference (2011)
- Australasian Finance and Banking Conference (2011)

**Session Chair**

- Studies of CEO Incentives: Australasian Finance and Banking Conference (2010)
- Corporate Finance: Australasian Finance and Banking Conference (2011)

**Selection Committee**

- Australasian Banking and Finance Conference (2011)

\* Presentation by co-author

TEACHING  
EXPERIENCE

**Australian School of Business, University of New South Wales, Sydney, AU**

*Business Finance*

Undergraduate Program

FALL 2016: 1,691 students – Overall Rating: 5.4/6.0

FALL 2015: 1,272 students – Overall Rating: 5.6/6.0

FALL 2014: 977 students – Overall Rating: 5.4/6.0

FALL 2013: 854 students – Overall Rating: 5.6/6.0

FALL 2012: 652 students – Overall Rating: 4.7/6.0

FALL 2011: 728 students – Overall Rating: 5.3/6.0

*Research Methods in Finance 2*

FALL 2016: 13 students – Overall Rating: 6.0/6.0

FALL 2015: 11 students – Overall Rating: 6.0/6.0

FALL 2014: 21 students – Overall Rating: 5.8/6.0

*Empirical Techniques and Applications in Finance*

SPRING 2014: 52 students – Overall Rating: 5.2/6.0

Masters Program

SPRING 2013: 7 students – Overall Rating: 6.0/6.0

*Empirical Methodology in Corporate Finance*

Masters Program

SPRING 2013: 7 students – Overall Rating: 6.0/6.0

SPRING 2012: 9 students – Overall Rating: 5.8/6.0

*Takeovers, Restructurings, and Corporate Governance*

Masters Program

FALL 2011: 53 students – Overall Rating: 5.3/6.0

*International Corporate Governance (Fall 2011)*

Masters Program

FALL 2011: 65 students – Overall Rating: 4.9/6.0

**Leonard N. Stern School of Business, New York University, New York, NY**

*Foundations of Financial Markets (Spring 2009)*

Stern Undergraduate College

Number of Students: 49 – Overall Rating: 5.7/7.0

AWARDS

**University of New South Wales**

- Vice-Chancellor's Award for Teaching Excellence (2013)
- Nominated for UNSW Business School's Bill Birkett Award for Teaching Excellence (2016)

**Leonard N. Stern School of Business, New York University**

- C.W. Nichols Foundation Fellowship (2010)
- Benjamin Levy Fellowship (2009-2010)

- Beta Gamma Sigma Honor Society (2000)
- Glucksman Scholarship (1999-2000)
- Faculty Scholarship (1998-2000)
- NYU Money Marketeers Scholarship (2000)

American Finance Association Travel Grant (2009)

**Brown University**

- Magna Cum Laude (1995)
- Tau Beta Pi Engineering Honor Society (1994-1995)

U.S. medical device patents (co-inventor): 6,162,243, 5,980,553, and 5,895,406

**PROFESSIONAL EXPERIENCE**

**Mezzacappa Management, LLC**, New York, NY (Asset Management Industry)

*Director (2004-2005), Vice President (2002-2003), Analyst (2000-2001)*

**Cordis, a Johnson and Johnson Company**, Warren, NJ (Medical Device Industry)

*Business Analyst (1999), Engineer, Advanced Research (1995-1998)*

**REFEREEING**

Journal of Finance and Quantitative Analysis, Management Science, Journal of Accounting and Finance, Journal of Accounting and Public Policy, Journal of Economic Behavior and Organization, Journal of Empirical Finance

**REFERENCES**

**Xavier Gabaix**

Pershing Square Professor of Economics and Finance

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1805 Cambridge Street  
Cambridge, MA 02138

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**Ron Masulis**

Scientia Professor  
Macquarie Group Chair of Financial Services

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Australia

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**Robert F. Whitelaw**

Edward C. Johnson 3<sup>rd</sup>  
Professor of Entrepreneurial Finance

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New York University  
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Email: rwhitela@stern.nyu.edu  
Phone: (212) 998-0338

**Jeffrey Wurgler**

Nomura Professor of Finance

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Phone: (212) 998-0367

**CITIZENSHIP**

U.S. and Australia