

= David W. Mullins , Jr . =

David Wiley Mullins , Jr . ( born April 28 , 1946 ) is an American economist and former vice @-@ chairman of the Federal Reserve . He also served as an assistant Secretary of the Treasury for domestic finance in the administration of United States President George H. W. Bush . Mullins left the Federal Reserve in 1994 to join the hedge fund Long Term Capital Management and remained in private finance following its collapse in 1998 .

= = Early life = =

David Mullins was born on April 28 , 1946 to David Wiley Mullins and his wife Eula in Memphis , Tennessee . His father worked for Auburn University until 1960 , when he became the president of the University of Arkansas . David Jr. was raised in Fayetteville , Arkansas , along with his brother Gary and sister Carolyn . Mullins left Arkansas for Yale and went on to study finance at the MIT Sloan School of Management . In 1974 he earned his Ph.D. from MIT and accepted a position in the faculty of Harvard Business School as an expert in financial crises .

= = Career = =

Immediately after the market crash in 1987 , President Reagan tapped Nicholas F. Brady , a former United States senator and then chairman of Dillon , Read , to chair the Presidential Task Force on Market Mechanisms , later known as the Brady Commission . Brady recruited Harvard Business School professor Robert R. Glauber as the commission 's executive director , and Glauber in turn enlisted Mullins , a Harvard faculty colleague , as associate director . < Report of the Presidential Task Force on Market Mechanisms , p. ii > The commission was to be an inquiry into the stock market crash of October 19 , 1987 , known as Black Monday . In two months , Mullins helped assemble nearly 50 people to produce the report , which provided the first official record of what caused the crash and offered recommendations on how to fix the deficiencies in the market . The Brady Report laid some of the blame on derivatives trading and portfolio insurance mechanisms , with much of that focus being generated by Mullins .

Brady went on to serve as Secretary of the Treasury . As the savings and loan crisis deepened , he turned to Mullins , now an assistant Secretary of the Treasury , to develop a plan to resolve the crisis . The plan was enacted by Congress on August 8 , 1989 as FIRREA ( The Financial Institutions Reform Recovery and Enforcement Act of 1989 ) which created the RTC to dispose of failed thrift assets . The RTC ultimately sold \$ 394 billion in assets of 747 failed thrifts . This approach became a model for banking resolution plans in Sweden , Thailand and elsewhere . Mullins remained popular with Congress and the President . In 1989 , Mullins was appointed by President Bush as assistant Secretary of the Treasury for domestic finance . While at the Treasury , Mullins co @-@ wrote a paper on high@-@ yield debt defaults which received the inaugural Smith Breeden Prize .

On May 21 , 1990 , Bush nominated Mullins to a 14 @-@ year term on the Federal Reserve Board of Governors to fill a vacancy left by the resignation of H. Robert Heller . Mullins was seen as the Fed 's " resident intellectual " due to his background as a professor in finance and economics . In 1994 , Mullins resigned to join John Meriwether 's new hedge fund , Long Term Capital Management ( LTCM ) . Although his term was to come to a close , the resignation was viewed as unexpected .

At LTCM , Mullins joined what Business Week termed a " dream team " of financial experts and academics , including Nobel laureates Myron Scholes and Robert C. Merton . Roger Lowenstein , author of When Genius Failed : The Rise and Fall of Long @-@ Term Capital Management , argued that some prospective investors in LTCM were swayed by the presence of Mullins . Just as the celebrity of Scholes and Merton caused investors and trading partners to exercise less diligence , Mullins ' addition as a " marquee " name added gravitas to the firm . Following that fund 's collapse in 1998 and dissolution in 2000 , Mullins left LTCM and worked for financial services companies .

Mullins ' career in government was effectively ended by the collapse . In 2008 he was chief economist of the hedge fund Vega Asset Management .