

RANDALL A. HERON

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Office:

Kelley School of Business – BS4050
Indiana University
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Indianapolis, IN 46202-5151
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EDUCATION

WESTERN ILLINOIS UNIVERSITY, MACOMB, IL
Master of Business Administration, August 1991
Bachelor of Business, Accounting, August 1990

PURDUE UNIVERSITY, WEST LAFAYETTE, IN
Ph.D., Finance, December 1995

ACADEMIC APPOINTMENTS

KELLEY SCHOOL OF BUSINESS -- INDIANA UNIVERSITY, INDIANAPOLIS, IN
OneAmerica Foundation Endowed Chair: 2015-
Roger and Barbara Schmenner Faculty Fellow: 2007 - 2014
Professor of Finance: 2010-
Associate Professor of Finance: 2003 - 2010
Assistant Professor of Finance: 1997 - 2003

UNIVERSITY OF NOTRE DAME, NOTRE DAME, IN
Visiting Assistant Professor of Finance: 1996-1997
Visiting Instructor of Finance: 1995-1996

PROFESSIONAL ORGANIZATIONS

American Finance Association
Financial Management Association
Western Finance Association

RESEARCH PUBLICATIONS (refereed)

Heron, R.A., and W.G. Lewellen. "An Empirical Analysis of the Reincorporation Decision." *Journal of Financial and Quantitative Analysis*, 33 (1998), 549-568.

Carow, K., and R.A. Heron. "The Interstate Banking and Branching Efficiency Act of 1994: A Wealth Event for Acquisition Targets." *Journal of Banking and Finance*, 22 (1998), 175-196.

Heron, R.A., and E. Lie. "Operating Performance and the Method of Payment in Takeovers." *Journal of Financial and Quantitative Analysis*, 37 (2002), 137-155.

Haushalter G.D., R.A. Heron, and E. Lie. "Price Uncertainty and Corporate Value." *Journal of Corporate Finance*, 8 (2002), 271-286.

Carow, K., and R.A. Heron. "Capital Market Reactions to the Passage of the Financial Services Modernization Act of 1999." *Quarterly Review of Economics and Finance*, 42 (2002), 465-485.

Carow, K., R.A. Heron, and G. Larsen, "Equity Portfolio Return Enhancement Relative to a Custom Benchmark: The Potential for Exchange Traded Funds." *Institutional Investor's Exchange Traded Fund Guide, ETFs II: New Approaches and Global Outreach* (2003), 62-75.

Heron, R.A., G. Larsen, and B. Resnick. "The Improper Use of Dartboard Portfolios as Performance Benchmarks." *Financial Decisions*, 15 (2003), 1-14.

Heron, R.A., and E. Lie. "A Comparison of the Motivations for and the Information Content of Different Types of Equity Offerings." *Journal of Business*, 77 (2004), 605-632.

Carow, K., R.A. Heron, and T. Saxton, "Do Early Birds Get the Returns? An Empirical Investigation of Early Mover Advantages in Acquisitions." *Strategic Management Journal*, 25 (2004), 563-585.

Heron, R.A., and E. Lie, "On the Use of Poison Pills and Defensive Payouts by Takeover Targets." *Journal of Business*, 79 (2006), 1783-1807.

Heron, R.A., and E. Lie, "Does Backdating Explain the Stock Price Pattern Around Executive Stock Option Grants?" *Journal of Financial Economics*, 83 (2007), 271-295.

Heron, R.A., E. Lie, and R.T. Perry, "On the Use (and Abuse) of Stock Option Grants." *Financial Analysts Journal*, 63 May/June (2007), 17-27.

Heron, R.A., and E. Lie, "What Fraction of Stock Option Grants to Top Executives Have Been Backdated or Manipulated?" *Management Science*, Vol. 55, No. 4 April (2009), 513-525.

Carow, K., R.A. Heron, E. Lie, and R. Neal, "Option Grant Backdating Investigations and Capital Market Discipline." *Journal of Corporate Finance*, Vol. 15, No. 5 (2009), 562-572.

Heron, R.A., E. Lie, and K. Rodgers, "Financial Restructuring in Fresh Start Chapter 11 Reorganizations." *Financial Management*, Vol. 38, No. 4 (2009), 727-745.

Heron, R.A. and E. Lie, "The Effect of Poison Pill Adoptions and Court Rulings on Firm Entrenchment." *Journal of Corporate Finance*, 35 (2015), 286-296.

Heron, R.A., and E. Lie "Do Stock Options Overcome Managerial Risk Aversion? Evidence from Exercises of Executive Stock Options (ESOs)." *Forthcoming in Management Science*.

BOOK CHAPTERS AND COMMENTARIES

Heron, R.A., and W.G. Lewellen, "Reincorporation", a book chapter in the *Encyclopedia of Finance*, 2nd edition, edited by Cheng Fu Lee and Alice C. Lee, (2013), Springer Publications.

Heron, R.A., and W.G. Lewellen, "Reincorporation", a book chapter in the *Encyclopedia of Finance*, edited by Cheng Fu Lee and Alice C. Lee, (2006), Springer Publications.

Heron, R.A., and E. Lie, "Stock-Option Backdating: Where Are We Now? An Update from the Authors of the Research That Uncovered the Practice." Commentary in the Andrews Special Report: Stock-Options Backdating & Executive Compensation, (2006), Andrews Publications.

HONORS AND AWARDS

MBA Teaching Excellence Award – KSB Indianapolis (2013)
Eli Lilly Alumni MBA Teaching Excellence Award – KSB Indianapolis (2012)
MBA Teaching Excellence Award – KSB Indianapolis (2012)
MBA Teaching Excellence Award – KSB Indianapolis (2011)
MBA Teaching Excellence Award – KSB Indianapolis (2010)
MBA Teaching Excellence Award – KSB Indianapolis (2009)
GM Outstanding Distance Learning Faculty Award (2008)
MBA Teaching Excellence Award – KSB Indianapolis (2008)
GM Outstanding Distance Learning Faculty Award (2007)
Kelley Direct MBA Teaching Excellence Award (2007)
MBA Teaching Excellence Award – KSB Indianapolis (2007)
Eli Lilly Alumni MBA Teaching Excellence Award – KSB Indianapolis (2006)
Trustees Teaching Excellence Award (2006)
MBA Teaching Excellence Award – KSB Indianapolis (2006)
MBA Teaching Excellence Award – KSB Indianapolis (2005)
Research Excellence Award – Kelley School of Business (2004)
Trustees Teaching Excellence Award (2003)
MBA Teaching Excellence Award – KSB Indianapolis (2003)
MBA Teaching Excellence Award – KSB Indianapolis (2002)
Eli Lilly Alumni MBA Teaching Excellence Award – KSB Indianapolis (2000)
MBA Teaching Excellence Award – KSB Indianapolis (2000)
MBA Teaching Excellence Award – KSB Indianapolis (1999)
Teaching Excellence Recognition Award (TERA) (1999)
Teaching Excellence Recognition Award (TERA) (1998)
Schuyler F. Otteson Undergraduate Teaching Excellence Award – KSB Indianapolis (1998)

The paper titled "Does Backdating Explain the Stock Price Pattern Around Executive Stock Option Grants? co-authored with Erik Lie, received the *Jensen Prize* for 2007. The Jensen Prize is an annual prize that recognizes the best corporate finance paper published in the *Journal of Financial Economics*.

The paper titled "An Empirical Analysis of the Reincorporation Decision," co-authored with Bill Lewellen, received a *Citation of Excellence* by ANBAR.

The paper titled "The Interstate Banking and Branching Efficiency Act of 1994: A Wealth Event for Acquisition Targets," co-authored with Ken Carow, received a *Citation of Excellence* by ANBAR.

The paper titled "Do Early Birds Get the Returns? An Empirical Investigation of Early Mover Advantages in Acquisitions," co-authored with Ken Carow and Todd Saxton, was selected for consideration for the *McKinsey / SMS Best Conference Paper Prize*.

I was recognized as one of the “Top five newsmakers of 2006” by *Workforce Management* for my work on uncovering the backdating of stock option grants.

I was recognized as one of the academic “Influencers of 2007” by *Business Finance Magazine* for my work on uncovering the backdating of stock option grants.

TEACHING ASSIGNMENTS

Indiana University

Financial Management (Undergraduate): 1997-2003
Financial Analysis for Corporate Decisions (MBA): 1998-2011
Corporate Governance and Restructuring (MBA): 1998-2010
Financial Management (Kelley Direct MBA): 2002-2016
Financial Management (MBA): 2011-2013, 2015
Financial Strategy & Corporate Restructuring (Kelley Direct MBA): 2013-2015

University of Notre Dame

Business Finance: 1995-1997
Mergers and Acquisitions: 1996
Quantitative Methods in Finance: 1996-1997

PROFESSIONAL SERVICE

Occasional reviewer for

Accounting & Finance
European Financial Management
European Journal of Finance
Journal of Accounting and Public Policy
Journal of Banking and Finance
Journal of Financial Economics
Journal of Finance
Journal of Financial and Quantitative Analysis
Journal of Financial Intermediation
Journal of Financial Research
Journal of Law, Economics, and Organization
Journal of Corporate Finance
Financial Analysts Journal
Management Science
Financial Management
Journal of Applied Finance
Journal of Economics and Business
Review of Quantitative Finance and Accounting
Financial Review
Quarterly Journal of Business and Economics
Quarterly Review of Economics and Finance
Review of Financial Economics

Professional Organization Service

Member of the 1998 Southern Finance Association conference program committee
Discussant at the Financial Management Association meeting: 1996, 1997, 2000, 2002, 2006-2009, 2012, 2013
Discussant at the Western Finance Association annual meeting in 2007
Member of the Financial Management Association program committee: 2004, 2012, 2013

Session Chair, Financial Management Association annual meeting: 2004, 2005, 2006, 2012, 2013
Member of the 2007 Financial Management Association European Conference program committee
Associate Editor, Journal of Financial Research, 2012-

Television and Periodical Interviews / Appearances

Television documentary by Bill Warrick titled "In Touch", Channel 22 WSBT, South Bend, IN, January 1997. In this program, I discussed the financial, regulatory, and economic issues surrounding the takeover battle between CSX Corp. and Norfolk Southern Corp. for the assets of Conrail.

I have granted numerous interviews with reporters that have led to my remarks being quoted in the local print media such as the *Indianapolis Star*, the *Terre Haute Tribune Star* and *Indianapolis Business Journal*. I have also appeared on the local evening news on multiple occasions.

I was interviewed by the *Red Herring Magazine* regarding the findings of my study titled "On the Use of Poison Pills and Defensive Payouts by Takeover Targets," co-authored with Erik Lie. The results of this study were featured in a September 2002 edition of *Red Herring*.

I was interviewed by the *Nikkei Financial Daily* newspaper regarding my research on takeover defenses (specifically poison pills) and its implications for Japanese firms. The *Nikkei Financial Daily* published an article based on this interview in the March 23rd, 2005 edition of the newspaper.

My research on the backdating of executive stock options been covered around the world by the business press, including, but not limited to, the Wall Street Journal, Businessweek, the Economist, Fortune, CFO.com, the Financial Times, New York Times, Chicago Tribune, the LA Times, the Washington Post, US News and World Report, the National Journal, and the Indianapolis Star. I have also granted numerous television / radio interviews on this issue, with appearances including Marketplace Public Radio, National Public Radio, Minnesota Public Radio, Inside Indiana Business, CNBC TV, Bloomberg Television, and the CBS Evening News.

UNIVERSITY SERVICE

Faculty advisor for the *IU-Indianapolis Finance Club*, 1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004
Scholarship Committee, KSB – Indianapolis, 1999, 2000, 2001, 2002, 2003, 2004
Technology Committee, KSB – Indianapolis, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007-14 (chairperson)
Research Database Committee, Kelley School of Business, 2000, 2001, 2006-12
KSB-Indianapolis Liaison for Datasets and Research Resources, 2003
Kelley School of Business Research Policy Committee, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2012
Kelley Direct MBA policy committee, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014
Chairperson of Transportation Position Search Committee, KSB – Indianapolis, 2003-4
Member of Finance Position Search Committee, KSB – Indianapolis, 2004
Chairperson of Finance Position Search Committee, KSB – Indianapolis, 2015-2016
Research Policy Committee, KSB – Indianapolis, 2005 (chairperson), 2006 (chairperson), 2007-2011
Member of the IUPUI IT Dean's Council, 2008, 2009
Faculty Mentoring Committee, KSB – Indianapolis, 2008, 2009, 2010
Evening MBA Policy Committee, KSB – Indianapolis, 2009-2016

GRANTS AND FELLOWSHIPS

Roger and Barbara Schmenner Faculty Fellow, 2007-
Productivity Based Summer Research Grant, Indiana University, 2003-2012
Competitive Summer Research Grant, Indiana University, 2000, 2001, 2002
Faculty Summer Research Grant, Indiana University, 1997, 1998, 1999
Krannert Doctoral Thesis Grant, Purdue University, 1994-95