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THOMAS P. GRIFFIN

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EMPLOYMENT

Villanova School of Business, Villanova University
Assistant Professor of Finance — August 2019 – Present

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

Interests: Corporate Finance, Corporate Governance, Creditor Control Rights

WORKING PAPERS:

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

Revise and Resubmit at the *Review of Financial Studies*

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), 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 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: Washington University in St. Louis Corporate Finance Conference* (2019), RCFS/RAPS Conference at Baha Mar* (2019), Drexel University Corporate Governance Conference – New Ideas Session (2019), University of Cincinnati* (2019), Federal Reserve Board of Governors* (2019), Federal Reserve Bank of Philadelphia* (2019)

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. Although the decline accelerates in recent years, the trend is present prior to the recent financial crisis. 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.

Where have all the IPOs Gone? Trade Liberalization and the Changing Nature of US Corporations

Presentations: FMA 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 manufacturers but did not adversely impact large multinationals. Stock price reactions to the policy change and threat of reversal by President Trump imply that trade liberalization increases the value of large firms and destroys the value of small firms. These findings suggest that globalization contributed to recent trends in the U.S. equity market by disproportionately harming small firms.

* Indicates presentation by coauthor

TEACHING

Villanova University

Intermediate Corporate Finance (Undergraduate) — Fall 2019

Drexel University

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

Programming Seminar (Ph.D.) — Summer 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 – 2017

Conference Discussions

Financial Management Association Annual Meeting, 2017, 2018, 2019
Midwest Finance Association Annual Meeting, 2018
Eastern Finance Association Annual Meeting, 2018

Conference Program Committees

Northern Finance Association Annual Meeting, 2019

AWARDS AND HONORS

LeBow College of Business Clark Outstanding PhD Research Award, 2019
Drexel Graduate College Teaching Excellence Award, 2017
American Finance Association Doctoral Student Travel Grant, 2016
LeBow College of Business Provost Fellowship, 2014
Villanova University Adam Smith Outstanding Undergraduate Research Award, 2013
Villanova University Alfred Marshall Medallion, 2013

REFERENCES

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