

Tarun D. Patel

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Seattle, WA 98195-3200 Citizenship: United States

EDUCATION **University of Washington**, Foster School of Business, Seattle, WA

Ph.D., Finance, September 2014 - June 2020 (Expected)

University of Georgia, Terry College of Business Athens, GA

B.B.A., Finance and Economics (GPA: 3.85 / 4.0), May 2010

Certificate of Leadership Advancement and Development, May 2010

RESEARCH INTERESTS Empirical Corporate Finance, Financial Advisors, Mergers and Acquisitions, IPOs

WORKING PAPERS **Do Commissions Cause Investment Adviser Misconduct?** (Job Market Paper)

Awards: PhD Forum Prize for best paper presented at the AFBC PhD Forum

Presentations: 32nd Australasian Finance and Banking Conference + PhD Forum, American Finance Association PhD Poster Session

Sales commissions may present a conflict of interest that allows investment advisers to obtain rents from uninformed clients. Alternatively, commissions might be a contracting solution to motivate information provision. To analyze the relation between commissions and adviser misconduct, I exploit quasi-exogenous changes in individual investment advisers' compensation arrangements caused by mergers between large registered investment advisory firms. The opportunity to earn sales commissions increases the probability that an adviser engages in misconduct, but competition is an important mediator. In regions with greater competition, sales commissions decrease misconduct claims. Increased misconduct from commissions is concentrated among low-experience advisers and male advisers. Damages paid out in claims involving commission-motivated advisers are \$25,013 greater than other claims. The experimental design rules out latent firm and market explanations. Overall, I find that the connection between conflicts of interest and information provision depends on the competitive environment.

Political Alignment, Partisanship, and M&A (with Ran Duchin, Karim Farroukh, and Jarrad Harford)

This paper provides novel evidence that homogeneity in firms' political attitudes plays a role in mergers and acquisitions. Using detailed data on individual campaign contributions to Democrats and Republicans, the estimates show that firms are considerably more likely to announce a merger, complete a merger, and have shorter time-to-completion when their political attitudes are closer. Furthermore, acquisition announcement returns and post-merger operating performance are significantly higher when the acquirer and the target have more similar political attitudes. The effects of political partisanship on mergers are stronger in more recent years, when the political polarization in the U.S. is greater. Overall, we provide estimates that political attitudes and polarization have real effects on the allocation of assets in the economy.

Institutional Participation and IPO Underpricing: Evidence from MLPs

This paper finds evidence that higher participation of institutional investors in initial public offerings (IPOs) increases underpricing. To establish causality, I utilize the American Jobs Creation Act (AJCA) as an exogenous change in the tax treatment of a special class of equities: master limited partnerships (MLPs). A rule change in the AJCA allowed institutions to obtain pass-through tax treatment for MLP units, avoiding double taxation. In the year

following the rule change, institutional ownership of publicly-traded partnership units increases from 11% of outstanding units to 24%. Utilizing a differences-in-differences setting, I compare limited partnership IPOs to industry-matched corporate IPOs. Prior to the rule change, IPOs of MLPs show no evidence of underpricing. The average treatment effect of the rule change is a 14% increase in first-day returns. Further, the cross-sectional variability of first day returns increased threefold, consistent with predictions implied in Rock's (1986) model of information asymmetry and adverse selection.

CONFERENCE AND
INVITED
PRESENTATIONS

- 2020** AFA PhD Student Poster Session
- 2019** Australasian Finance and Banking Conference and PhD Forum

TEACHING
EXPERIENCE

University of Washington, Seattle, WA

Instructor

Average Course Rating: 4.9/5

- International Finance Module

Nov. 2017- Nov. 2019

Teaching Assistant

- Graduate Level
 - Executive MBA Financial Management
 - Evening MBA Management of Financial Risk
 - Full-time MBA Real Estate Finance and Investment
 - PhD Corporate Finance Theory
- Undergraduate Level
 - Undergraduate Core Business Finance
 - Undergraduate Real Estate Capital Markets

Average Course Rating: 5/5

Fall 2015, 2016, 2017
Winter 2015, 2016, 2017
Winter 2015
Spring 2015

Average Course Rating: 4.7/5

Spring 2016, 2017
Spring 2014, 2015

Teach for America, Greenwood, MS

Corps Member / Teacher

August 2010 to May 2012

- Taught students geometry, algebra, and compensatory mathematics as a full-time public school teacher as part of an overarching mission to close the achievement gap for low-income students.
- Managed relationships with parents, teachers, and administrators as a representative of Teach for America.
- Provide academic counseling and extracurricular ACT preparation classes.
- Organized weekend tutoring for students with local community leaders.

OTHER WORK
EXPERIENCE

BHGRE Metrobrokers, Inc., Atlanta, GA

Real Estate Salesperson

2012-2014

Shri Shakti, Inc., Newnan, GA

Real Estate Analyst / Property Manager

2012-2014

AWARDS AND
HONORS

University of Washington

- David Bonderman Distinguished Leader PhD Fellow 2014-2019
- Foster School of Business Ph.D. Teaching Award, 2019
- Michael G. Foster School of Business Graduate Assistantship, 2014-present

PROFESSIONAL
MEMBERSHIPS

- American Finance Association, 2015-present
- Western Finance Association, 2017-present
- Financial Management Association, 2015-present
- National Association of Realtors, 2012-2014

COMMUNITY
INVOLVEMENT

- Doctoral Business Student Association - Officer 2015, 2017, 2018
Elected to serve the interests of doctoral business students.
- Foster School of Business PhD Program Committee 2017, 2018
Represented student interests in a decision-making body for the PhD Program.