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ADRIAN AYCAN CORUM

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EMPLOYMENT

2018 – present **Johnson Graduate School of Management, Cornell University**
Assistant Professor of Finance

EDUCATION

2012 – 2018 **The Wharton School, University of Pennsylvania**
Ph.D. and M.A. in Finance

2010 – 2012 **Sabanci University,** Turkey
M.Sc. in Electronics Engineering, GPA: 4.0/4.0

2005 – 2010 **Sabanci University,** Turkey
B.Sc. in Electronics Engineering (minor in Mathematics), GPA: 4.0/4.0

RESEARCH INTERESTS

Corporate Finance, Corporate Governance, Shareholder Activism, Mergers and Acquisitions

PUBLICATIONS

Corporate Control Activism (with Doron Levit), **Journal of Financial Economics**, 133(1), 1-17, July 2019

This paper studies the role of activist investors in the M&A market. Our theory proposes that activist investors have an inherent advantage relative to bidders in pressuring entrenched incumbents to sell. As counterparties to the acquisition, bidders have a fundamental conflict of interests with target shareholders from which activist investors are immune. Therefore, unlike activists, the ability of bidders to win proxy fights is very limited. This result is consistent with the large number of activist campaigns that have resulted with the target's sale to a third party and the evidence that most proxy fights are launched by activists, not by bidders.

Presented at: 7th Summer Finance Conference at the IDC Herzliya, 1st Summer School on Financial Intermediation and Contracting at Washington University in St. Louis, Ackerman Conference on Corporate Governance 2015, 11th Annual Mid-Atlantic Research Conference in Finance, Young Scholars Finance Consortium 2016, 3rd Edinburgh Corporate Finance Conference in 2016, 2016 FIRS meetings, 2016 WFA meetings, WUSF 2016, 27th Annual Conference on Financial Economics and Accounting, 13th NYU/Penn Conference on Law and Finance

Featured in: The Harvard Law School Forum on Corporate Governance

WORKING PAPERS

Activist Settlements

In this paper, I provide a theoretical framework of settlements between activist investors and boards. The activist can demand that his proposal be implemented right away ("action settlement") or demand a number of board seats ("board settlement"), which also gives the activist access to better information. I find that the information that will be conveyed by the incumbent's response is a critical strategic determinant of the activist's settlement demand. Compared to action settlement, the incumbent's rejection of board settlement reflects more of its private information, increasing the activist's credibility to run a proxy fight upon rejection. As a result, consistent with the empirical evidence in literature, demanding board settlement leads to a higher likelihood of reaching a settlement, the likelihood of board (action) settlement increases (decreases) with information asymmetry, and the average ex-post shareholder value upon reaching board settlement is lower than upon reaching action settlement. The model also yields many other interesting empirical and theoretical implications.

Presented at: University of British Columbia, Michigan State University, Tulane University, Boston University, Cornell University, Federal Reserve Bank of New York, University of Michigan, LBS, INSEAD, NFA 2018, MFA 2019, Eastern Finance Association 2019, FTG Summer School at Wharton 2019, AFA 2020, Cavalcade 2020

Corporate Governance in the Presence of Active and Passive Delegated Investment (with Andrey Malenko and Nadya Malenko)

We examine the governance role of delegated portfolio managers. In our model, investors decide how to allocate their wealth between passive funds, active funds, and private savings, and asset management fees are endogenously determined. Funds' ownership stakes and asset management fees determine their incentives to engage in governance. Whether passive fund growth improves aggregate governance depends on whether it crowds out private savings or active funds. In the former case, it improves governance even if accompanied by lower passive fund fees, whereas in the latter case, it improves governance only if it does not increase fund investors' returns too much. Regulations that decrease funds' costs of engaging in governance may decrease total welfare. Moreover, even when such regulations are welfare improving and increase firm valuations, they can be opposed by both fund investors and fund managers.

*Presented at (*scheduled): NFA 2020, AFA 2021, RCFS Winter Conference 2021*, Minnesota Corporate Finance Conference, the 9th International Moscow Financial Conference, HKUST, University Adolfo Ibáñez, University of Texas at Dallas, University of Virginia, Yeshiva University*

Featured in: Columbia Law School Blue Sky Blog, Oxford Business Law Blog, Canadian Investment Review

Optimality of Value-Destroying Short-Termism

I study a model of short-termism where a firm's value is affected by the actions of an agent, who can represent the manager as well as a venture capital, private equity, or shareholder activist. The agent is either skilled, who creates positive NPV and can further increase the NPV by exerting effort, or unskilled, who destroys value. The agent can liquidate his stake in the company before the NPV of his actions are fully realized, and this creates short-term incentives for the agent not to exert effort. I find that replacing a fraction of skilled agents with value-destroying agents can increase average firm value and total welfare if the moral hazard problem is moderate. Moreover, this result also holds under endogenous entry of agents: Reducing the entry cost for the agents can increase average firm value and gross value destruction simultaneously, even though the fraction of agents that are skilled decreases.

DISCUSSIONS

- *The Wall Street Stampede: Exit as Governance with Interacting Blockholders*, at FIRS 2019
- *Proactive Risk-Taking Strategy and Firm Performance: Evidence from Bank Holding Companies*, at Eastern Finance Association Conference, 2019

HONORS AND AWARDS

2018	Hakan Orbay Research Award (PhD student category) for the paper *Activist Settlements*, Sabanci University
2018	Young Scholar Award (PhD student category) for the paper *Activist Settlements*, Turkish American Scientists and Scholars Association
2016 – 2018	Wharton Finance Doctoral Fellowship, University of Pennsylvania
2015	The Marshall Blume Prizes in Financial Research, 1st prize, for the paper *Corporate Control Activism*, The Rodney L. White Center for Financial Research, Wharton
2012 – 2016	Dean's Fellowship for Distinguished Merit, University of Pennsylvania
2011	2010 – 2011 Academic Year Teaching Assistant Award, 1st place, Sabanci University
2010 – 2012	Scholarship for Master's, The Scientific and Technological Council of Turkey
2010 – 2012	Full Scholarship for Master's Program, Sabanci University
2010	Highest Ranking Student in the Class of 2010 Award, Sabanci University
2005 – 2010	Certificate of High Honor, for achieving 4.00 GPA each semester, Sabanci University
2005 – 2010	Sakip Sabanci Outstanding Success (Full) Scholarship, Sabanci University

COURSES TAUGHT

Fall 2020	Corporate Governance (NBAB 5650 / MBQC 926)
Fall 2018 – present	Derivatives Securities I & II (NBA 6730 & NBA 6740)

AD-HOC REFEREE SERVICE

Journal of Finance, Review of Financial Studies, Review of Finance, Management Science, Journal of Corporate Finance

OTHER EMPLOYMENT

Spring 2011	The Boston Consulting Group (Internship), Istanbul, Turkey.