

## Kershen Huang

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CONTACT INFORMATION Department of Finance Mays Business School at Texas A&M University  
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RESEARCH AREAS Banking, cost of capital, equity market indices, financial restatements, governance

TEACHING INTERESTS Corporate finance, derivatives, financial management, international finance, valuation, banking, fixed income securities, investments, money and capital markets, risk management

EDUCATION **Texas A&M University**, College Station, TX, USA

- ◇ Ph.D., Finance, May 2011 (expected)
- ◇ M.S., Finance, 2006; M.S., Economics, 2005

**National Chung Cheng University**, Chia-Yi, Taiwan, ROC

- ◇ B.A., Economics, 2000

ACADEMIC EXPERIENCE

**Research (Working Papers)**

- ◇ Why Won't You Forgive Me? Evidence of a Financial Misreporting Stigma in Bank Loan Pricing (JOB MARKET PAPER; with Sudheer Chava and Shane A. Johnson)

*Firms that misreport financial information pay greater spreads on their bank loans for five years following their restatements, whether benchmarked against their pre-restatement loans or similar loans made to matched non-misreporting firms. Misreporting firms that promptly replace certain parties who are potentially related to the misreporting see their spreads fall to benchmark levels within three years following restatement. Large fractions of firms, however, do not promptly replace the potentially related parties and continue to pay premiums over benchmark spread levels for five years following restatement. The results suggest that misreporting creates a long-lasting and costly stigma, but that certain actions can reduce the duration of the stigma.*

- ◇ Can Shareholder-Creditor Conflicts Explain Weak Governance?: Evidence from the Value of Cash Holdings (with Neal Galpin)

*If firms choose to remain weakly governed, some cost must prevent improvements. In this paper, we ask whether one proposed factor, shareholder-creditor conflicts, generate costs large enough to prevent improvements in governance. To do so, we estimate the value of cash as a function of governance, leverage, and the interaction of the two. We find that governance increases the value of cash, but that leverage reduces the gain from strong governance. However, the magnitudes are far too small to explain why weak governance firms remain weakly governed. Our estimates suggest more than 80% of weakly governed firms would increase the value of their cash by improving governance. In fact, half of weakly governed firms would increase the value of their cash holdings by \$0.35 or more per dollar held by improving governance. Our focus on cash holdings does not seem to drive our results, nor do endogenous governance choices or nonlinearities reverse our conclusions.*

## Teaching

**Texas A&M University**, College Station, TX, USA

- ◇ Instructor for two sections of advanced undergraduate Financial Management (Fall 2007)  
Received Dean's Award for Outstanding Teaching; overall ratings: 4.30/5.00 and 4.13/5.00
- ◇ Review sessions / teaching assistant for MBA Corporate Finance (Fall 2008), International Finance (Spring 2008), Derivatives (Fall 2007), and Valuation (Fall 2006)

## Service

- ◇ Discussant, FMA Annual Meeting, 2009 (Reno, NV, USA)
- ◇ Academic Advising, Undergraduate Program in Business, 2006, Texas A&M University

## AWARDS AND HONORS

**Texas A&M University**, College Station, TX, USA

- ◇ Dean's Award for Outstanding Research by a Doctoral Student, 2008–2009
- ◇ Dean's Award for Outstanding Teaching by a Doctoral Student, 2007–2008
- ◇ PhD Program Merit-Based Summer Funding, 2007, 2008, 2009, 2010
- ◇ University Regents' Graduate Fellow, 2006–2009
- ◇ Mays Business School Scholarship, 2005–2007
- ◇ Travel Grants to the AFA (2009, 2010, 2011) and FMA (2009, 2010) Annual Meetings

## OTHER POSITIONS

- ◇ Member, American Finance Association and Financial Management Association, current
- ◇ Recruiting Statistics Analyst and Marketing Representative, Mays Business School, 2006
- ◇ Member, Mays Master's Student Council, Texas A&M University, 2005–2006
- ◇ Officially Approved Private Tutor of Economics, Texas A&M University, 2003–2005
- ◇ President, Taiwanese Students Association, Texas A&M University, 2003–2004
- ◇ Co-Editor and Web Master, Taiwanese Students Association, Texas A&M University, 2003
- ◇ Drill Sergeant, ROC Army, Taiwan, 2000–2002
- ◇ Instructor and Mix Tapes Producer, Dance Club, National Chung Cheng University, 1998–2000

## CITIZENSHIP

Taiwan, ROC

## REFERENCES

### Shane A. Johnson

Wells Fargo Professor of Finance  
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