

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.

Featured in: The Harvard Law School Forum on Corporate Governance

WORKING PAPERS

[Corporate Governance in the Presence of Active and Passive Delegated Investment](#) (with Andrey Malenko and Nadya Malenko), *Revise and resubmit*, **Journal of Finance**

We examine the governance implications of passive fund growth. In our model, investors allocate capital between passive funds, active funds, and private savings, and funds' fees and ownership stakes determine their incentives to engage in governance. If passive funds grow because of easier access to index investing, governance improves, albeit only up to a point where passive funds start primarily crowding out investors' allocations to active funds rather than private savings. In contrast, if passive funds grow because of reduced opportunities for profitable active management, governance worsens. Our results reconcile conflicting evidence about the effects of passive ownership on governance.

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

Activist Settlements

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 board seats (“board settlement”). If rejected, the activist can launch a proxy fight. Contrary to common concerns, value-destroying projects are typically not implemented following settlements, but rather after the activist *wins* proxy fights with shareholders' endogenous support. Yet, shareholders' support may be *too low* to maximize ex-ante shareholder value. Nevertheless, settlements may hurt shareholders even if the activist implements only value-creating projects. Related, compared to action settlement, even though the *ex-post* shareholder value upon reaching a board settlement is lower, making it more difficult to reach board settlements (and thus incentivizing the activist to demand an action settlement instead) can still harm shareholders, because demanding a board settlement can yield a higher *ex-ante* shareholder value. The model yields several additional predictions consistent with existing empirical evidence.

Governance through Regulation, Liquidity, and Destruction: Fighting Short-Termism under Moral Hazard and Adverse Selection

I study a model of blockholder short-termism, where each blockholder (e.g., activist shareholder) has a stake in a different firm and can sell before the impact of his actions on firm value is realized. I find that the existence of value-destroying blockholders can *increase* average firm value, because it motivates the value-creating blockholders to keep their stake longer due to a lower stock price at exit, and in turn, to exert more effort. Moreover, not only policies that make blockholders' exit more difficult (e.g., tightening disclosure rules for selling, raising short-term taxes, or reducing liquidity) but also policies that reward long-termism (e.g., loyalty shares) can *destroy* total firm value, even if the number of value-creating blockholders stays the same. The model has implications for a wide range of blockholders (activists, CEOs, boards, entrepreneurs, VCs).

WORK IN PROGRESS

The Under-investment Problem in Delegated Asset Management

The Role of Delegation in Socially Responsible Investing

CONFERENCE AND SEMINAR PRESENTATIONS

* denotes conference presentation by co-author

2023: Midwestern Finance Association Conference (MFA), The 13th Financial Markets and Corporate Governance (FMCG) Conference

2022: The Burton Conference at Columbia Business School, The Paul Woolley Conference at the London School of Economics*, The Four Corners Conference on Index Investments*, Australian Finance and Banking Conference (AFBC), Midwestern Finance Association Conference (MFA)*, International Consortium for Values-based Governance conference (ICVG), Bilkent University, Cornell University

2021: American Finance Association (AFA), Review of Corporate Finance Studies (RCFS) Winter Conference, Financial Intermediation Research Society (FIRS), European Finance Association (EFA), Northern American Finance Association (NFA), Oxford Financial Intermediation Theory Conference (OxFIT)*, Cornell University, London School of Economics

2020: American Finance Association (AFA), SFS Cavalcade, Northern American Finance Association (NFA), Minnesota Corporate Finance Conference*, the 9th International Moscow Financial Conference*

2019: Midwestern Finance Association (MFA), Eastern Finance Association (EFA), FTG Summer School at Wharton

2018: University of British Columbia, Michigan State University, Tulane University, Boston University, Cornell University, Federal Reserve Bank of New York, University of Michigan, LBS, INSEAD

2017 and before: 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*

PROFESSIONAL SERVICE

Keynote speeches:

- *The Importance of Theoretical Modeling in Corporate Finance*, 9th Global Conference on Business Management and Social Science (GCBMS) 2023

Discussions:

- *Temporary Workers and Cash Holdings* by Jaehoon Hahn, Sandy Klasa, Hyuksoon Lim, and S. Katie Moon, Australian Finance and Banking Conference 2022
- *Buying a Seat at the Table: Bankruptcy Law and Distress Investing* by Mike Burkart, Samuel Lee, and Vladimir Vladimirov, European Finance Association 2021
- *Speaking With One Voice: Shareholder Collaboration on Activism* by Shaoting Pi, MFA 2021
- *The Wall Street Stampede: Exit as Governance with Interacting Blockholders* by Dragana Cvijanovic, Amil Dasgupta, and Konstantinos Zachariadis, FIRS 2019
- *Proactive Risk-Taking Strategy and Firm Performance: Evidence from Bank Holding Companies* by Iftekhar Hasan, Mingsheng Li, Liuling Liu, and Yun Zhu, Eastern Finance Association Conference 2019

Conference Co-organizer:

- Finance Theory Group (FTG) meeting at Cornell, Spring 2022
- Conference on Emerging Technologies in Accounting and Financial Economics (CETAFE) at Cornell, Spring 2023

Conference Program Committees:

- WFA annual meetings, 2020-2023
- FIRS annual meetings, 2022-2023
- European Finance Association annual meetings, 2021-2023

Track/session/associate program chair:

- 2019 WFA associate program chair
- 2019 MFA session chair: New Frontiers in Corporate Theory
- 2023 MFA session chair: Green Investors and Green Consumers - Theory

Referee: Journal of Finance, Review of Financial Studies, Journal of Financial Economics, Management Science, Review of Finance, Journal of Corporate Finance

University Service:

- Faculty Search Committee, 2022-2023
- Co-organizer of the 2019-2021 Finance seminar series

- Co-organizer of the 2019-2021 Finance brown bag series
- Judge, Cornell MBA case competition, 2019

Doctoral Dissertation Committee:

- Eunjee Kim, graduated 2021 (accounting). Placement: Texas A&M, Mays Business School.

HONORS AND AWARDS

2023	Runner-up Award in Corporate Governance and Social Responsibility for the paper <i>Governance through Regulation or Market Forces? Fighting Short-Termism under Moral Hazard and Adverse Selection</i> , The 13th Financial Markets and Corporate Governance (FMCG) Conference
2018	Hakan Orbay Research Award (PhD student category) for the paper <i>Activist Settlements</i> , Sabanci University
2018	Young Scholar Award (PhD student category) for the paper <i>Activist Settlements</i> , Turkish American Scientists and Scholars Association
2016 – 2018	Wharton Finance Doctoral Fellowship, University of Pennsylvania
2015	The Marshall Blume Prizes in Financial Research, 1 st prize, for the paper <i>Corporate Control Activism</i> , 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, 1 st 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 – present	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.
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