

## RICHARD H. STANTON

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**Current**                    **HAAS SCHOOL OF BUSINESS, U.C. BERKELEY**                    Berkeley, CA  
*Professor of Finance*  
*Kingsford Capital Management Chair in Business*

- Barbara and Gerson Bakar Faculty Fellow, 2007-10.
- Assistant Professor, 1991-98.
- Associate Professor, 1998-08.

### Prior Work Experience

1984 - 86                    **BAIN AND COMPANY**                    London, England  
*Associate Consultant*

- Acquisition target analysis, valuation, purchase and integration for major UK client.
- Development of strategy for financial information provider.

### Education

1986 – 91                    **STANFORD GRADUATE SCHOOL OF BUSINESS**                    Stanford, CA  
*Ph.D. in Finance* (degree awarded 1992)

- Merit Scholar 1987-91.

1981 – 84                    **CAMBRIDGE UNIVERSITY, JESUS COLLEGE**                    Cambridge, England  
*B.A. (Honors), M.A. (Honors) in Mathematics*

- Scholarship in Mathematics, 1981-84.
- 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

1986 – 89                    Science and Engineering Research Council (SERC) Overseas Studentship.  
1989                        AACSB Doctoral Fellowship (one awarded in U.S.).  
1993 – 94                    U.C. Berkeley Junior Faculty Research Grant.  
1993                        Earl F. Cheit Outstanding Teaching Award (selected by student vote).  
1994                        Q Group Research Award.  
1996                        Haas School Schwabacher Fellowship.  
1997                        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.”  
2006                        Best Paper award, Utah Winter Finance Conference: “A Liquidity-Based Theory of Closed-End Funds”.  
2007                        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.”  
2010                        Nomination for *Journal of Finance* Brattle best corporate-finance paper prize: “Human Capital, Bankruptcy and Capital Structure.”

## 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. Duffie).
- “An Empirical Test of a Contingent Claims Lease Valuation Model”, *Journal of Real Estate Research* 31, 1-26, 2008 (with N. Wallace).
- “A Liquidity-Based Theory of Closed-End Funds”, *Review of Financial Studies* 22, 257-297, 2009 (with M. Cherkes and J. Sagi) (Best Paper, 2006 Utah Winter Finance Conference).

- “A Multifactor, Nonlinear, Continuous-Time Model of Interest Rate Volatility”, Chapter 14 in *Volatility and Time Series Econometrics: Essays in Honor of Robert F. Engle*, Oxford University Press, 2010 (with J. Boudoukh, M. Richardson and R. Whitelaw).
- “Human Capital, Bankruptcy and Capital Structure”, *Journal of Finance* 65, 891-926, 2010 (with J. Berk and J. Zechner) (nominated for the Brattle prize).
- “Optimal Exercise of Executive Stock Options and Implications for Firm Cost”, *Journal of Financial Economics* 98, 315-337, 2010 (with J. Carpenter and N. Wallace).
- “Revisiting Asset Pricing Anomalies in an Exchange Economy”, *Review of Financial Studies* 24, 629-674, 2011 (with C. Parlour and J. Walden).
- “The Bear’s Lair: Indexed Credit Default Swaps and the Subprime Mortgage Crisis”, forthcoming, *Review of Financial Studies* (with Nancy Wallace).
- “Banking and Asset Prices in a Flexible-Tree Economy”, forthcoming, *Journal of Finance* (with C. Parlour and J. Walden).

### Working Papers and Work in Progress

- “Estimation of Employee Stock Option Exercise Rates and Firm Cost”, working paper, 2011 (with J. Carpenter and N. Wallace).
- "CMBS Subordination, Ratings Inflation, and the Crisis of 2007-2009," working paper, 2011 (with N. Wallace).
- “Energy Efficiency and Commercial-Mortgage Valuation,” working paper, 2011 (with D. Jaffee and N. Wallace).
- “Energy Factors, Leasing Structure and the Market Price of Office Buildings in the U.S.,” working paper, 2011 (with D. Jaffee and N. Wallace).
- “The End of Mortgage Securitization? Electronic Registration as a Threat to Bankruptcy Remoteness,” working paper, 2011 (with J. P. Hunt and N. Wallace).
- “Estimation of Dynamic Term Structure Models”, working paper, 2004 (with G. Duffee).
- “Valuing Mutual Fund Companies”, working paper, 2003 (with J. Boudoukh, M. Richardson and R. Whitelaw).
- “Accounting for Employee Stock Options”, working paper, 2004 (with M. Rubinstein).
- “An Experimental Test of a Mortgage Choice Model (with S. Kogan and N. Wallace).

### Teaching Experience

	<b>HAAS SCHOOL OF BUSINESS, U.C. BERKELEY</b>	Berkeley, CA
1992 – 93	BA130, “Introduction to Finance” (Undergraduate core).	
1993 – 2005	BA203, “Introduction to Finance” (MBA core).	
1994, 1999-2000	BA238C, “Empirical Topics in Finance” (Ph.D.)	
2006	UGBA103, “Introduction to Finance” (Undergraduate core).	
2007 – 2010	MBA203, “Introduction to Finance” (MBA core).	
2009 – 2011	MFE230I, “Fixed Income” (MFE).	

### **EXECUTIVE TEACHING**

2006 – 2008	Faculty Director, “Berkeley Financial Engineering Series”
1992 – 2008	Berkeley Financial Engineering Series – courses in options, swaps, fixed income, stochastic calculus, numerical methods, mortgage-backed securities, exotic options.
2004 – 2010	Investment Management Consultants Association: Certified Investment Management Analyst courses in asset pricing, term structure.
1996 – 97	Infinity Financial Technology, Mountain View - fixed income.
1996 – 99	J.P. Morgan, New York, markets training program - fixed income.

### **OTHER**

1989	Stanford Law School, class LS285, “Finance Theory”.
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### **Committee Service**

1994	Haas School Assistant Professor Representative
1996 – 1997	Member, MBA Policy Committee
1997 – 2000	Member, Computer Policy Committee
1998 – 2000	Chair, Finance group recruiting committee.
1999 – 2001	Member, Haas School Policy and Planning Committee.
1999 – 2002	Finance PhD student field adviser.
2002 – 2005	Chair, Finance group.
2006 – 2008	Member, Haas School Hiring Committee (chair 2008-09).
2009 – 2011	Member, Haas School Policy and Planning Committee (chair 2009 – 2010).
2010 – 2011	Co-chair, Finance group.

### **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).