

**TOM A. NOHEL**  
Department of Finance  
Loyola University  
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### **AREAS OF INTEREST**

Research: Corporate Finance, Asymmetric Information, Executive Compensation, Agency Problems, Payout Policy, Restructuring  
Teaching: Corporate Finance, Investments, Financial Mgmt., Risk Management, Financial Engineering, Real Options

### **EDUCATION**

Univ. of Minnesota	Finance	9/86-8/92	Ph.D.
Northwestern Univ.	Applied Math	9/83-6/84	MS
Univ. of Wisconsin	Applied Math	9/78-12/82	BA

### **DISSERTATION**

Title: "The Information Content of Dividends: Some New Insights and Methodology" (Completed 8/92)

### **EXPERIENCE**

University of Michigan	Visiting Associate Professor	2003-Present
Loyola University	Associate Professor	2000-Present
Cornell University	Associate Professor	1998-1999
Loyola University	Assistant Professor	1994-2000
Federal Reserve Bank-MPLS	Visiting Economist	1993-1994
RPI	Visiting Assistant Professor	1992-1993
Univ. of Minnesota	Instructor/Research Assistant	1986-1991

(Managed the CRSP/COMPUSTAT Data bases for Carlson School)

### **PUBLICATIONS**

"Stock Options and Managerial Incentives to Invest", with Steven Todd, *Journal of Derivatives Accounting*, forthcoming, (2003).

"Compensation for Managers with Career Concerns: The Role of Stock Options in Optimal Contracts", with Steven Todd, *Journal of Corporate Finance*, forthcoming, (2003).

"Asymmetric Information, Dividend Reductions, and Contagion Effects in Bank Stock Returns", joint with Wolfgang Bessler, *Journal of Banking and Finance* 24 (2000), 1831-1848.

"Share Repurchases and Firm Performance: New Evidence on the Agency Costs of Free Cash Flow", joint with Vefa Tarhan, *Journal of Financial Economics* 49 (1998), 187-222.

"Value Maximization and the Information Content of Corporate Investment with Respect to Earnings", joint with Bong-Soo Lee, *Journal of Banking and Finance* 21 (1997), 661-683.

"The Stock Market Reaction to Dividend Cuts and Omissions by Commercial Banks", joint with Wolfgang Bessler, *Journal of Banking and Finance* 20 (1996), 1485-1508.

#### **OTHER PAPERS**

"Managerial Incentives, Endogeneity, and Firm Value", with Steven Todd, currently under review (2<sup>nd</sup> round) at *Financial Management*, 2003.

"Investor Valuation of Corporate Acquisitions as Joint Investment and Financing Decisions", with Vefa Tarhan and Paul Spindt, 2001.

"The Reaction to Unexpected Bank Earnings During the LDC Debt Crisis: An Investigation of the Market's Assessment of Earnings Quality", with Dave Runkle, working paper, 1996.

"The Nature of the Information Conveyed by Dividend Announcements", working paper, 1994.

#### **WORK IN PROGRESS**

"The Impact of Regulation on the Information Content of Corporate Announcements: The Case of Earnings Announcements in the Airline Industry".

"The Nature of the Information in Dividend Initiations: Cash Flow Signaling vs. Free Cash Flow?"

"Why Do Firms Initiate Dividends?"

"Rights Issues and Firm Performance: A Test of The Pecking Order Theory of Capital Structure Choice", joint with Vefa Tarhan.

"Tender Offers for Debt: Is There a Reverse Pecking Order?", joint with Timothy Kruse and Steven Todd.

"Managerial Risk Aversion, Disutility of Effort, and the Role of Executive Stock Options in Mitigating Incentive Problems", joint with Sam Tian and Steven Todd.

"Rights Issues Versus Secondary Equity Offerings: A Choice Between Inside and Outside Equity", joint with Vefa Tarhan.

"Tax Effects Around Capital Structure Changes: The Case of Debt and Share Repurchases", with Vefa Tarhan.

"The Impact of "Too Big To Fail" on Bank Dividend Policy", with Hamid Mehran and Wolfgang Bessler.

"A new take on the diversification discount" with Vefa Tarhan

“Cross border mergers and firm performance”, with Vefa Tarhan and Steven Todd

#### **PRESENTATIONS AT PROFESSIONAL MEETINGS**

“Compensation for Managers with Career Concerns: The Role of Stock Options in Optimal Contracts”, presented at the 10<sup>th</sup> Annual Global Finance Conference in Frankfurt, Germany, 2003. Awarded best paper in corporate finance.

“Executive Compensation, Managerial Risk Aversion, and the Choice of Risky Projects”, with Steven Todd, presented at the 2000 FMA Annual Meeting in Seattle.

“Executive Compensation, Managerial Risk Aversion, and the Choice of Risky Projects”, with Steven Todd, presented at the 2000 FMA-International Annual Meeting in Edinburgh.

"Investor Valuation of Corporate Acquisitions as Joint Investment and Financing Decisions", with Vefa Tarhan and Paul Spindt, presented at the 10<sup>th</sup> Annual Conference on Financial Economics and Accounting, The University of Texas at Austin, 1999.

"Investor Valuation of Corporate Acquisitions as Joint Investment and Financing Decisions", with Vefa Tarhan and Paul Spindt, presented at the 1999 FMA-International Annual Meeting in Barcelona.

Share Repurchases and Firm Performance: New Evidence on the Agency Costs of Free Cash Flow", presented at the 1998 Annual Meeting of the Midwest Finance Association.

Share Repurchases and Firm Performance: New Evidence on the Agency Costs of Free Cash Flow", presented at the 1st Annual FMA-International Conference in Zurich, May, 1997.

The Reaction to Unexpected Bank Earnings During the LDC Debt Crisis: An Investigation of the Market's Assessment of Earnings Quality, presented at the 1996 Southern Finance Association Annual Meeting. November, 1996.

Asymmetric Information, Dividend Announcements, and Contagion Effects in Bank Stock Returns, presented at the 1996 Midwest Finance Association Annual Meeting and Winner of the Award for "Best Paper in Financial Intermediation".

Value Maximization and the Information Content of Corporate Investment with respect to Earnings, presented at the 1995 Eastern Finance Association Annual Meeting.

"The Stock Market Reaction to Dividend Cuts and Omissions by Commercial Banks", presented at the 1994 Financial Management Association Annual Meeting.

"The Information Content of Capital Investment Expenditures with Respect to Earnings, Dividends, and Stock Prices", presented at the 1993 Financial Management Association Annual Meeting.

## **SEMINARS**

Stock Options and Managerial Incentives to Invest, invited presentation at the University of Pittsburgh, April, 2003.

Compensation for Managers with Career Concerns: The Role of Stock Options in Optimal Contracts, invited presentation at the Federal Reserve Bank of Chicago, May 2002.

Optimal Compensation for Risk-Averse Executives with Career Concerns, invited presentation at York University, Toronto, Ontario, April 2001.

Executive Compensation, Reputation, and Risk-Taking Incentives, presented at the first joint Law School – Finance Department Seminar series, Loyola University, January 2001.

Share Repurchases and Firm Performance: New Evidence on the Agency Costs of Free Cash Flow, invited presentation at Cornell University, February, 1998.

Share Repurchases and Firm Performance: New Evidence on the Agency Costs of Free Cash Flow, presented in the Finance Department Seminar Series at the University of Wisconsin, November, 1996.

Share Repurchases and Firm Performance: New Evidence on the Agency Costs of Free Cash Flow, presented in the Finance Department Seminar Series at Loyola University, October, 1996.

Value Maximization and the Information Content of Corporate Investment with respect to Earnings, presented in the Finance Department Seminar Series at Loyola University, April, 1995.

Asymmetric Information, Dividend Announcements, and Contagion Effects in Bank Stock Returns, presented at Loyola University, April, 1994.

The Nature of Information Conveyed by Dividend Announcements, presented at Union College, March, 1993.

The Nature of Information Conveyed by Dividend Announcements, presented at Clarkson University, April, 1992.

The Nature of Information Conveyed by Dividend Announcements, presented at Syracuse University, March, 1992.

The Nature of Information Conveyed by Dividend Announcements, presented at RPI, February, 1992.

## **PROFESSIONAL SERVICE**

Referee: *Journal of Banking and Finance, Financial Management, European Finance Review, Journal of Derivatives Accounting, Quarterly Journal of Business and Economics, Quarterly Review of Economics and Finance, Review of Quantitative Finance and Accounting, Journal of Applied Business Research, Multinational Finance Journal, Journal of Applied Finance*

Editorial Board: Associate Editor for the *Multinational Finance Journal*

Discussant: Served as a discussant at the 2003 annual meeting of the Financial Management Association.

Served as a discussant at the 7<sup>th</sup> Annual Global Finance Conference at De Paul University, April 2000.

Served as a discussant at the 9th Annual Conference on Financial Economics at NYU, November, 1998.

Served as a discussant at the 1998 annual meeting of the Financial Management Association.

Served as a discussant at the 1998 annual meeting of the Midwest Finance Association.

Served as a discussant at the 8th Annual Conference on Financial Economics at the University of Buffalo, November, 1997.

Session Chair: "Capital Structure Theory" session at the 1996 annual meeting of the Midwest Finance Association.

"Executive Compensation" session at the 2000 Financial Management Association annual meeting.

Program Committee: 1999 Eastern Finance Association Annual Meeting

2000 Financial Management Association Annual Meeting

## **HONORS, AWARDS & GRANTS**

"Compensation for Managers with Career Concerns: The Role of Stock Options in Optimal Contracts", awarded best paper in corporate finance at the 10<sup>th</sup> Annual Global Finance Conference in Frankfurt, Germany, 2003.

Award of "Best Paper in Financial Institutions" at the 1996 annual meeting of the Midwest Finance Association

Awarded a research grant from Loyola University for the Summer of 2002.

Awarded a research grant from Loyola University (University-wide Competition) for the Summer of 2001

Awarded a research grant from Loyola University (University-wide Competition) for the Summer of 1997

Awarded a research grant from the School of Business at Loyola University for the Summer of 1996

Awarded a research grant from the Family Business Center at Loyola University for the Summer of 1995

Awarded a Dissertation Fellowship from the Carlson School of Management at the University of Minnesota for 1991-92.

## **COURSES TAUGHT**

### ***Undergraduate***

Investments  
Financial Management  
Money and Banking  
Options  
Advanced Investments  
Mergers and Restructuring  
Advanced Corporate Finance

### ***MBA***

Investments  
Financial Management  
Options  
Risk Management  
Advanced Corporate Finance  
Valuation & Real Options  
Valuation  
Corporate Control

## **REFERENCES**

Professor Ravi Jagannathan, Finance Department, Northwestern University

Professor Gordon Alexander, Finance Department, University of Minnesota

Professor David Denis, Finance Department, Purdue University

Professor Roni Michaely, Finance Department, Cornell University