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THOMAS P. GRIFFIN

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EMPLOYMENT

Villanova University, Villanova School of Business
The Kenneth '84 and Pamela Roessler Assistant Professor, Finance & Real Estate — August 2022 – Present
Assistant Professor, Finance & Real Estate — August 2019 – July 2021

University of Virginia, McIntire School of Commerce
Visiting Research Scholar, Finance — Fall 2022

EDUCATION

Drexel University, LeBow College of Business
Ph.D. Business Administration, Finance — September 2014 – June 2019

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

RESEARCH

Specialization: Corporate Lending, Distressed Debt, M&A, Corporate Litigation, Corporate Governance

Creditor Control of Corporate Acquisitions – with David Becher and Greg Nini. 2022. *Review of Financial Studies* 35(4): 1897-1932.

Presentations: Western Finance Association Annual Meeting (2019), Financial Intermediation Research Society Conference* (2019), Texas A&M Young Scholars Finance Consortium (2018), Cass M&A Research Centre Conference* (2018), Midwest Finance Association Annual Meeting (2018), Eastern Finance Association Annual Meeting (2018), Philadelphia Five Conference* (2018), Northern Finance Association Annual Meeting (2017), University of Mississippi* (2019), 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 loan agreements include restrictions that limit borrower acquisition decisions throughout the life of the contract. Following a financial 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 after violating a financial covenant earn 1.8% higher stock returns, on average, and do not pursue less risky deals. We conclude that creditors use contractual rights and the renegotiation process to limit value-destroying acquisitions driven by managerial agency problems.

Losing Control? The 20-Year Decline in Loan Covenant Violations – with Greg Nini and David Smith.

Revise and Resubmit at the *Journal of Finance*

Presentations: University of Chicago Booth School of Business Banking Workshop* (2021), American Finance Association Annual Meeting* (2021), Financial Management Association Virtual Meeting (2020), Northern Finance Association Annual Meeting (2020), European Finance Association Annual Meeting (2020), SFS Cavalcade North America (2020), Washington University in St. Louis Corporate Finance Conference* (2019), RCFS/RAPS Conference at Baha Mar* (2019), Philly Five Conference* (2019), Drexel University Corporate Governance Conference – New Ideas Session (2019), Federal Reserve Bank of Richmond* (2021), Villanova Webinars in Financial Intermediation* (2020), Syracuse University* (2020), Queen's University* (2020), University of Virginia* (2019), Norwegian School of Economics* (2019), OsloMet Business School* (2019), UCBerkeley Workshop on Law and Economics* (2019), University of Cincinnati* (2019), Federal Reserve Board of Governors* (2019), Federal Reserve Bank of Philadelphia* (2019)

The annual proportion of U.S. public firms that report a financial covenant violation fell nearly 70% between 1997 and 2016. To understand this trend, we develop a model of covenant design that shows the optimal threshold varies with covenants' ability to discriminate between distressed and non-distressed borrowers and with the relative costs associated with screening incorrectly. We document a steady improvement in covenants' ability to identify distressed borrowers. However, the dramatic fall in violations is best attributed to an increased willingness to forego early detection of marginally distressed borrowers in exchange for fewer inconsequential violations, particularly since 2008-09.

A Culture of Discrimination: Evidence on the Causes and Consequences of Civil Rights Litigation Against U.S. Corporations – with Casey Dougal and Irena Hutton

Presentations: Conference on Empirical Legal Studies (2022), Philadelphia Five Conference – New Ideas Session (2021), Florida State University* (2021)

Between 1992 and 2018, U.S. public corporations faced over 38,000 federal civil rights lawsuits. We find that the frequency of discrimination litigation varies with societal attitudes toward race and gender and intensifies after a rightward shift in local news slant. However, studying two well-established natural experiments, we find no evidence that economic forces provide a source of discipline. Consequences are small: shareholder value drops by $8.25 million, on average, around a lawsuit, with no effect on CEO turnover. We conclude that corporate discrimination is largely determined by the cultural values of employees, rather than a firm's economic environment.

Shareholder Litigation Risk and the Information Environment: Revisiting Evidence from Two Natural Experiments – 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), Financial Management Association Annual Meeting (2018), Corporate Finance Conference at the Manchester Business School* (2018), Frankfurt School of Finance* (2018), WHU Otto Beisheim School of Management* (2018), University of New South Wales* (2018), Monash University* (2018), University of Technology Sydney* (2018), Australian National University* (2018), University of Melbourne* (2018)

A court case that reduced the threat of securities class action litigation led to less frequent voluntary disclosure, but did not significantly affect the level of information asymmetry. Conversely, state laws that reduced the threat of derivative litigation led to more frequent voluntary disclosure, but increased the level of information asymmetry. We reconcile these differences by highlighting that securities class action lawsuits address disclosure decisions while derivative lawsuits address both disclosure and operating decisions, and show that changes in firms' real operations is the economic mechanism driving the association between derivative litigation risk and corporate information environments.

Where Have All the IPOs Gone? Trade Liberalization and the Changing Nature of U.S. Corporations

Presentations: Southern Finance Association Annual Meeting (2021), Financial Management Association Annual Meeting (2019), Drexel University (2019), Villanova University (2019), Babson College (2019)

I show that a tariff policy change that increased trade with China led to a decline in U.S. public listing rates and elevated industry concentration. Consistent with heterogeneous firm models of trade, the shock impeded the entry and performance of small domestic manufacturers but did not adversely impact large multinationals. In addition, stock price reactions to the policy change and threat of reversal imply that trade liberalization creates or destroys value depending on firm size. These findings suggest that recent trends in the U.S. public equity market are driven, in part, by fundamental changes in the global competitive landscape.

Does Regulatory Exposure Create M&A Synergies? – with Eliezer Fich and Joseph Kalmenovitz

Presentations: Bayes M&A Research Centre Conference (2022)

We study the impact of regulation on acquisition investment, using a novel firm-level measure of exposure to all federal regulations. Highly regulated companies issue more acquisition bids, invest more in those transactions, and earn higher M&A announcement returns. Moreover, highly regulated acquirers exhibit better long-term performance, greater M&A synergies, and a significant reduction in their regulatory exposure after merger completion. The benefits are stronger in deals with small transaction values and in those involving private targets. Overall, our findings uncover a new link between M&A and regulation, highlighting synergy opportunities which materially affect corporate investment choices.

* Indicates presentation by coauthor

TEACHING

Villanova University

Intermediate Corporate Finance (Undergraduate) — Fall 2019 – Present
Student evaluations, 12 sections: **4.88/5**

Drexel University

Introduction to Finance (Undergraduate) — Summer, Fall 2016
Student evaluations, 3 sections: **3.93/4**

SERVICE

Refereeing
Journal of Finance, Journal of Financial Economics, Management Science, Journal of Financial and Quantitative Analysis, Journal of Corporate Finance, Financial Review

Conference Program Committees
Northern Finance Association Annual Meeting, 2019, 2020, 2021, 2022
Drexel University Corporate Governance Conference, 2020, 2021, 2022
Financial Management Association Annual Meeting, 2020, 2021, 2022
Eastern Finance Association Annual Meeting, 2020, 2021, 2022
Southern Finance Association Annual Meeting, 2021, 2022

Conference Discussions
Northern Finance Association Annual Meeting, 2021
Southern Finance Association Annual Meeting, 2021
Financial Management Association Annual Meeting, 2017, 2018, 2019, 2020
Midwest Finance Association Annual Meeting, 2018
Eastern Finance Association Annual Meeting, 2018

Conference Session Organizer
Financial Management Association Annual Meeting, 2020

Conference Session Chair
Southern Finance Association Annual Meeting, 2021
Financial Management Association Annual Meeting, 2018, 2020

University Service
VSB Investment Banking Academy Curriculum Coordinator, 2021 – Present
Villanova University New Student Orientation Program Faculty Partner, 2022
Villanova Fulbright Campus Committee Member, 2020, 2021, 2022
Villanova Match Program for First Year Students Faculty Research Mentor, 2021
VSB Building Advisory Committee Member, 2021
VSB FUN Committee Member, 2019, 2020, 2021
St. Thomas of Villanova Day of Service Volunteer, 2019, 2021
LeBow College of Business Dean Search Committee Member, 2018
Drexel University Star Student Mentor, Summer 2017

HONORS AND AWARDS

Fellow, Center for Corporate Governance at Drexel University, 2019 - Present
Villanova University UNITAS Faculty Research Award, 2022
LeBow College of Business Clark Outstanding PhD Research Award, 2019
LeBow College of Business Provost Fellowship, 2014 - 2018
Drexel Graduate College Teaching Excellence Award, 2017
Villanova University Adam Smith Outstanding Undergraduate Research Award, 2013
Villanova University Medallion for Excellence in Economics, 2013