



RICHARD H. STANTON PH.D.

CURRENT POSITION

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

PAST POSITIONS

Haas School of Business, U.C. Berkeley
Assistant Professor, 1991-1998
Tenure awarded 1998

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”, *Journal of Financial Econometrics* 6, 108-142, 2008 (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).

WORKING PAPERS AND WORK IN PROGRESS

- A Multifactor, Nonlinear, Continuous-Time Model of Interest Rate Volatility”, working paper, 2000 (with J. Boudoukh, M. Richardson and R. Whitelaw).
- “Valuing Mutual Fund Companies”, working paper, 2003 (with J. Boudoukh, M. Richardson and R. Whitelaw).
- “Estimation of Dynamic Term Structure Models”, working paper, 2004 (with G. Duffee).
- “Accounting for Employee Stock Options”, working paper, 2004 (with M. Rubinstein).
- “Human Capital, Bankruptcy and Capital Structure”, working paper, 2006 (with J. Berk and J. Zechner).
- “Volatility, Mortgage Default and CMBS Subordination”, working paper, 2006 (with C. Downing and N. Wallace).
- “Optimal Exercise of Executive Stock Options and Implications for Firm Cost”, working paper, 2007 (with J. Carpenter and N. Wallace).
- “Estimation of Employee Stock Option Exercise Rates” (with J. Carpenter and N. Wallace)



“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

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



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

Invited seminars: Boston College, Carnegie-Mellon, Chicago, Cornell, Duke, Federal Reserve Bank of San Francisco, Federal Reserve Board, Harvard, ITAM, London Business School, Michigan, MIT, Northwestern, Norwegian School of Economics, Norwegian School of Management, NYU, Stanford, Stockholm School of Economics, UCLA, UC Irvine, UNC, USC, UT Austin, University of Vienna, U. Washington - Seattle, U. Wisconsin - Madison, Wharton, Yale

Ad hoc referee for Journal of Finance, Review of Financial Studies, Journal of Financial Economics, American Economic Review, Journal of Financial and Quantitative Analysis, Journal of Financial Intermediation, Mathematical Finance, Journal of Business, Journal of Real Estate Finance and Economics, Real Estate Economics, Journal of Housing Research, Journal of Financial Engineering, Management Science, Journal of the American Statistical Association, National Science Foundation

CONTACT INFORMATION

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