

Lawrence Chengzhi Zhao

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EDUCATION

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|---|--------------------------------|
| Rice University Ph.D. in Finance | Houston, Texas 2017–Present |
| Baylor University M.S. in Economics | Waco, Texas 2015–2017 |
| Baylor University B.B.A. in Finance and Mathematics | Waco, Texas 2012–2015 |

RESEARCH INTERESTS

Empirical Corporate Finance, Household Finance, Competition, Financial Intermediation

WORKING PAPERS

The Real Effects of Antitrust Enforcement on Corporate Decisions: Evidence from the Courts, *Job Market Paper*

Abstract: I investigate the real effects of antitrust policies on corporate acquisitions, investment, and innovation. I use plausibly exogenous variations in judges' propensity to dismiss antitrust cases as an instrument for endogenous exposure to antitrust enforcement. The evidence indicates that antitrust enforcement imposes behavioral constraints on firms. Specifically, defendant firms that go through antitrust litigation experience a significant decrease in future acquisitions, especially among serial acquirers. The adverse effect is economically large but transitory, disappearing after two years. Defendant firms substitute acquisitions with internal investment, resulting in no change in patent outputs. My findings highlight the importance of vigorous and continuous antitrust enforcement.

Out of Sight, Out of Mind: Search Frictions and Financial Adviser Misconduct

Abstract: The misconduct records of financial advisers are public information, yet advisers that persistently engage in misconduct survive in the market. Past literature attributes this phenomenon to market segmentation caused by search frictions associated with client sophistication. I investigate this hypothesis by examining FINRA's unprecedented advertising campaign promoting BrokerCheck. Exposed advisers sustain a 9% abnormal decrease in assets under management. Advisers that primarily serve less sophisticated clients experience more severe adverse effects. Clients switch to advisers with clean records. Advisers increasingly discipline employees who engage in misconduct. My findings highlight the importance of resolving search frictions in fighting financial adviser misconduct.

WORK IN PROGRESS

Project on FHA Mortgage Lending, with Erik Mayer and Billy Xu

Underwriter Competition and Rent Extraction, with Gustavo Grullon

PRESENTATIONS

2023: EFA

2022: Rice University

2021: FMA

2020: Rice University, Rice University Ph.D. Seminar Series

Including scheduled

TEACHING

Teaching Assistant

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| Financial Management (UG) | 2021, 2022 |
| Mergers and Acquisitions (MBA) | 2019, 2021, 2022 |
| Applied Finance (MBA) | 2019 |
| Core Finance (MBA) | 2019 |
| Corporate Investment Policy (MBA) | 2019 |
| Applied Risk Management (MBA) | 2018 |
| Managerial Economics (MBA) | 2017 |

AWARDS AND HONORS

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| Jesse H. Jones Graduate School of Business Ph.D. Fellowship | 2017–Present |
| HSB Graduate Fellowship | 2015–2017 |
| Provosts Gold Scholarship | 2012–2015 |

SKILLS

Programming: Stata, Python, Matlab, Bloomberg, L^AT_EX

Languages: English, Chinese

REFERENCES

Gustavo Grullon (Chair)

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