



RICHARD H. STANTON PH.D.

CURRENT POSITION

Haas School of Business, U.C. Berkeley
Professor of Finance
Barbara and Gerson Bakar Faculty Fellow

PAST POSITIONS

Haas School of Business, U.C. Berkeley
Assistant Professor, 1991-1998
Associate Professor, 1998-2008

Bain and Company

Associate Consultant, 1984 to 1986
Acquisition target analysis, valuation, purchase and integration for major UK client.
Development of strategy for financial information provider.

EDUCATION

Stanford Graduate School of Business, Stanford, CA
Ph.D. in Finance, 1992
Merit Scholar, 1987-1991

Cambridge University, Jesus College, Cambridge, England
B.A. (Honors), M.A. (Honors) in Mathematics
Scholarship in Mathematics, 1981-1984
Ware Prize for Part IB Mathematics, 1983

RESEARCH INTERESTS

Mortgage and lease markets
Term structure modeling
Mutual funds and risk management
Employee stock options

AWARDS AND PRIZES

Science and Engineering Research Council (SERC) Overseas Studentship,
1986-1989
AACSB Doctoral Fellowship (one awarded in U.S.), 1989



U.C. Berkeley Junior Faculty Research Grant, 1993-1994
Earl F. Cheit Outstanding Teaching Award (selected by student vote), 1993
Q Group Research Award, 1994
Haas School Schwabacher Fellowship, 1996
Nomination for Journal of Finance Smith-Breeden best paper prize: "A Nonparametric Model of Term Structure Dynamics and the Market Price of Interest Rate Risk", 1997
Best Paper award, Utah Winter Finance Conference: "A Liquidity-Based Theory of Closed-End Funds", 2006
Earl F. Cheit Outstanding Teaching Award (selected by student vote), 2007
Nomination for Journal of Finance Smith-Breeden best paper prize: "Managerial Ability, Compensation and the Closed-End Fund Discount", 2007

PUBLISHED RESEARCH

"Pricing Continuously Resettled Contingent Claims", *Journal of Economic Dynamics and Control* 16, 561 – 573, 1992 (with D. Duffie).
"Rational Prepayment and the Valuation of Mortgage-Backed Securities", *Review of Financial Studies* 8, 677 – 708, 1995.
"ARM Wrestling: Valuing Adjustable Rate Mortgages Indexed to the Eleventh District Cost of Funds", *Real Estate Economics* 23, 311 – 345, 1995 (with N. Wallace).
"A New Strategy for Dynamically Hedging Mortgage-Backed Securities", *Journal of Derivatives* 2, 60 – 77, 1995 (with J. Boudoukh, M. Richardson and R. Whitelaw).
"Unobservable Heterogeneity and Rational Learning: Pool Specific vs. Generic Mortgage-Backed Security Prices", *Journal of Real Estate Finance and Economics* 12, 243-263, 1996.
"Pricing Mortgage-Backed Securities in a Multifactor Interest Rate Environment: A Multivariate Density Estimation Approach", *Review of Financial Studies* 10, 405 – 446, 1997 (with J. Boudoukh, M. Richardson and R. Whitelaw).
"A Nonparametric Model of Term Structure Dynamics and the Market Price of Interest Rate Risk", *Journal of Finance* 52, 1973 – 2002, 1997 (nominated for the Smith-Breeden prize).
"Mortgage Choice: What's the Point?", *Real Estate Economics* 26, 173 – 205, 1998 (with N. Wallace).
"Anatomy of an ARM: The Interest Rate Risk of Adjustable Rate Mortgages", *Journal of Real Estate Finance and Economics* 19, 49 – 67, 1999 (with N. Wallace).



- "Nonparametric Mortgage-Backed Security Pricing", in *Advanced Fixed Income Valuation Tools*, John Wiley, 2000 (with J. Boudoukh, M. Richardson and R. Whitelaw).
- "From Cradle to Grave: How to Loot a 401(k) Plan", *Journal of Financial Economics* 56, 485 – 516, 2000.
- "MaxVaR: Long Horizon Value-At-Risk in a Mark-to-Market Environment", *Journal of Investment Management* 2, 1 – 6, 2004 (with J. Boudoukh, M. Richardson and R. Whitelaw).
- "An Empirical Test of a Two-Factor Mortgage Valuation Model: How Much Do House Prices Matter?", *Real Estate Economics* 33, 681 – 710, 2005 (with C. Downing and N. Wallace).
- "Managerial Ability, Compensation and the Closed-End Fund Discount", *Journal of Finance* 62, 529 – 556, 2007 (with J. Berk) (nominated for the Smith-Breeden prize).
- "Evidence on Simulation Inference for Near Unit-Root Processes with Implications for Term Structure Estimation, forthcoming, *Journal of Financial Econometrics* (with G. Duffee).
- "An Empirical Test of a Contingent Claims Lease Valuation Model", forthcoming, *Journal of Real Estate Research* (with N. Wallace).
- "A Liquidity-Based Theory of Closed-End Funds", forthcoming, *Review of Financial Studies* (with M. Cherkes and J. Sagi) (winner, Best Paper award, 2006 Utah Winter Finance Conference).
- A Multifactor, Nonlinear, Continuous-Time Model of Interest Rate Volatility", forthcoming in *Volatility and Time Series Econometrics: Essays in Honor of Robert F. Engle*, Oxford University Press (with J. Boudoukh, M. Richardson and R. Whitelaw).
- "Human Capital, Bankruptcy and Capital Structure", forthcoming, *Journal of Finance*, (with J. Berk and J. Zechner).
- "Optimal Exercise of Executive Stock Options and Implications for Firm Cost", forthcoming, *Journal of Financial Economics* (with J. Carpenter and N. Wallace).

WORKING PAPERS AND WORK IN PROGRESS

- "Estimation of Dynamic Term Structure Models", working paper, 2004 (with G. Duffee).
- "Banking and Asset Prices in a Flexible-Tree Economy", working paper, 2009 (with C. Parlour and J. Walden).
- "Revisiting Asset Pricing Anomalies in an Exchange Economy," working paper, 2009 (with C. Parlour and J. Walden).



- "The Bear's Liar: Indexed Credit Default Swaps and the Subprime Mortgage Crisis" working paper, 2009 (with Nancy Wallace).
- "Accounting for Employee Stock Options", working paper, 2004 (with M. Rubinstein).
- "Volatility, Mortgage Default and CMBS Subordination", working paper, 2006 (with C. Downing and N. Wallace).
- "Estimation of Employee Stock Option Exercise Rates" (with J. Carpenter and N. Wallace)
- "Valuing Mutual Fund Companies," working paper, 2003 (with J. Boudoukh, M. Richardson and R. Whitelaw).
- "An Experimental Test of a Mortgage Choice Model (with S. Kogan and N. Wallace).

TEACHING EXPERIENCE

Haas School of Business, U.C. Berkeley Berkeley, CA

- "Introduction to Finance" (Undergraduate core), 1992-1993
- "Introduction to Finance" (MBA core), 1993-2005
- "Empirical Topics in Finance" (Ph.D.), 1994, 1999-2000
- "Introduction to Finance" (Undergraduate core), 2006
- "Introduction to Finance" (MBA core), 2007-2009
- "Fixed Income (MFE). 2009

EXECUTIVE TEACHING

Faculty Director, "Berkeley Financial Engineering Series," 2006-2007

Berkeley Financial Engineering Series – courses in options, swaps, fixed income, stochastic calculus, numerical methods, mortgage-backed securities, exotic options, 1992-2007

Investment Management Consultants Association: Certified Investment Management Analyst courses in asset pricing, term structure, 2004-2007

Infinity Financial Technology, Mountain View - fixed income, 1996-1997

J.P. Morgan, New York, markets training program - fixed income, 1996-1999

OTHER

Stanford Law School, class LS285, "Finance Theory," 1989

COMMITTEE SERVICE

- Haas School Assistant Professor Representative, 1994
- Member, MBA Policy Committee, 1996-1997
- Member, Computer Policy Committee, 1997-2000



Chair, Finance group recruiting committee, 1998-2000
Member, Haas School Policy and Planning Committee, 1999-2001
Finance PhD student field adviser, 1999-2002
Chair, Finance group, 2002-2005
Member, Haas School Hiring Committee, 2006-2007 (chair 2008-2009)

OTHER PROFESSIONAL ACTIVITIES

Associate Editor, Journal of Finance, 2000–present
Associate Editor, Review of Financial Studies, 2001–2004
Editorial board, Journal of Real Estate Finance and Economics,
1993–present
Program committee: Western Finance Association annual meeting, 1992–
2003, Utah Winter Finance Conference, 2005– present

CONTACT INFORMATION

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