December, 2012

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.

ACADEMIC APPOINTMENTS

The Wharton School of Business, University of Pennsylvania, 1997-Present
Yageo Professor of Accounting, 2010-Present
Associate Professor of Accounting, 2004-2010
Assistant Professor of Accounting, 1997-2004

PUBLICATIONS

Refereed papers

"Are US CEOs Paid More Than UK CEOs? Inferences From Risk-Adjusted Pay?," with John Core and Martin Conyon, *Review of Financial Studies* 24, (2011): 402-438.

"Properties of Implied Cost of Capital Using Analysts' Forecasts," with S.P. Kothari and Susan Shu, *Australian Journal of Management* 36, (2011): 125-149.
Best Paper Award – *Australian Journal of Management* Article of the Year, 2011

"Have the tax benefits of debt been overestimated?," with Jennifer Blouin and John Core, *Journal of Financial Economics* 98, (2010): 195-213.

"The Role of the Business Press as an Information Intermediary," with Brian Bushee, John Core, and Sophia Hamm, *Journal of Accounting Research* 48, (2010): 1-19.

"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, *Journal of Accounting & Economics* 46, (2008): 2-22.

"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.
Best Paper Award – second prize, *Journal of Accounting & Economics Conference*, 2001.

"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.
Best Paper Award – *The Accounting Review* Article of the Year 2002, selected by the Financial Executive Research Foundation.

"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

"The Role of Information and Financial Reporting in Corporate Governance and Debt Contracting," with Christopher Armstrong and Joseph Weber, *Journal of Accounting & Economics* 50, (2010): 179-234.

"Is There a Case for Regulating Executive Pay in the Financial Services Industry?," with John Core, in *After the Crash: The Future of Finance: Chapter 5*, published by Brookings Institution Press (2010): 115-140.

"Is CEO Pay Too High and Are Incentives Too Low: A Wealth-Based Contracting Framework," with John Core, *Academy of Management Perspectives* 24 (Feb. 2010): 5-19.

"Discussion of Ramanna and Roychodhury (2010): Elections and Discretionary Accruals: Evidence from 2004," *Journal of Accounting Research* 48, (2010): 477-487.

"Conservative Financial Reporting, Debt Covenants, and the Agency Costs of Debt," *Journal of Accounting & Economics* 45 (2008): 175-180.

"Discussion of Accounting Discretion, Corporate Governance, and Firm Performance," *Contemporary Accounting Research* 25 (Summer 2008): 407-413.

"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

"Adapt or Perish: Evidence of CEO Adaptability to Industry Shocks," with Dan Taylor and Jason Xiao

"When Do Independent Directors Improve Firms' Information Environments?," with Christopher Armstrong and John Core.

"Does Tax Aggressiveness Reduce Transparency?," with Karthik Balakrishnan and Jennifer Blouin.

"Conservative Disclosure," with Ro Verrecchia.

"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 UNIVERSITY PRESENTATIONS

Massachusetts Institute of Technology, 1999, 2001, & 2012
Northwestern University, 2012
Tilburg University, 2011
University of Auckland, 2010
University of Melbourne, 2010
Australian National University, 2010
University of New South Wales, 2010
University of Queensland, 2010
University of Western Australia, 2010

Vanderbilt University, 2009
Dartmouth College, 2009
University of Toronto, 2008
University of Texas at Dallas, 2008
Southern Methodist University, 2008
Erasmus School of Economics, Rotterdam, 2008
University of Amsterdam, 2008
Drexel University, 2007
Stanford University, 2005 & 2006
University of Chicago, 2000 & 2006
Penn State University, 2006
Washington University, 2006
Baruch College, 1997 & 2005
Rutgers University, 2005
George Washington University, 2005
University of Utah, 2005
Arizona State University, 2004
Ohio State University, 2004
University of Maryland, 2004
University of Technology, Sydney, 2004
University of Delaware, 2004
University of Oregon, 1999 & 2003
University of Rochester, 1999 & 2003
Cornell University, 2002
Cranfield School of Management, 2002
Syracuse University, 2002
University of Illinois, 2002
University of Southern California, 2002
Rutgers University, 2001
Northwestern University, 2000
University of Arizona, 2000
University of Washington, 2000
Columbia University, 1999
Northeastern University, 1999
University of British Columbia, 1999
University of Chicago, Economics and Law Workshop, 1997

INVITED CONFERENCE LECTURES, PAPER DISCUSSIONS AND PANEL SESSIONS

2012 Financial Economics & Accounting Conference at USC – Keynote Address
2012 Colorado Summer Accounting Research Conference
2011 Vanderbilt Law and Business Annual Conference
2011 Conference on Governance and Risk Management, Federal Reserve Bank of New York
2010 Conference on Governance, Executive Compensation and Excessive Risk in the Financial Services Industry, Columbia Business School
2009 LeBow College of Business, Annual Corporate Governance Conference

2008 IIEF, Global Shareholder Activism Conference
2008 Institute of Corporate Directors: Governance and Financial Markets Conference
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

INVITED CONFERENCE PAPER PRESENTATIONS

2010 Federal Reserve Bank Conference on Bank Structure and Competition
2009 *Journal of Accounting & Economics* Conference
2009 Brookings - Tokyo Club - Wharton, Future of Financial Services Industry Conference
2008 Financial Research Association Conference
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.

DOCTORAL PROGRAM RESEARCH LECTURES

London Business School (UK), 2011
Tilburg University (Netherlands), 2011
University of Utah, 2011
Australian National University (Australia), 2010
University of New South Wales (Australia), 2010
University of Technology Sydney (Australia), 2004
Cranfield School of Management (UK), 2002
Massachusetts Institute of Technology, 2001
University of Pennsylvania, 1999-2012

HONORS AND AWARDS

Best Paper Award – *Australian Journal of Management*, 2011
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.
American Compensation Association Research Grant, 1997-98.
Deloitte & Touche Doctoral Fellow, 1997.

PROFESSIONAL SERVICE

Academic Journal Service:
Journal of Accounting & Economics, Editor, 2012, Associate Editor, 2003-2011
Australian Journal of Management, Editorial Board, 2011-2012
Journal of Accounting Research, Editorial Board, 2001-2011
Accounting Review, Editorial and Advisory Board, 1999-2007
Service:
University of Colorado Summer Accounting Conference, Program Committee, 2013
University of Utah Winter Accounting Conference, Program Committee, 2012-2013

Financial Research Association Conference, Program Committee, 2005-2012
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
Management Science
MIT Sloan Management Review
Review of Accounting Studies
Review of Corporate Finance Studies
Review of Financial Studies
The Financial Review
The International Journal of Accounting

UNIVERSITY SERVICE

Accounting PhD Coordinator: 2011-2013
Dissertation committee: Sophia Hamm (chair), 2010; Tjomme Rusticus, 2006; Andrew Van Buskirk, 2005; Ying Li (MIT), 2002.
Summer paper advisor: Jason Xiao, 2012; Jacky Chau, 2012; David Tsui, 2012; Terrence Blackburne, 2010 & 2011; Michael Willis, 2009; Jeffrey Ng, 2005; Zili Zhuang, 2004; Rodrigo Verdi, 2003; Gus De Franco, 2000.
Undergraduate independent study supervisor: Robert Liebsman, 2001; Irina Faykina, 2000.
Wharton Doctoral Executive Committee, 2011-2012
Wharton Undergraduate Curriculum Committee, 1997-1998, 2000-2003, 2005-2008.

Beta Alpha Psi Accounting Awards Committee, 1998-2001.
Wharton Technology Committee, 1998-2000.
Penn Reading Project, Summer 2000, 2002.
Beta Alpha Psi Technical Presentation, Spring 2001.
Wharton Undergraduate Executive Committee, 2001-2002.
Contributor to Knowledge@Wharton, 2001-2009.
Contributor to Knowledge@Wharton High School, 2009.
Contributor to *Wharton Magazine*, 2009
Wharton Graduate Division Core Faculty Advisory Committee, 2003-2006.
Wharton Executive Education: Pension Accounting (2004-2005), Deferred Compensation & Benefits (2005)
WRDS Advisory Committee, 2005-2011.
Quinquennial Review Committees: Risk Management and Decision Processes Center, 2005; Human Resources Center, 2009; Operations and Information Mgmt. Department, 2010; Zell-Lurie Real Estate Center, 2012
Accounting Ph.D Program Admissions Committee, 2005-2006.
Book reviewer for Wharton School Publishing, 2005.
Wharton Accounting Society, Professor Luncheon Series, 2005
Wharton Connect: On Campus Program: Alumni presentation, Fall 2007.
Wharton Women in Business Conference, Panel Moderator, Fall 2008.
Wharton New Faculty Orientation: Research Panel Participant, Fall 2008 and Fall 2011.
Wharton MBA and Undergraduate Curriculum Committee, 2008-2010.
Department Faculty Survey Follow-Up Committee, 2009
Dean's Advisory Council, 2009-2010.

OTHER PROFESSIONAL EXPERIENCE

Consulting Practice, 2001-Present
Expert testimony on executive compensation and incentives, stock options, insider stock trading, corporate governance, valuation, and general analysis of finance and accounting issues.

Northeastern University, 1992-1993
Program Manager, High Technology MBA.

Raytheon Company, 1989-1991
Procurement Management Program, Electronics Group.