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THOMAS GRIFFIN

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EDUCATION

Drexel University, LeBow College of Business
Ph.D. Business Administration, Finance — September 2014 – Present

Villanova University
Bachelor of Arts, Economics — August 2009 – May 2013

RESEARCH

Interests: Corporate Finance, Corporate Governance, Creditor Control Rights

JOB MARKET PAPER:

Globalization and U.S. Industry Concentration

Since the turn of the 21st century, the U.S. has experienced abnormally low IPO activity, high delisting rates, and increased levels of industry concentration. This paper proposes globalization as a contributing factor behind these trends. Using a U.S. tariff policy change that increased trade with China, I find that exposed industries suffered a drop in the number of listed firms and a spike in concentration. Firm-level analyses show that the trade shock impeded the entry and performance of small manufacturers but did not adversely impact large multinational corporations, consistent with heterogeneous firm models of trade. These findings suggest that globalization contributed to recent trends in the U.S. public equity market by disproportionately harming small firms.

WORKING PAPERS:

Creditor Control of Corporate Acquisitions – with David Becher and Greg Nini

Presentations: Texas A&M Young Scholars Finance Consortium (2018), Midwest Finance Association Annual Meeting (2018), Northern Finance Association Annual Meeting (2017), Cass M&A Research Centre Conference* (2018), Philadelphia Five Conference* (2018), Norwegian School of Economics* (2018), American University* (2018), Lehigh University* (2018)

We examine the impact of creditor control rights on corporate acquisitions. Nearly 75% of private credit agreements restrict borrower acquisition decisions. Following a covenant violation, creditors use their bargaining power to tighten these restrictions and limit acquisition activity, particularly deals expected to earn negative announcement returns. Firms that do announce an acquisition while in violation of a covenant earn 1.8% higher stock returns, on average, with the effect concentrated among firms with weak external governance. We conclude that creditors provide valuable corporate governance that benefits shareholders by reducing managerial agency costs.

Losing Control: The 20-Year Decline in Loan Covenant Restrictions – with Greg Nini and David Smith

Presentations: RCFS/RAPS Conference at Baha Mar* (2019), Washington University in St. Louis Corporate Finance Conference – New Ideas Session* (2017), Philadelphia Five Conference – New Ideas Session* (2017)

Over the last twenty years, financial covenants in syndicated loan agreements have steadily become looser. The result is that the fraction of U.S. public companies reporting a violation of a loan covenant during a given year decreased from over 12% in 1997 to less than 5% in 2016. The trend cannot be explained by changes in the composition of public firms, a decrease in the usage of debt, or a long series of positive ex-post outcomes for firms. Nor does the rise in institutional lenders or an increased supply of credit entirely explain the decline. The loosening of covenants is widespread among all types of borrowers and loans and accompanies an increase in loan spreads over the period, suggesting that the trend reflects fundamental changes in the costs and benefits of tight covenants.

WORKING PAPERS (CONTINUED):

Shareholder Litigation and the Information Environment – with Audra Boone and Eliezer Fich

Presentations: U.S. Securities and Exchange Commission Ph.D. Symposium (2018), American Law and Economics Association Annual Meeting (2018), FMA Annual Meeting (2018)*, Corporate Finance Conference at the Manchester Business School* (2018), Frankfurt School of Finance* (2018), WHU* (2018), University of New South Wales* (2018), Monash University* (2018), University of Technology Sydney* (2018), Australian National University* (2018), University of Melbourne* (2018)

Does the threat of shareholder litigation affect firms' information environments? We find that a Delaware court ruling that strengthened shareholder litigation rights generated positive abnormal returns. We also examine staggered adoptions of universal demand (UD) laws, which weakened shareholders' ability to sue corporate officers. After UD laws pass, financial statements become more opaque, analyst dispersion and forecast error increases, and the trading environment deteriorates. Moreover, firms incorporated in UD states are less likely to face regulatory enforcements although insider trading profits are higher. Our results suggest that stronger shareholder litigation rights increase firm value, improve transparency, and mitigate agency problems.

* Indicates presentation by coauthor

TEACHING

Drexel University: Department of Finance **Philadelphia, PA**

Sole Instructor

Introduction to Finance (Undergraduate)
Student evaluations, 2 sections: **3.89 / 4** and **4.00 / 4** Fall 2016
Student evaluations, 1 section: **3.91 / 4** Summer 2016
Programming Seminar (Ph.D.) Summer 2016, 2017, 2018

Teaching Assistant

Corporate Finance (Masters) Winter 2016, 2017, 2018
Introduction to Finance (Undergraduate) Winter 2016, 2017, 2018

SERVICE

University Service

LeBow College of Business Dean Search Committee Member, 2018
Drexel University Star Student Mentor, Summer 2017
Villanova Scholarship Alumni Interviewer, 2014 – Present

Conference Discussions

Financial Management Association Annual Meeting, 2017, 2018
Midwest Finance Association Annual Meeting, 2018
Eastern Finance Association Annual Meeting, 2018

AWARDS AND HONORS

Drexel Graduate College Teaching Excellence Award, 2017
American Finance Association Doctoral Student Travel Grant, 2016
LeBow College of Business Provost Fellowship, 2014 – Present
Villanova Adam Smith Outstanding Research Award, 2013
Villanova University Alfred Marshall Medallion, 2013

INDUSTRY EXPERIENCE

The Investment Fund for Foundations, *Member Services Division* 2011 – 2012
Fidelity Investments: The Crosby Company of New Hampshire, *Corporate Finance Division* 2011

REFERENCES

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