

# EUROPEAN FINANCIAL MANAGEMENT



## SYMPOSIUM

### Entrepreneurial Finance & Venture Capital Markets

April 15-17, 2010

CIRANO, Montréal

Co-sponsored by the Center for Management Buyout Research  
(CMBOR), Nottingham University Business School



#### Keynote Speakers:

Josh Lerner, Harvard Business School

Alexander Ljungqvist, Stern School of Business, NYU

#### Symposium Chairs:

Douglas Cumming

Jean-Marc Suret

Mike Wright

Preliminary draft

February 5, 2010

[Delta Montreal Hotel](#)

## Symposium Program

**Thursday, 15 April 2010**

<b>18:30</b>	<b>Registration</b>	<b>CIRANO</b>
<b>19:00</b>	<b>Official Welcome</b>	<b>CIRANO</b>
<b>19:30 – 21:00</b>	<b>Inaugural Buffet Reception</b>	<b>CIRANO</b>

**Friday, 16 April 2010**

**8:00 – 9:30**                      **Presentations – 2 parallel sessions**                      **Sessions A1, A2**

<b>Session A1</b>	<b>International VC</b>	<b>Room: Concerto</b>
<b>Chair:</b>	<b>John Doukas</b>	

International Capital Flows into the European Private Equity Market

*Authors:* **Gael Imad'Eddine**, Armin Schwienbacher

*Discussant:* *Raj Nahata*

Overcoming Distances via Syndication with Local Friends: The Case of Venture Capital

*Authors:* Andrea Schertler, **Tereza Tykvová**

*Discussant:* *Douglas Cumming*

Are particular industries more likely to succeed? A comparative analysis of VC investment in the U.S. and Europe

*Authors:* **Roman Kraeussl**, Stefan Krause

*Discussant:* *Hung-Chia Hsu*

<b>Session A2</b>	<b>Buyouts</b>	<b>Room: Brahms</b>
<b>Chair:</b>	<b>Mike Wright</b>	

Buying to Sell: A Theory of Buyouts

*Authors:* Pehr-Johan Norbäck, Lars Person, **Joacim Tåg**

*Discussant:* *Floros Ipannis*

Secondary Buyouts

*Author:* **Stefano Bonini**

*Discussant:* *Kasper Meisner Nielsen*

Structure and Determinants of Financial Covenants in Leveraged Buyouts - Evidence from an Economy with strong Creditor Rights

*Authors:* Ann-Kristin Achleitner, Reiner Braun **Florian Tappeiner**

*Discussant:* *Jerry Cao*

**9:30 – 9:50**                      **Coffee Break**                      **Room: Concerto**

**9:50 – 11:20**                      **Presentations – 2 parallel sessions**                      **Sessions B1, B2**

<b>Session B1</b>	<b>Private Equity</b>	<b>Room: Concerto</b>
<b>Chair:</b>	<b>Gerben de Zwart</b>	

Under the Hammer: Do Private Equity Investors Really Acquire Target Firms For Less?

*Authors:* **Jana Fidrmuc**, Peter Roosenboom, Tim Teunissen

*Discussant:* Irena Hutton

Corporate Governance and Independent Directors: Much Ado About Nothing? The Evidence Behind Private Equity Investment Performance

*Authors:* **Stefano Caselli**, Francesco Corielli, Stefano Gatti, and Francesca Querci

*Discussant:* Ranko Jelnic

Private Equity Funds: Valuation, Systematic Risk and Illiquidity

*Authors:* **Axel Buchner**, Christoph Kaserer, Niklas Wagner

*Discussant:* Mike Wright

<b>Session B2</b>	<b>IPOs 1</b>	<b>Room: Brahms</b>
<b>Chair:</b>	<b>Wolfgang Bessler</b>	

Local Underwriter Oligopolies and IPO Underpricing

*Authors:* **Xiaoding Liu**, Jay R. Ritter

*Discussant:* Salim Chahine

Auctioned IPOs: The U.S. Evidence

*Author:* François Degeorge, **François Derrien**, Kent L. Womack

*Discussant:* Maria Cecilia Bustamente

The Valuation Effect of Listing Requirements: An Analysis of Venture Capital-Backed IPOs.

*Authors:* Cécile Carpentier, Douglas Cumming, **Jean-Marc Suret**

*Discussant:* François Derrien

<b>11:30 – 12:30</b>	<b>Keynote Speaker – Josh Lerner</b> , <i>Harvard Business School</i> : “Private Equity in a time of Crisis: What does the Future Hold?”	<b>Room: Concerto</b>
<b>12:30 – 13:30</b>	<b>Lunch</b>	<b>Restaurant Aroma</b>
<b>13:30 – 15:00</b>	<b>Presentations – 2 parallel sessions</b>	<b>Sessions C1, C2</b>

<b>Session C1</b>	<b>Venture Capital Investment</b>	<b>Room: Concerto</b>
<b>Chair:</b>	<b>Chris Yung</b>	

Success in Global Venture Capital Investing: Do Institutional and Cultural Differences Matter?

*Authors:* Sonali Hazarika, **Raj Nahata**, Kishore Tandon

*Discussant:* José MARTÍ PELLÓN

Specialization, Information Production and Venture Capital Staged Investment

*Authors:* **Jerry Cao**, Winston T.H. Koh, Choong Tze Chua, Xiaoming Wang

*Discussant:* Gael Imad'Eddine

Why Do Entrepreneurs Switch Venture Capitalists?

*Authors:* Douglas Cumming, **Na Dai**

*Discussant:* Chris Yung

<b>Session C2</b>	<b>IPOs 2</b>	<b>Room: Brahms</b>
<b>Chair:</b>	<b>Xiaoding Liu</b>	

Does Managerial Optimism Lead to Long-Run Underperformance? Evidence from Venture Capital-Backed IPOs

*Author:* **Jean-Sebastian Michel**

*Discussant:* *Wolfgang Bessler*

Does venture capitalists reputation improve the survival profile of IPO firms?

*Authors:* Olfa Hamza, **Maher Kooli**

*Discussant:* *Jean-Marc Suret*

Management Quality and Operating Performance: Evidence for Canadian IPOs

*Authors:* Jean-François Bourdon, **Lorne Switzer**

*Discussant:* *Xiaoding Liu*

**15:00 – 15:20**

**Coffee Break**

**Room: Concerto**

**15:20 – 16:50**

**Presentations – 3 parallel sessions**

**Sessions D1, D2, D3**

<b>Session D1</b>	<b>Angels and Family</b>	<b>Room: Concerto</b>
<b>Chair:</b>	<b>Ola Bengtsson</b>	

Family Control and Financing Decisions

*Authors:* Ettore Croci, **John A. Doukas**, Halit Gonenc

*Discussant:* *Douglas Cumming*

Value Added by Angel Investors through Post-Investment Involvement: Exploratory Evidence and Ownership Implications

*Authors:* Jess H. Chua, **Zhenyu Wu**

*Discussant:* *Veikko Thiele*

Expected Returns to Angel Investors

*Authors:* Gerald P. Dwyer, Jr., **Ramon P. DeGennaro**

*Discussant:* *Filippo Ippolito*

<b>Session D2</b>	<b>Exits</b>	<b>Room: Brahms</b>
<b>Chair:</b>	<b>Stefano Caselli</b>	

Exits, Performance, and Late Stage Capital: the Case of UK Management Buy-outs

*Authors:* **Ranko Jelic**, Mike Wright

*Discussant:* *Stefano Bonini*

The Exit Behavior of Venture Capital firms

*Authors:* **Arif Khurshed**, Susanne Espenlaub, Abdulkadir Mohamed

*Discussant:* *Florian Tappeiner*

Managerial Divestment in Leveraged Buyouts

*Authors:* James Ang, **Irena Hutton**, Mary Anne Majadillas

*Discussant:* *Axel Buchner*

<b>Session D3</b>	<b>Policy Issues</b>	<b>Room: Debussy</b>
<b>Chair:</b>	<b>Gael Imad'Eddine</b>	

Gender and the Availability of Credit to Privately Held Firms: Evidence from the Surveys of Small Business Finances

*Author:* **Rebel Cole**, Hamid Mehran

*Discussant:* *J. Ari Pandes*

Financial Capital Injections among New Black and White Business Ventures: Evidence from the Kauffman Firm Survey

*Authors:* Robert W. Fairlie, **Alicia M. Robb**, David T. Robinson

*Discussant:* *Soenke Sievers*

Assessing the Impact of Public Venture Capital Programmes in the United Kingdom: Do Regional Characteristics Matter?

*Authors:* **Federico Munari**, Laura Toschi

*Discussant:* *Maher Kooli*

**16:50 – 17:10**                      **Coffee Break**    **Room: Concerto**

**17:10 – 18:30**                      **Round Table Session**    **Room: Concerto**

**Josh Lerner, Douglas Cumming**  
**Mike Wright Jean-Marc Suret**  
**Louis Doyle TSX V, Gille Durufle**

**19:00**                                      **Gala Dinner (By bus)**    [Pointe-à-Callière Museum](#)

<b>Saturday, 17 April 2010</b>		
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**8:30 – 10:00**                      **Presentations – 2 parallel sessions**    **Sessions E1, E2**

<b>Session E1</b>	<b>IPOs 3</b>	<b>Room: Concerto</b>
<b>Chair:</b>	<b>François Derrien</b>	

Financing Activities and Payout Policies of Entrepreneurial Firms: Empirical Evidence from German Initial Public Offerings

*Authors:* **Wolfgang Bessler**, Wolfgang Drobetz, Martin Seim

*Discussant:* *Alicia Robb*

Power Sharing in the Boardroom and its Impact on IPO Performance

*Authors:* **Salim Chahine**, Marc Goergen

*Discussant:* *Halit Gonenc*

The Dynamics of Going Public

*Author:* **Maria Cecilia Bustamante**

*Discussant:* *Nobuhiko Hibara*

<b>Session E2</b>	<b>Optimism</b>	<b>Room: Brahms</b>
<b>Chair:</b>	<b>Tereza Tykvova</b>	

Entrepreneurial Optimism, Credit Availability, and Cost of Financing: Evidence from U.S. Small Businesses

*Authors:* **Na Dai**, Vladimir Ivanov

*Discussant:* *Ola Bengtsson*

Agency Risk and Firm Valuation: An Empirical Analysis of Venture Capitalists' Private Expectations

*Authors:* Georg Keienburg, **Soenke Sievers**, Thomas Hartman-Wendels

*Discussant:* *Zhenyu Wu*

Luck and Entrepreneurial Success

*Authors:* **Diego Liechti**, Claudio Loderer, Urs Peyer

*Discussant:* *Rebel Cole*

**10:00 – 10:20**

**Coffee Break**

**Room: Concerto**

**10:20 – 11:50**

**Presentations – 2 parallel sessions**

**Sessions F1, F2**

<b>Session F1</b>	<b>Private Placements, PIPEs, Corporate VC</b>	<b>Room: Concerto</b>
<b>Chair:</b>	<b>Axel Buchner</b>	

The Wealth Effects of Reducing Private Placement Resale Restrictions

**Authors:** Elizabeth Maynes, **J. Ari Pandes**

*Discussant:* *Diego Liechti*

On the Information Content of Repeated PIPE Offerings

**Authors:** **Ioannis Floros**, Travis R. A. Sapp

*Discussant:* *Jean-Sebastian Michel*

A Resource Based Theory of Corporate Venture Capital

**Author:** **Subramanian V. Krishnamurthy**

*Discussant:* *Antonio J. Macias*

<b>Session F2</b>	<b>Contracts</b>	<b>Room: Brahms</b>
<b>Chair:</b>	<b>Douglas Cumming</b>	

Contractual Characteristics and the Returns of Private Equity Investments

*Authors:* Emilia Garcia-Appendini, Stefano Caselli, **Filippo Ippolito**

*Discussant:* *Gerben de Zwart*

Changing the Nexus: The Evolution and Renegotiation of Venture Capital

*Authors:* Berk Sensoy, **Ola Bengtsson**

*Discussant:* *Na Dai*

Competing for Ideas: Matching and Contracting in the Venture Capital Market

*Author:* Jose M. Plehn-Dujowich, Konstantinos Serfes, **Veikko Thiele**

*Discussant:* *Ramon P. De Gennaro*

11:50 – 12:50	<b>Keynote Speaker – Alexander Ljungqvist</b> , <i>Stern School of Business, NYU: “The decline and fall of the IPO market”</i>	<b>Room: Concerto</b>
13:00 – 14:00	<b>Lunch</b>	<b>Restaurant Aroma</b>
14:00 – 14:00	<b>Presentations – 2 parallel sessions</b>	<b>Sessions G1, G2</b>

<b>Session G1</b>	<b>Economics of Venture Capital and Private Equity</b>	<b>Room: Concerto</b>
<b>Chair:</b>	<b>Na Dai</b>	

The Long-Run Supply and Demand for Venture Capital Funds: Information and Endogenous Entry

*Author:* **Chris Yung**

*Discussant:* Tereza Tykvova

The 'Double Market' Approach in Venture Capital and Private Equity Activity: The Case of Europe

*Authors:* Marina Balboa, **José MARTÍ PELLÓN**

*Discussant:* Roman Kraeussl

Broken Promises: Private Equity Bid Failures and the Limits of Contract

*Authors:* Matthew D. Cain, Steven M. Davidoff, **Antonio J. Macias**

*Discussant:* Arif Khurshed

Competitive Effects of Private Equity Investments

*Author:* **Hung-Chia Hsu**, Adam Reed, Joerg Rocholl

*Discussant:* Subramanian V. Krishnamurthy

<b>Session G2</b>	<b>Institutional Investment</b>	<b>Room: Brahms</b>
<b>Chair:</b>	<b>Jerry Cao</b>	

A recommitment strategy for long term private equity fund investors

**Authors:** Gerben de Zwart, Brian Frieser, Dick van Dijk

*Discussant:* Joacim Tag

The Return to Pension Funds' Direct Investments in Private Equity: New Evidence on the Private Equity Premium Puzzle

**Author:** Kasper Meisner Nielsen

*Discussant:* Jana Fidrmuc

The First Step of the Capital Flow from Institutions to Entrepreneurs: The Criteria for Sorting Venture Capital Funds

**Authors:** Alexander Groh, Heinrich von Liechtenstein

*Discussant:* Stefano Caselli

Institutional Investment in Listed Private Equity

*Authors:* Douglas Cumming, Grant Fleming, **Sofia A. Johan**

*Discussant:* Alexander Groh