

**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK**

GEORGE ASSAD, directly on behalf of
himself and all others similarly situated, and
derivatively on behalf of E.MERGE
TECHNOLOGY ACQUISITION CORP.,

Plaintiff,

v.

E.MERGE TECHNOLOGY ACQUISITION
CORP.,

Nominal Defendant,

v.

E.MERGE TECHNOLOGY SPONSOR
LLC, S. STEVEN SINGH, JEFF CLARKE,
GUY GECHT, SHUO ZHANG, DAVID
IBNALE, CURTIS FEENY, ALEX VIEUX
AND STEVEN FLETCHER,

Defendants.

Case No. 1:21-cv-07072-JPO

**MEMORANDUM BY ACCOUNTING AND FINANCIAL ECONOMICS SCHOLARS
AS *AMICI CURIAE* IN SUPPORT OF PLAINTIFF'S OPPOSITION TO DEFENDANTS'
MOTION TO DISMISS**

RAKOWER LAW PLLC

Michael C. Rakower

Melissa Yang

260 Madison Ave., 8th Fl.

New York, NY 10016

Tel: (212) 660-5550

*Counsel for Amici Curiae Daniel
Taylor*

TABLE OF CONTENTS

TABLE OF AUTHORITIES ii

IDENTITY AND INTEREST OF *AMICI CURIAE* 1

SUMMARY OF ARGUMENT 1

ARGUMENT..... 2

 I. INVESTORS DO NOT VALUE SPACS AS OPERATING COMPANIES BUT
 AS INVESTMENT FUNDS..... 2

 II. SPAC SPONSORS RECEIVE COMPENSATION..... 5

TABLE OF AUTHORITIES

	<u>Page(s)</u>
<u>Other Authorities</u>	
Elliot Bentley, <i>The SPAC Boom, Visualized</i> , WALL ST. J. (Feb. 10, 2021), https://www.wsj.com/articles/the-spac-boom-visualized-in-one-chart-11612962000	2
E.Merge Technology Acquisition Corp., Form 10-Q (Nov. 13, 2020) available at https://www.sec.gov/Archives/edgar/data/1814728/000121390020036921/f10q0920_emergetechnology.htm	6
Financial Accounting Standards Board, <i>Statement of Financial Accounting Standards No. 123(Revised): Share-Based Payment</i> (2004), https://www.fasb.org/jsp/FASB/Document_C/DocumentPage?cid=1218220128981&acceptedDisclaimer=true	7
Michael Klausner et al., <i>A Sober Look at SPACs</i> , YALE J. REG. __ (forthcoming 2021), https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3720919	5
Sam Goldfarb, <i>Some Investors Find Stability in SPACs</i> , WALL ST. J. (Oct. 12, 2021), https://www.wsj.com/articles/some-investors-find-stability-in-spacs-11634007742	5
SPACInsider, <i>SPAC IPO Transactions: Summary by Year</i> (last updated as of Nov. 8, 2021), https://spacinsider.com/stats/	2
Yahoo Finance (Nov. 1, 2021), https://finance.yahoo.com/quote/ETAC?p=ETAC	7

IDENTITY AND INTEREST OF *AMICI CURIAE*

Amici are a group of professors, scholars, and financial economists who have conducted and compiled decades of research on securities markets and valuation issues present in the current case before the court. *Amici* include faculty from the following universities: Columbia University, Duke University, Emory University, Harvard University, Indiana University, MIT, Northwestern University, Rice University, Stanford University, University of Buffalo, University of Cambridge, University of Iowa, University of Miami, University of Minnesota, University of North Carolina, University of Pennsylvania, University of Southern California, University of Texas, University of Toronto, University of Utah, University of Virginia, and University of Washington. Their names and affiliations (provided for identification purposes only) are attached as an addendum.

None of the *amici* has a financial interest in the outcome of this case. No party or counsel for a party authored this motion or the brief in whole or in part. No party, counsel for a party, or person other than the prospective *amici* or their counsel made any monetary contribution intended to fund the preparation or submission of this motion or the brief.

SUMMARY OF ARGUMENT

In our capacity as accounting professors and financial economists, skilled in issues relating to valuation, we submit this brief to furnish the Court with analysis regarding the economic substance of two aspects of common transactions involving Special Purpose Acquisition Companies (“SPACs”). The case before the court raises profound issues related to valuation of equity securities and compensation. As experts on these topics, we believe that the Court’s deliberations would be aided by an academic perspective on the issues at hand.

First, on valuation, investors do not generally value SPACs as operating companies, but rather value them as investment vehicles valued primarily in terms of the securities they hold. Second, on compensation, it may seem unclear whether or how a SPAC sponsor is compensated. As with most SPACs, the sponsor of E.Merge Technology Acquisition Corp (“E.Merge”) purchased Class B common stock that entitles the sponsor to a 20% interest in the post-merger entity. The sponsor purchased this stock from E.Merge for \$25,000, a steep discount relative to the stock’s fair value. This discount represents compensation, and the directors of E.Merge benefit from this compensation through their pecuniary interest in the sponsor.

ARGUMENT

In the past two calendar years, SPACs operating in the U.S. capital markets have raised over \$220 billion via more than 750 initial public offerings.¹ The *Wall Street Journal* has reported on “how quickly the SPAC craze has grown,” noting that “SPACs are raising more money and outnumbering traditional IPOs.”² Financial developments of this speed and magnitude call for careful consideration by scholars, courts, and all responsible participants in the U.S. financial economy. Accordingly, we submit this brief with the goal of providing the Court with an impartial, academic evaluation that fairly presents the actual economic mechanisms at work within SPACs.

I. INVESTORS DO NOT VALUE SPACS AS OPERATING COMPANIES BUT AS INVESTMENT FUNDS

A critical issue of importance in this case is how investors view – and value – SPACs. For example, Defendants argue:

¹ See SPACInsider, *SPAC IPO Transactions: Summary by Year* (last updated as of Nov. 8, 2021), <https://spacinsider.com/stats/>.

² Elliot Bentley, *The SPAC Boom, Visualized*, WALL ST. J. (Feb. 10, 2021), <https://www.wsj.com/articles/the-spac-boom-visualized-in-one-chart-11612962000>.

what principally matters is the beliefs the company is likely to induce in investors. Will its portfolio and activities lead investors to treat a firm as an investment vehicle or as an operating enterprise?³

It is worth emphasizing that what matters most in this regard is how investors actually value the company, not how the company represents itself or a future version of itself to investors, i.e., aspirational goals. To gain insight on this question, we first describe how investors traditionally value an operating company, and then compare it to how they value SPACs.

The traditional way of valuing an operating company is to use a discounted cash flow model based on forecasts of income or cash flow generated by the sale of goods or services. Put simply, an investor estimates what profits a business will make in years to come from the sale of goods and/or services, discounts these estimates to reflect risk and the inconvenience of waiting, and then adds up the results. This method can be used even for young companies without any revenue so long as a range of possible future scenarios can be realistically forecasted.

To develop these forecasts, investors often use information about the total addressable market (“TAM”) for the company’s goods and services. For example, although a small biotech company developing a cure for cancer may not currently have a product or associated sales, the TAM for such a product would be extremely large, because a hypothetical product could “address” a very large market of patients. Consequently, even before the company has developed a cure or executed sales agreements, investors would value the company using forecasts of future income that take into account both the probability of successfully developing a cure and the TAM should that cure be successful. This probability assessment is the basis for establishing the risk of the

³ Defs.’ Mem. of Law in Supp. Mot. to Dismiss (“Defs.’ Br.”) at 25 (citing *S.E.C. v. Nat’l Presto Indus., Inc.*, 486 F.3d 305, 315 (7th Cir. 2007)).

investment about which the investor is particularly concerned. One reason that the discounted cash flow approach has become standard is that it can be used to value any and all operating companies.

Investors cannot possibly apply this standard valuation methodology to SPACs prior to the announcement of their merger target. Without knowledge of the merger target, standard valuation models intended for operating companies are inapplicable, indeed irrelevant. It is impossible to forecast sales, income, or even estimate the TAM without knowledge of the specific goods or services that the company will sell. If SPACs are to be valued, it cannot be using the standard method for valuing operating companies.

If SPACs cannot be valued as operating companies, how are they valued? Recent evidence suggests many sophisticated institutions are valuing SPACs based on the value of the securities held in the investment trust. For example, a recent report in the *Wall Street Journal* from October 2021 provides evidence that many investors are investing in SPACs—not for the potential business combination—but to get exposure to the investment trust. For example, as The *Wall Street Journal* report summarizes:

“In a typical SPAC initial public offering, investors pay \$10 to buy a so-called unit, consisting of one common share and a fraction of a warrant that gives them the right to buy more shares at a specific price in the future. That \$10 is put into a trust, where it is invested in Treasury bills.

Investors at that point are pretty much guaranteed at least the return offered by the Treasury bills for their \$10. But to entice investors, SPAC sponsors sometimes put extra money into the company’s trust—for example, 20 cents for every \$10 unit, promising an additional 2% cumulative return.

Common shares also often trade for a discount before the SPAC announces a merger, so investors who buy them at those prices can lock in gains that way as well. Shares then sometimes rise above \$10 when a deal is announced, at which point investors can sell to make some extra profit.

... Taken together, these factors make premerger SPAC shares similar to short-term bonds, investors said, with the liquidation date functioning as the maturity date and a yield determined by the shares' discount to trust value.”⁴

It is understandable that investors would mostly value SPACs based on the securities they own, since an investor “may elect to redeem its shares in E.Merge and receive its pro rata share of the Trust Account” rather than become a shareholder in the post-transaction company.⁵ This redemption option simply does not exist for common stock of publicly traded operating companies.

Not only can investors redeem their shares, *most do exactly that*. One recent paper finds, “in most SPACs, redemptions are over 73%, and redemptions over 90% are not unusual.”⁶ Thus, for the typical SPAC investor, the cash flows received by the investor are derived from the SPAC's trust account, so it makes sense to value SPACs based on the holdings of that account. Valuing a company based on the value of the investment securities it owns is not typical for the valuation of operating companies, but it is a widely accepted method for the valuation of investment funds. The valuation of SPACs is inconsistent with investors valuing them as operating companies, but it is consistent with investors valuing them as investment funds.

II. SPAC SPONSORS RECEIVE COMPENSATION

As with most SPACs, we believe that E.Merge's sponsor, E.Merge Technology Sponsor LLC (“Sponsor”), received considerable economic compensation. We begin by stating the relevant facts from E.Merge's quarterly report for the period ended September 30, 2020:

⁴ See Sam Goldfarb, *Some Investors Find Stability in SPACs*, WALL ST. J. (Oct. 12, 2021), <https://www.wsj.com/articles/some-investors-find-stability-in-spacs-11634007742>

⁵ Defs.' Br. at 8.

⁶ Michael Klausner et al., *A Sober Look at SPACs*, YALE J. REG.____, 22 (forthcoming 2021), https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3720919.

On June 8, 2020, the Sponsor paid an aggregate of \$25,000 to cover certain offering costs in exchange for 10,062,500 shares of the Company’s Class B common stock (the “Founder Shares”).⁷

In this transaction, the sponsor purchased over 10 million shares of Class B stock for an aggregate purchase price of \$25,000. Upon consummation of the business combination, Class B shares convert to Class A shares, at which point they will then constitute an economic interest that “will equal, in the aggregate, on an as-converted basis, 20% of the sum of the total number of all shares of common stock outstanding upon the completion of the Initial Public Offering.”⁸ This substantial economic interest in the post-merger entity will have been purchased for a mere \$0.0025 per share.⁹

Several SPACs, including E.Merge, are claiming that transactions of this kind do not constitute compensation.¹⁰ From an economic perspective this is incorrect. Even though the Class B shares do not convert to Class A shares until after the business combination is formalized—from an economic perspective—the difference between the fair value of the Class B shares and the \$25,000 purchase price represents compensation to the sponsor, awarded at the time of the purchase. The reason for this, is that the difference between these two amounts reflect the foregone value the company *could have received* had it sold the securities on the open market instead of giving the shares to the sponsor. Ultimately, then, the question of whether those shares represent compensation to the Sponsor hinges on whether the fair value of those shares – at the time of purchase – exceeded \$25,000.

⁷ E.Merge Technology Acquisition Corp., Form 10-Q at 9 (Nov. 13, 2020), https://www.sec.gov/Archives/edgar/data/1814728/000121390020036921/f10q0920_emergetechnology.htm

⁸ *Id.* at 11.

⁹ Purchase price per share = \$25,000 / 10,062,500.

¹⁰ *See, e.g.*, Transcript of Pershing Square Tontine Holdings Investor Call (June 23, 2021) (Statement of William Ackman, Chief Executive Officer, Pershing Square Tontine Holdings), at 45 (claiming that Pershing Square Tontine Holdings SPAC’s directors “work for free”).

One can think of Class B shares as economically equivalent to contingent compensation. The mere existence of a contingency does not negate the status of these shares as compensation, nor does it mean the shares have no value prior to the formalization of a business combination that triggers the contingency. One analogy is to stock-based compensation given to employees in return for their services which—while often contingent on certain outcomes—has, since 2004, been valued and recognized on financial statements.¹¹

Though the specific valuation of the Class B shares in question would require a fact-intensive analysis beyond the scope of this brief, a common method for valuing these securities is to compute their expected value. To value these securities, accountants and financial economists would commonly multiply the probability of a successful business combination (p) by the value of the economic interest in the resulting entity that the shares represent. For example, if the probability of a successful business combination is the same as a coinflip, $p = 0.5$, the Class B shares convey a 20% interest in the combined entity, and the combined entity is worth \$500 million, then the value of the Class B shares is \$50 million ($0.2 \times \$500 \text{ million} \times 0.5$). Consequently the value of the compensation was \$49.975 million ($\$50 \text{ million} - \$25,000$). Given the market value of E.Merge on November 1, 2021 was in excess of \$700 million, it is our belief that these Class B shares have substantial value and represent substantial economic compensation to the sponsor.¹² In essence, the shares were sold at a steep discount to the sponsor—the economic equivalent of compensation.

¹¹ Financial Accounting Standards Board, *Statement of Financial Accounting Standards No. 123(Revised): Share-Based Payment* (2004), https://www.fasb.org/jsp/FASB/Document_C/DocumentPage?cid=1218220128981&acceptedDisclaimer=true

¹² See, e.g., Yahoo Finance (reporting a market capitalization for E.Merge of \$749,808,000 as of the close of business on November 1, 2021), <https://finance.yahoo.com/quote/ETAC?p=ETAC>.

Although it is difficult to estimate the probability that a given SPAC will merge with an operating company, and what the merged entity will be worth, one can use this framework to calculate what those values *would have to be* for the E.Merge sponsor to *not* have received valuable compensation. For the sponsor to have not been compensated, the shares it bought for \$25,000 would have to be worth \$25,000. If one assumes the post-merger entity is worth \$500 million (of which the sponsor will own 20%), the shares would be valued at \$25,000 only if the odds of the merger are 0.025%, or 1 in 400.¹³ If the odds are any higher, or if the valuation of the merged entity is any higher, then the sponsor has been generously compensated.

Dated: November 10, 2021
New York, New York

RAKOWER LAW PLLC

By: /s/ Michael C. Rakower
Michael C. Rakower
Melissa Yang
260 Madison Avenue, 8th Fl.
New York, NY 10016
Tel: (212) 660-5550
Fax: (212) 660-5551
mrakower@rakowerlaw.com
myang@rakowerlaw.com

*Counsel for Amici Curiae Daniel
Taylor*

¹³ $\$25,000 / (\$500 \text{ million} \times 0.20) = 0.00025$

Addendum

List of *Amici Curiae* Accounting and Financial Economics Scholars

Amici include faculty from the following universities: Columbia University, Duke University, Emory University, Harvard University, Indiana University, MIT, Northwestern University, Rice University, Stanford University, University of Buffalo, University of Cambridge, University of Iowa, University of Miami, University of Minnesota, University of North Carolina, University of Pennsylvania, University of Southern California, University of Texas, University of Toronto, University of Utah, University of Virginia, and University of Washington (affiliations provided for identification purposes only).

Daniel J. Taylor is an Associate Professor of Accounting at The Wharton School, where he holds the Arthur Andersen chair and leads the Wharton Forensic Analytics Lab. He is an award-winning researcher and teacher with extensive expertise on issues related to corporate transparency, accounting fraud, and insider trading. He has published extensively on these topics in leading academic journals; led seminars at dozens of top business schools across the globe; and has won numerous academic and industry awards. His research frequently appears in the business media; has been cited in rules and regulations promulgated by the Securities and Exchange Commission; and has been instrumental in multiple SEC and Department of Justice investigations.

Salman Arif is an award-winning assistant professor at the Carlson School of Management at the University of Minnesota. He began his research career working on the multispectral image processing system aboard NASA's Spirit and Opportunity Mars rovers. Upon the successful launch, he joined the exotic equity and derivative trading group at JP Morgan, where he managed a multi-billion dollar options portfolio. His research has been published in top-tier academic journals and has been covered by CNN, Financial Times, Barron's and Marketwatch. His areas of expertise include capital markets, the timing of disclosure, accruals, corporate investment, options and investor behavior.

Messod D. Beneish is the Alva. L. Prickett Chair and Professor of Accounting at Indiana University's Kelley School of Business. He is an award-winning researcher and teacher with extensive expertise on issues related to corporate governance, financial distress, fraud detection, insider trading and mergers. He has published on these topics in leading academic and professional journals. He has also taught classes and led seminars both domestically and internationally.

Brian Cadman is a Professor of Accounting and a David Eccles Faculty Scholar at the University of Utah David Eccles School of Business. His research focuses on the use and implications of accounting information on compensation design as well as the role of external monitors and other governance mechanisms. His research projects include studies on the Troubled Asset Relief Program, the role of venture capitalists in firms going public, pension plans, severance agreements and the market for CEO talent. He has published his papers in leading academic journals and currently serves as an editor of *The Accounting Review*, the top journal of the American Accounting Association. His research has been cited by the SEC in recent rulings. He teaches managerial accounting at the masters level, where his expertise on performance measurement and decision making brings great value to his students.

Michael Dambra is an Associate Professor of Accounting at the University at Buffalo. His research focuses on the role that financial regulation plays in shaping corporate policies, particularly in the IPO setting. His research has been cited in recent Securities and Exchange Commission (SEC) regulations, SEC Commissioner speeches, Congressional depositions, legal blogs, and policy papers from the U.S. Department of Treasury. Dambra is a Certified Public Accountant in the State of New York. He teaches valuation at the University at Buffalo, and prior to academia, worked as a consultant where he specialized in private equity valuation.

Emmanuel T. De George is an Assistant Professor at the Miami Herbert Business School at the University of Miami, where he teaches graduate-level courses on financial analysis and valuation. Prior to joining Miami, he was a faculty member at the London Business School. His recent research focuses on the economic consequences of corporate financial reporting regulation and disclosure, both in traditional capital markets and the emerging crypto-capital market. He has published on these topics in leading academic journals including *The Accounting Review*, *Journal of Accounting Research*, *Journal of Accounting and Economics*, and his research is regularly cited in the financial press. Prior to joining academia, he worked as an auditor at KPMG

Dain C. Donelson is a Professor of Accounting and Henry B. Tippie Excellence Chair at the Tippie College of Business at the University of Iowa, where he also holds a courtesy appointment at the College of Law. He has published approximately twenty articles related to litigation and fraud in leading accounting, law and economics journals. His research has been cited by the business media, including the *New York Times*, *Wall Street Journal* and *Forbes*, and in private parties' briefs in securities litigation and by the Department of Justice in sentencing memoranda in criminal insider trading cases.

Fabrizio Ferri is a Professor of Accounting at Miami Herbert Business School (University of Miami), where he leads the Governance & Principled Leadership Research Cluster. His research focuses on a range of corporate governance topics - including executive compensation, shareholder activism, boards of directors, insider trading and shareholder voting- and has been published in leading accounting, finance and law journals. His research has been presented at numerous business and law schools across the globe and covered by business media, including *The New York Times*, *Business Week*, *Forbes*, *Barron's* and *Financial Times*. He is a Research Member of the European Corporate Governance Institute (ECGI)

Yadav Gopalan is an assistant professor of accounting at the Kelley School of Business at Indiana University. His research deals with the consequences of firm disclosure and regulation on financial stability. He has published on these topics in leading academic journals and holds a visiting scholar position at the Federal Reserve Bank of St. Louis.

Patrick E. Hopkins is a Professor, Chair of the Kelley School of Business Undergraduate Program and holds the Glaubinger Chair for Undergraduate Leadership. Professor Hopkins served on the Financial Accounting Standards Board's Financial Accounting Standards Advisory Council during 2012-2016 and served as Chair of Graduate Accounting Programs at the Kelley School of Business during 2014-2020. He received his B.S. and M.Acc. from the University of Florida and his Ph.D. from the University of Texas at Austin. Professor Hopkins has been at IU since 1995,

where he teaches in the undergraduate, masters and doctoral programs. His research has appeared in top accounting journals, including *The Accounting Review*, the *Journal of Accounting Research*, *Contemporary Accounting Research*, and *Accounting Organizations and Society*. He is the past winner of the American Accounting Association's Distinguished Contribution to the Accounting Literature Award, the AAA's Deloitte Foundation Wildman Medal Award, AAA's Financial Accounting and Reporting Section Best Research Paper Award, the Indiana University Outstanding Junior Faculty Award, the Kelley School of Business Innovative Teaching Award, and the Kelley School of Business Outstanding Research Award. Professor Hopkins has also won each of the top teaching awards in the Kelley School of Business.

Justin Hopkins is the J. Harvie Wilkinson Jr. Associate Professor of Business Administration in the Accounting area at the Darden School of Business. His research interests include the effects of regulation on financial reporting, governance and economic outcomes. He has taught various courses across Darden's programs and at the UVA Law School including electives on financial reporting and financial statement analysis. He has published his research in a variety of peer reviewed journals including *Contemporary Accounting Research*, *Journal of Law and Economics*, *Management Science*, and *Review of Accounting Studies*.

Alan Jagolinzer is the Professor of Financial Accounting, the Head of the Accounting Faculty Subject Group, and co-Director of the Cambridge Centre for Financial Reporting & Accountability at the University of Cambridge Judge Business School. His research interests include financial reporting, corporate governance, insider trading, and disinformation. Alan was a 2015 Academic Fellow at the International Accounting Standards Board and received the 2010 Stanford University MBA Distinguished Teaching Award.

Urooj Khan is an associate professor in the accounting division at the McCombs School of Business, University of Texas at Austin and a fellow at the Institute of Corporate Governance and Finance at the New York University School of Law. Professor Khan's research examines issues related to financial institutions, financial crises, debt contracting, regulatory enforcement and accounting standard setting. His research has been published in leading accounting and economics journals and he is the recipient of American Accounting Association's 2012 Competitive Manuscript Award, 2018 Notable Contributions to Accounting Literature Award, 2018 FARS Best Paper Award, and 2021 Deloitte Foundation Wildman Medal. He frequently presents his research at top universities and regulators across the world.

Wayne Landsman is the KPMG Distinguished Professor of Accounting at the Kenan-Flagler Business School, the University of North Carolina at Chapel Hill, where he has served as the Associate Dean of the School's Ph.D. Programs and as accounting area chairman. He has published over seventy articles in academic and professional journals, including *The Accounting Review*, the *Journal of Accounting Research*, the *Journal of Accounting and Economics*, *Review of Accounting Studies*, the *Journal of Financial Economics*, and the *Journal of Finance*, on topics dealing with the role of accounting information in capital price formation. Several of his scholarly papers have received recognition from the American Accounting Association, including the Notable Contribution Award (2012 and 2020), the Deloitte Foundation Wildman Medal Award (1985 and 2016), and the AAA Financial Accounting and Reporting Section Best Paper Award (2000, 2008, and 2014). Professor Landsman also received the 2014 AAA Outstanding Educator

Award. He serves on editorial boards of numerous journals, and is a past editor of *The Accounting Review*.

Charles M. C. Lee is the Moghadam Family Professor of Management and Professor of Accounting at the Graduate School of Business, Stanford University. He has published extensively in leading academic journals in accounting and finance on topics that include behavioral finance, financial statement analysis, equity valuation, quantitative investing, and security market regulation. He has served as Editor or Associate Editor of all four top accounting journals, as well as the *Journal of Finance*, *Management Science*, and the *Financial Analysts Journal*. From 2004 to 2008, he was Managing Director at Barclays Global Investors (BGI; now Blackrock) and served as its Global Head of Active Equity Research.

Matthew Lyle is an Associate Professor and the Larry Revsine Research Fellow at the Kellogg School of Management, Northwestern University. His research examines valuation, optimal value investing, and, more generally, the role that accounting data and other sources of information play in financial markets. Much of his work combines mathematical models with cutting-edge estimation techniques for prediction and decision-making. His research and opinions have appeared in various television, radio, and print media outlets.

Bradford Lynch is a researcher and PhD candidate at the University of Pennsylvania, Wharton Accounting Department. His research interests are the flow and use of information, incorporating non-traditional data (e.g., job postings) into earnings forecasts, stock return predictions, and credit risk, how downstream trading partner surprises affect upstream firms. He received a B.S. from Worcester Polytechnic Institute and an MBA from the University of Michigan.

Jeff L. McMullin is an Associate Professor of Accounting at the Kelley School of Business at Indiana University. He is an award-winning teacher who primarily teaches upper-division undergraduate financial accounting classes. The topics he covers include, but are not limited to, financial statement analysis, securities valuation, and accounting for stock-based compensation. His research expertise touches on how information in financial statements and corporate disclosure influence shareholder litigation outcomes and impact securities valuation. While his research primarily draws on theories from economics, finance, and accounting, he regularly incorporates insights from other disciplines including statistics, physics, information theory, network science, computer science, linguistics, and political science. He regularly presents and discusses research at top academic conferences and publishes his work in prestigious academic journals.

Miguel Minutti-Meza is Department Chair and Associate Professor of Accounting at the Miami Herbert Business School, University of Miami. He teaches graduate-level courses on complex accounting issues, including accounting for business acquisitions. His research focuses on the role of auditors in capital markets, auditing and accounting standards, and litigation. He is editor and associate editor of the academic journals *Contemporary Accounting Research* and *Journal of Accounting Research*. Prior to joining academia, he worked as an external and internal auditor.

Partha Mohanram is the John H. Watson Chair in Value Investing and Area Coordinator of Accounting at the Rotman School of Management - University of Toronto. He has published extensively in leading journals in the areas of fundamental analysis, valuation of growth firms,

cost of capital and executive compensation. He is a Deputy Editor-in-chief of Contemporary Accounting Research and serves on the editorial board of The Accounting Review and Review of Accounting Studies. His research work has won numerous awards including the Haim Falk award from the CAAA (2017) and the Rotman research impact award (2018). Professor Mohanram's research has been featured extensively in the business press includes Forbes, the New York Times and Bloomberg and he has discussed his research on CNBC, TV Ontario, CTV and other channels.

Stephen Penman is the George O. May Professor in the Graduate School of Business, Columbia University where he is also co-director of the Center for Excellence in Accounting and Security Analysis. His research deals with firm valuation, investment risk, and the role of accounting information in security analysis. Besides his many research papers in these areas for which he has received several prizes, he is the author of leading textbooks on valuation, Financial Statement Analysis and Security Valuation and Accounting for Value.

Phillip J. Quinn is a tenured professor at the University of Washington Foster School of Business. An award-winning researcher and teacher, he has expertise on issues related to executive compensation, insider trading, and corporate governance. His research regularly appears in leading academic journals, the business media, and has been cited in federal securities law enacted by the Securities and Exchange Commission.

Shivaram Rajgopal is the Kester and Byrnes Professor of Accounting and Auditing at Columbia Business School, and former Vice Dean at the Columbia Business School (CBS) from 2017-2019. His research covers financial reporting issues, earnings quality, fraud, executive compensation, corporate culture, corporate governance and ESG issues. He is a three-time recipient of the prestigious American Accounting Association (AAA) Notable Contribution to the Literature Award. He is a two-time awardee of the Graham and Dodd Scroll Prize given by the Financial Analysts Journal and a three-time winner of the Glen McLaughlin Award for Research in Accounting Ethics. He regularly writes op-eds for Forbes. His work is frequently cited in the popular press, including The Wall Street Journal, The New York Times, Bloomberg, Fortune, Forbes, Financial Times, Business Week, and the Economist.

Kris Ramesh is Herbert S. Autrey Professor of Accounting, Area Coordinator for Accounting, and former Deputy Dean at the Jones Graduate School of Business at Rice University. Ramesh is Past President of the Financial Accounting and Reporting Section of the American Accounting Association and a former academic fellow at the Office of the Chief Accountant, U.S. Securities and Exchange Commission. His current research focuses on the interplay between mandatory regulation and voluntary disclosures, diversity practices in corporate governance, and externalities of accounting disclosures. He has taught graduate-level courses on financial reporting, corporate governance, fair value accounting, and doctoral seminars on capital markets. During his tenure at two leading economic consulting firms, Ramesh worked with leading law firms, public accounting firms, major corporations and governmental agencies.

Joseph H. Schroeder is the PwC Faculty Fellow and Associate Professor at the Indiana University, Kelley School of Business. His research examines the impact of auditing on financial reporting and disclosure quality, as well as the impact of regulation on the auditor/client dynamic. His work has appeared in Journal of Accounting and Economics, Journal of Accounting Research,

The Accounting Review, Contemporary Accounting Research, Review of Accounting Studies and Auditing: A Journal of Practice and Theory. Schroeder is an editor for Auditing: A Journal of Practice and Theory. Schroeder teaches auditing and has received many teaching awards. Schroeder earned his Ph.D. in Accounting from Michigan State University in 2013 and his B.S. and M.S. in Accounting from Ball State University in 2003 and 2004, respectively. Schroeder is a CPA (Indiana) and prior to academia worked as a senior auditor in the Indianapolis office of Ernst & Young.

Eric So is a chaired Associate Professor with Tenure in the Economics, Finance, and Accounting Area of MIT's Sloan School of Management, serving as the Sloan Distinguished Professor of Management. His research interests include equity valuation, asset pricing, limits to arbitrage, and market microstructure with a focus on the forces and mechanisms that shape the information content of market prices. He holds an Masters in Economics from Cornell University and a PhD in Business Administration from Stanford University's Graduate School of Business.

Mark Soliman specializes in financial reporting information, trading strategies, capital markets, debt ratings voluntarily disclosure, especially non-GAAP earnings. He has held positions at The Stanford Graduate School of Business and the Foster School at the University of Washington where he was the recipient of numerous teaching awards. Outside of academia, he was vice president of accounting-based research at Citadel Investment Group in Chicago and consulted extensively for Renaissance Technologies, helping them to develop trading strategies for their hedge fund. Professor Soliman has published extensively in the top journals including the Journal of Accounting and Economics, the Journal of Accounting Research, The Accounting Review, The Review of Accounting Studies, Management Science and Contemporary Accounting Research. He is the recipient of numerous fellowships and awards, including the Notable Contribution to the Accounting Literature in 2009 along with the Best Paper award at several conferences. He is on the editorial board of the Journal of Accounting Research, The Accounting Review and The Review of Accounting Studies. Professor Soliman is also a CPA in the state of California and Washington (inactive). He is also a triathlete recently completing the Ironman distance in Coeur D'Alene in Idaho.

Eugene Soltes is the McLean Family Professor of Business Administration at Harvard Business School where his work focuses on corporate integrity and risk management. His research utilizes data analytics to identify organizational cultures and compliance systems that can effectively prevent, detect, and respond to reputational and regulatory threats. Professor Soltes is the author of the book *Why They Do It: Inside the Mind of the White-Collar Criminal* and he is also on the editorial board of the Harvard Data Science Review.

Stephen Stubben is a Professor of Accounting at the University of Utah. He received a Ph.D. from Stanford University and worked at the University of North Carolina at Chapel Hill before joining the faculty at the University of Utah. His research centers primarily on financial reporting topics, with a focus on accounting standards, firms' application of standards, the quality of the resulting accounting information, and how it is used in business decisions. He is actively involved in training PhD students and currently serves on the editorial boards of The Accounting Review, Review of Accounting Studies, Journal of Business Finance & Accounting, and Journal of Financial Reporting. He received the Deloitte Foundation Wildman Medal Award for research on

the valuation and financial reporting of debt, an award given annually by the American Accounting Association for the publication with the most significant contribution to the practice of accounting.

Mohan Venkatachalam is the R.J. Reynolds Professor of Business Administration at Duke University's Fuqua School of Business, and a former Senior Associate Dean of Programs. He has published research papers on valuation, nonfinancial performance measures, accounting disclosures, derivatives, and corporate governance. He has received several teaching and research awards, including the prestigious American Accounting Association's Notable Contribution to the Literature Award. He was an Editor of the Accounting Review and served on the Editorial Boards of The Accounting Review, Review of Accounting Studies, and Contemporary Accounting Research.

Charles C.Y. Wang is the Glenn and Mary Jane Creamer associate professor of business administration in the Accounting and Management Unit at Harvard Business School. He teaches valuation in the MBA program and his research specializes in corporate governance and equity valuation. His work has been published in leading academic journals such as the Journal of Financial Economics, Review of Financial Studies, the Journal of Accounting and Economics, and the Accounting Review as well as practitioner publications such as Harvard Business Review, the Wall Street Journal, and the Boston Globe. His work is widely cited in the media as well as in legal proceedings and policy discussions. Professor Wang holds a Ph.D. and an MA in economics from Stanford University and an MS in statistics, also from Stanford.

Teri Lombardi Yohn is a Professor of Accounting at Goizueta Business School at Emory University. She currently serves on the Financial Accounting Standards Advisory Committee, and previously served on the faculty at Kellogg School of Management at Northwestern University, Kelley School of Business at Indiana University, Georgetown University, and the University of Massachusetts, and as an Academic Fellow at the Securities and Exchange Commission. Teri's research focuses on predicting future profitability, valuation, and examining how accounting information affects the stock market. Teri teaches in the areas of financial accounting and financial statement analysis. She has testified before the Senate on IFRS issues and served as a member of the Blue Ribbon Panel for Private Company Financial Reporting. Teri received her PhD in Accounting from Indiana University.