

THOMAS P. GRIFFIN

800 E. Lancaster Avenue • 2008 Bartley Hall • Villanova, PA 19085
610-519-5460 • thomas.griffin@villanova.edu • <https://thomaspgriffin.github.io>

EMPLOYMENT

Villanova School of Business, Villanova University

The Vincent B. DiDomenico, Jr. '88 Assistant Professor, Finance & Real Estate
Assistant Professor, Finance & Real Estate

August 2021 – Present
August 2019 – July 2021

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

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

Forthcoming 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), 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

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), UC Berkeley 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.

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 US 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.

Corporate Discrimination, Competition, and Shareholder Wealth – with Casey Dougal and Irena Hutton

Presentations: Philadelphia Five Conference – New Ideas Session (2021), Florida State University* (2021)

We study novel data on the universe of employment discrimination lawsuits filed in federal court against U.S. public corporations between 1992 and 2018. Shareholder value drops by \$30 million, on average, in the three days surrounding a discrimination lawsuit filing. However, we find no evidence that discrimination rates are related to product market competition, financial resources, governance, or CEO turnover. Instead, workplace discrimination is highly persistent and correlates with slow-moving proxies of firm culture, such as headquarter location. These results suggest that corporate discrimination is largely determined by the beliefs and preferences of employees, rather than a firm's economic environment.

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

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, 8 sections: **4.85/5**

Drexel University

Introduction to Finance (Undergraduate)

Summer, Fall 2016

Student evaluations, 3 sections: **3.93/4**

SERVICE

Ad Hoc Refereeing

Journal of Finance, Journal of Financial Economics, Journal of Financial and Quantitative Analysis, Financial Review

Conference Program Committees

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

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

University Service

VSB Investment Banking Academy Curriculum Coordinator, 2021 - Present
VSB Building Advisory Committee Member, 2021 - Present
VSB FUN Committee Member, 2019 - Present
Villanova Match Program for First Year Students Faculty Research Mentor, 2021
Villanova Fulbright Campus Committee, 2020, 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
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 Alfred Marshall Medallion, 2013

REFERENCES

Eliezer Fich
Dean's Term Chair Professor of Finance
Department of Finance, Drexel University
(215) 895-2304
emf35@drexel.edu

Michelle Lowry
TD Bank Endowed Professor of Finance
Department of Finance, Drexel University
(215) 895-6070
ml3237@drexel.edu

Greg Nini
Associate Professor of Finance
Department of Finance, Drexel University
(215) 571-4596
gpn26@drexel.edu