

**WAYNE R. GUAY**

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**EDUCATION**

**University of Rochester, William E. Simon Graduate School of Business**

Ph.D., Accounting, 1998.

M.S., Business Administration, Concentration in Applied Economics, 1996.

**Northeastern University**

Masters in Business Administration, 1993.

**Clarkson University**

B.S., Engineering and Management, 1989.

**EXPERIENCE**

**The Wharton School of Business, University of Pennsylvania, 1997-Present**

Yageo Associate Professor of Accounting

**Consulting Practice, 2001-Present**

Expert testimony on executive compensation and incentives, stock options, stock trading, valuation, and general analysis of finance and accounting issues.

**ACADEMIC PUBLICATIONS**

Refereed papers

“The Power of the Pen and Executive Compensation,” with John Core and David Larcker, *Journal of Financial Economics* 88, (2008): 1-25.

“Is Accruals Quality a Priced Risk Factor?,” with John Core and Rodrigo Verdi, forthcoming in *Journal of Accounting & Economics*, (2008).

“Agency Problems of Excess Endowment Holdings in Not-For-Profit Firms,” with John Core and Rodrigo Verdi, *Journal of Accounting & Economics* 41, (2006): 307-333.

“Does Weak Governance Cause Weak Stock Returns? An Examination of Firm Operating Performance and Investors’ Expectations,” with John Core and Tjomme Rusticus, *Journal of Finance* 56, (2006): 655-687.

“Stock Market Anomalies: What Can We Learn from Repurchases and Insider Trading?,” with John Core, Scott Richardson and Rodrigo Verdi, *Review of Accounting Studies* 11 (2006): 49-70.

“Price versus Non-Price Performance Measures in Optimal CEO Compensation Contracts,” with John Core and Ro Verrecchia, *The Accounting Review* 78, (2003): 957-981.

“Market Valuations in the New Economy: An Investigation of What Has Changed,” with John Core and Andy Van Buskirk, *Journal of Accounting & Economics* 34, (2003): 43-67.

“How Much Do Firms Hedge with Derivatives?,” with S.P. Kothari, *Journal of Financial Economics* 70, (2003): 423-461.

“The Economic Dilution of Employee Stock Options: Diluted EPS for Valuation and Financial Reporting,” with John Core and S.P. Kothari, *The Accounting Review* 77, (2002): 627-652.

“Estimating the Value of Employee Stock Option Portfolios and Their Sensitivities to Price and Volatility,” with John Core, *Journal of Accounting Research* 40, (2002): 613-630.

“Stock Option Plans for Non-Executive Employees,” with John Core, *Journal of Financial Economics* 61, (2001): 253-287.

“The Usefulness of Long-Term Accruals,” with Baljit K. Sidhu, *Abacus* 37, (2001) 110-131.

“The Cash-Flow Permanence and Information Content of Dividend Increases vs. Repurchases,” with Jarrad Harford, *Journal of Financial Economics* 57, (2000): 385-415.

“The Use of Equity Grants to Manage Optimal Equity Incentive Levels,” with John Core, *Journal of Accounting & Economics* 28, (1999): 151-184.

“The Sensitivity of CEO Wealth to Equity Risk: An Analysis of the Magnitude and Determinants,” *Journal of Financial Economics* 53, (1999): 43-78.

“The Impact of Derivatives on Firm Risk: An Empirical Examination of New Derivatives Users,” *Journal of Accounting & Economics* 26, (1999): 319-351.

“A Market-Based Evaluation of Discretionary-Accruals Models,” with S.P. Kothari and Ross L. Watts, *Journal of Accounting Research* 34, Supplement (1996): 83-105.

#### Invited papers in refereed journals

“Conservative Financial Reporting, Debt Covenants, and the Agency Costs of Debt,” forthcoming in *Journal of Accounting & Economics*.

“Discussion of Accounting Discretion, Corporate Governance, and Firm Performance,” forthcoming in *Contemporary Accounting Research*.

“Discussion of an Economic Framework for Conservative Accounting and Bushman and Piotroski,” with Ro Verrecchia, *Journal of Accounting & Economics* 42, (2006): 149-165.

“Discussion of Ball and Shivakumar: The Role of Accruals in Asymmetrically Timely Gain and Loss Recognition,” *Journal of Accounting Research* 44, (2006): 243-255.

“Is U.S. CEO Compensation Broken,” with John Core and Randall Thomas, *Journal of Applied Corporate Finance* 17 No. 4, (2005): 97-104.

“Accounting for Employee Stock Options,” with S.P. Kothari and Richard Sloan, *American Economic Review* 93 No. 2, (2003): 405-409.

“Executive Equity Compensation and Incentives: A Survey”, with John Core and David Larcker. *Economic Policy Review* 9, (2003): 27-50.

“Discussion of: Real Investment Implications of Employee Stock Option Exercises,” *Journal of Accounting Research* 40, (2002): 395-406.

“Discussion of Value Investing: The Use of Historical Financial Statement Information to Separate Winners from Losers,” *Journal of Accounting Research* 38, Supplement (2000): 43-51.

#### Other articles

“Is U.S. CEO Compensation Inefficient Pay without Performance? A review of *Pay without Performance: The Unfulfilled Promise of Executive Compensation*, by Lucian Bebchuk and Jesse Fried,” with John Core and Randall Thomas, *Michigan Law Review* 103, No. 6 (2005): 1142-1185.

“Equity Incentives,” with John Core and David Larcker, in *Top Pay and Performance: International and Strategic Approach: Chapter 8*, published by Elsevier Butterworth-Heinemann (2005): 157-172.

#### **WORKING PAPERS**

“Improved Estimates of Marginal Tax Rates: Why They are Needed, Approach, and Implications,” with Jennifer Blouin and John Core.

“Conservative Disclosure,” with Ro Verrecchia.

“Accounting for Derivatives in Emerging Market Economies,” with S.P. Kothari and Yuri Laktionov.

“Can Differences in US and UK CEO Pay be Explained by Differences in Equity Incentives?,” with John Core and Martin Conyon.

“The Role of the Business Press as an Information Intermediary,” with Brian Bushee, John Core, and Jihae Wee.

“Properties of Implied Cost of Capital Using Analysts' Forecasts,” with S.P. Kothari and Susan Shu.

“When are Executive Compensation and Incentives Appropriately Measured by Their Market Values?,” with John Core.

“The Other Side of the Trade-Off: The Impact of Risk on Executive Compensation: A Revised Comment,” with John Core.

#### **INVITED CONFERENCE PAPER PRESENTATIONS**

2006 University of Minnesota Empirical Research Conference  
2006 American Accounting Association meetings  
2006 Utah Winter Financial Accounting Conference  
2005 NYU Summer Camp  
2005 American Accounting Association Annual Meeting  
2004 Governance in Not-For-Profit Organizations Conference, Federal Reserve Bank of NY  
2004 American Accounting Association Annual Meeting  
2004 National Bureau of Economic Research Corporate Governance Conference  
2004 Financial Management Association Annual Meeting  
2004 European Accounting Association Annual Congress  
2003 American Economic Association Annual Meeting.  
2003 American Accounting Association Annual Meeting.  
2002 American Finance Association Annual Meeting.  
2002 Business Management and Assurance Services Conference.  
2001 European Finance Association meetings.  
2001 American Accounting Association Annual Meeting.  
2001 *Journal of Accounting & Economics* conference.  
2001 European Finance Association meetings.  
2000 Harvard University Financial Decisions and Control Workshop.  
2000 American Accounting Association Annual Meeting.  
2000 American Finance Association Annual Meeting.  
2000 European Finance Association Annual Meeting.  
2000 AAA-BAA Globalization conference.  
2000 UNC/Duke Fall Camp.  
1999 American Accounting Association Annual Meeting.  
1998 *Journal of Accounting & Economics* Conference.  
1998 Western Finance Association Annual Meeting.  
1998 Australian Graduate School of Management Summer Conference.  
1996 American Accounting Association Annual Meeting.

#### **INVITED SEMINAR PRESENTATIONS**

University of Texas at Dallas, Spring 2008

Southern Methodist University, Spring 2008  
Erasmus School of Economics, Spring 2008  
University of Amsterdam, Spring 2008  
Drexel University, Spring 2007  
Stanford University, Fall 2006, Spring 2005  
University of Chicago, Fall 2006, Fall 2000  
Penn State University, Fall 2006  
Washington University, Spring 2006  
Baruch College, Fall 2005, Fall 1997  
Rutgers University, Fall 2005  
George Washington University, Spring 2005  
University of Utah, Spring 2005  
Arizona State University, Fall 2004  
Ohio State University, Fall 2004  
University of Maryland, Fall 2004  
University of Technology, Sydney, Spring 2004  
University of Delaware, Spring 2004  
University of Oregon, Spring 2003, Summer 1999  
University of Rochester, Spring 2003, Fall 1999  
Cornell University, Spring 2002  
Cranfield School of Management, Spring 2002  
Syracuse University, Spring 2002  
University of Illinois, Spring 2002  
University of Southern California, Fall 2002  
Massachusetts Institute of Technology, Fall 2001, Fall 1999  
Rutgers University, Spring 2001  
Northwestern University, Fall 2000  
University of Arizona, Fall 2000  
University of Washington, Fall 2000  
Columbia University, Fall 1999  
Northeastern University, Fall 1999  
University of British Columbia, Fall 1999  
University of Chicago, Economics and Law Workshop, Fall 1997

#### **INVITED CONFERENCE DISCUSSIONS AND PANEL DISCUSSIONS**

2007 Journal of Accounting and Economics Conference  
2007 Wharton Economic Summit: “Current Controversies in Executive Compensation”  
2007 Wharton Joint Finance/Law Seminar Series  
2006 Journal of Accounting and Economics Conference  
2006 Financial Research Association Conference  
2006 Contemporary Accounting Research Conference  
2006 Washington University Corporate Finance Conference  
2005 Utah Winter Financial Accounting Conference  
2004 Journal of Accounting and Economics Conference  
2004 Financial Management Association Annual Meeting  
2004 National Bureau of Economic Research, Corporate Finance Conference

2004 Western Finance Association Annual Meeting  
2004 University of Delaware, Corporate Governance Center, Executive Compensation Panel  
2004 Vanderbilt Law and Business Conference  
2003 American Accounting Association Annual Meeting  
2003 Western Finance Association Annual Meeting  
2003 Conference on Financial Economics and Accounting, Indiana University  
2003 Featured presenter at “Accounting for Stock Options” Conference, Temple University  
2001 European Finance Association Annual Meeting  
2001 American Accounting Association Annual Meeting  
2000 European Finance Association Annual Meeting

#### **HONORS AND AWARDS**

Best Paper Award – *The Accounting Review* Article of the Year 2002, selected by the Financial Executive Research Foundation.  
Wharton Undergraduate Excellence in Teaching Award, 2002.  
Best Paper Award – second prize, *Journal of Accounting & Economics Conference*, 2001.  
*WorldatWork* Compensation Research Camp, 2001.  
*American Compensation Association* Research Grant, 1997-98.  
Deloitte & Touche Doctoral Fellow, 1997.

#### **PROFESSIONAL SERVICE**

Editorial Boards:

*Journal of Accounting Research*, Editorial Board  
*Journal of Accounting & Economics*, Associate Editor  
*Journal of Derivatives Accounting*, Associate Editor  
*The Accounting Review*, Editorial Advisory and Review Board

Service:

Financial Research Association Conference, Program Committee, 2005-2007  
AAA New Faculty Consortium, Group Leader, 2005 & 2006  
Financial Management Association Annual Meeting, Program Committee, 2004  
Financial Executives Research Foundation, Academic Advisory Council, 2003  
Western Finance Association Annual Meeting, Program Committee, 2003  
AAA/FASB Financial Reporting Issues Conference, Program Committee, 2002.

Ad hoc reviewer for:

*Accounting Horizons*  
*American Accounting Association Annual and Mid-year Meetings*  
*Financial Management*  
*Journal of Accounting, Auditing and Finance*  
*Journal of Accounting and Public Policy*  
*Journal of Business*  
*Journal of Business Finance and Accounting*  
*Journal of Contemporary Accounting Research*  
*Journal of Corporate Finance*  
*Journal of Economics and Business*

*Journal of Finance*  
*Journal of Financial Economics*  
*Journal of Financial Intermediation*  
*Journal of Financial and Quantitative Analysis*  
*Journal of Futures Markets*  
*Journal of International Financial Management & Accounting*  
*Journal of Law and Economics*  
*Journal of Management Accounting Research*  
*Journal of Political Economy*  
*MIT Sloan Management Review*  
*Review of Accounting Studies*  
*Review of Financial Studies*  
*The Financial Review*  
*The International Journal of Accounting*

## **UNIVERSITY SERVICE**

Dissertation committee: Tjomme Rusticus; University of Pennsylvania, 2006; Andrew Van Buskirk, University of Pennsylvania, 2005; Ying Li, Massachusetts Institute of Technology, 2002.

Summer paper advisor: Jihae Wee, 2006-2007; Jeffrey Ng, 2005; Zili Zhuang, 2004; Rodrigo Verdi, 2003; Tjomme Rusticus, 2002; Gus De Franco, 2000; Andy Van Buskirk, 2000.

*Wharton Connect: On Campus* Program: Alumni presentation, Fall 2007

Wharton Undergraduate Curriculum Committee, 1997-1998, 2000-2003, 2005-2008.

WRDS Advisory Committee, 2005-2008

Quinquennial Review Committee: Risk Management and Decision Processes Center, 2005.

Wharton Graduate Division Core Faculty Advisory Committee, 2003-2006.

Wharton Undergraduate Executive Committee, 2001-2002.

Wharton Technology Committee, 1998-2000.

Accounting Ph.D Program Admissions Committee, 2005-2006.

Wharton Executive Education: Pension Accounting, Deferred Compensation & Benefits

Book reviewer for Wharton School Publishing, 2005.

Contributor to Knowledge@Wharton, 2001-2006.

Wharton Accounting Society, Professor Luncheon Series, 2005

Beta Alpha Psi Technical Presentation, Spring 2001.

Beta Alpha Psi Accounting Awards Committee, 1998-2001.

Undergraduate independent study supervisor: Robert Liebsman, 2001; Irina Faykina, 2000.

Penn Reading Project, Summer 2000, 2002.

## **OTHER PROFESSIONAL EXPERIENCE**

### **Northeastern University, 1992-1993**

Program Manager, High Technology MBA.

### **Raytheon Company, 1989-1991**

Procurement Management Program, Electronics Group.