

# BORIS ALBUL

## CONTACT INFORMATION

Haas School of Business  
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## EDUCATION

**University of California, Berkeley**, Berkeley, California, USA  
*Haas School of Business*  
Ph.D., Finance and Real Estate. May, 2012 (expected).  
M.F.E., Financial Engineering. March, 2004.

**The University of Iowa**, Iowa City, Iowa, USA  
*Tippie College of Business*  
M.B.A., Finance. May, 2000.

**State University of Moldova**, Chisinau, MOLDOVA  
B.S., Applied Mathematics. June, 1994.

## RESEARCH INTERESTS

Corporate finance, financial innovation, real estate finance.

## WORKING PAPERS

Cash Holdings and Financial Constraints (Job Market Paper)

Contingent Convertible Bonds and Capital Structure Decisions (with Dwight Jaffee, Alexei Tchisty)

## WORK IN PROGRESS

Bail-Outs: Choice and Timing

Financial Constraints and Seasoned Equity Offering Dilution

## HONORS AND AWARDS

*Teaching:*

Outstanding Graduate Student Instructor Award (Haas School MFE Program), 2010

*Research/Academic:*

Fisher Center for Real Estate and Urban Economics Scholarship, UC Berkeley, 2007-2010, 2011-2012

White Dissertation Fellowship, UC Berkeley, 2010-2011

Coleman Fung Risk Management Center Fellowship, UC Berkeley, 2010

Iowa Graduate Fellowship Program, The University of Iowa, 1998-2000

## TEACHING EXPERIENCE

*Graduate Student Instructor (Teaching Assistant), University of California, Berkeley*

Fundamentals of Financial Economics (MFE 230A)

Fixed Income Markets (MFE 230A)

Financial Risk Measurement and Management (MFE 230H)

Asset-Backed Securities Markets (MFE 230M)

Real Estate Investments (UGBA 180)

## SEMINARS AND WORKSHOPS

2010-2011: University of California, Berkeley; Federal Reserve Bank, Atlanta; Federal Reserve Bank, New York; Transatlantic Doctoral Conference

## NON-ACADEMIS EXPERIENCE

**Allianz Hedge Fund Partners**, San Francisco, California, USA  
Principal, 2004-2007.

**PricewaterhouseCoopers**, Washington, D.C., USA  
Principal Consultant, 1994-1998, 2000-2003.

## REFERENCES

**Nancy Wallace** (Co-advisor)  
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**Alexei Tchisty** (Co-advisor)  
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## WORKING PAPERS

### **Cash Holdings and Financial Constraints (Job Market Paper)**

Intuition suggests that firms with higher liquid asset reserves are safer. They should offer lower yields on debt and lower returns on equity. In the data, the correlation between cash holdings and average corporate-Treasury yield spreads on straight bonds is positive, and levered firms with more cash earn higher average returns on common stocks. A structural model of equity and debt pricing offers an explanation for these empirical observations based on the role of endogenous cash as a proxy for the intensity of unobservable financial constraints. In addition, the returns on high cash holding firms move together over time, suggesting that these firms are subject to common shocks. Much of the variation in returns on the associated factor mimicking portfolio cannot be explained by the Fama-French (1993) and the momentum factors.

### **Contingent Convertible Bonds and Capital Structure Decisions**

With Dwight Jaffee, Alexei Tchisty

This paper provides a formal model of contingent convertible bonds (CCBs), a new instrument offering potential value as a component of corporate capital structures for all types of firms, as well as being considered for the reform of prudential bank regulation following the recent financial crisis. CCBs are debt instruments that automatically convert to equity if and when the issuing firm or bank reaches a specified level of financial distress. CCBs have the potential to avoid bank bailouts of the type that occurred during the subprime mortgage crisis when banks could not raise sufficient new capital and bank regulators feared the consequences if systemically important banks failed. While qualitative discussions of CCBs are available in the literature, this is the first paper to develop a formal model of their properties. The paper provides analytic propositions concerning CCB attributes and develops implications for structuring CCBs to maximize their general benefits for corporations and their specific benefits for prudential bank regulation.