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ACADEMIC APPOINTMENTS

Assistant Professor of Finance, Western Kentucky University, Bowling Green

08/2022 - Present

WORKING PAPERS

Renegotiation of International Loans, Capital Regulation, and Monetary Policy, with Ca Nguyen & John K. Wald

Abstract: We analyze which macroeconomic factors cause international lenders to drop out of syndicated loans. Increases in capital requirements in the lender country and decreases in borrower country policy rates imply a greater likelihood that foreign lenders will stop supplying capital in international syndicated loans. A 1.0% increase in capital regulations leads to a 1.8% increase in exit probability, while a 1.0% decrease in borrower policy rates leads to a 1.2% increase in exit probability. These results are robust to the inclusion of borrower country, lender country, and borrower round fixed effects. Using lender country capital regulations as instruments, we find evidence of significant economic spillover effects as international lender exits imply smaller loan amounts and shorter maturities.

Dividend Mispricing: Evidence from All-Stock Merger Deals, with Palani-Rajan Kadapakkam

Abstract: Stock prices of targets in all-stock merger deals should reflect acquirer share values, net of expected dividend payments before deal completion. If target stock prices have fully anticipated acquirer dividend payments, target stock returns on the acquirer ex-day should be unaffected. Instead, we find that they are negatively related to the size of acquirer dividends. The delayed adjustment to acquirer dividends implies overvaluation of target stocks immediately after the merger announcement. The consequent mispricing amounts to about 25% of the arbitrage spread observed during recent years. Our results are robust to different regressions specifications, subsamples and falsification tests.

Directors' Age Diversity and Firm Performance, with Mauro Oliveira & Palani-Rajan Kadapakkam

Abstract: We investigate the relationship between age diversity in the board of directors and firm performance using an extensive panel of US firms, after controlling for other measures of diversity such as gender. While age is a proxy for life and professional experience, age diversity in the board may foster a larger variety of generational-specific ideas that can impact strategic decision-making and corporate governance. We find that firms with more age diversity in the board of directors perform better; they have greater profitability (ROA) and higher valuation (Tobin's Q). We verify the causality of this relationship by examining large changes in age diversity of directors and instrumental variables. We find that large increases (decreases) in age diversity of directors are followed by profitability increases (decreases).

Pricing Loan Covenants with an Options Model, with Ren-Raw Chen & John K. Wald

Abstract: We use an option pricing model framework to determine the value of loan covenants. Private debt contracts frequently include financial covenants which facilitate the transfer of control rights to the lender in the

event of a default. we show that the value of covenants in private debt contracts can be determined using an option pricing model. Using the Debt to EBITDA covenant in a sample of U.S. loan contracts, we find that firms with more assets, higher market to book ratios, and better credit ratings are associated with less valuable covenants. The economic value of the Debt to EBITDA covenant using the option model is 21 bps on average, significantly different from the 97 - 160 bps estimated by alternative pricing models currently used in the literature.

PIPEs in SPACs, with Yini Liu

Abstract: We study the role of PIPE investments at different stages in SPAC IPOs. In our sample of 1650 SPACs from 2003 to 2021, 63.82% of the PIPEs invested in SPAC IPOs before the merger deal closes occur prior to the business combination (BC) announcement. Both pre-BC announcement PIPEs and post-BC announcement PIPEs can enhance the likelihood and the speed that a SPAC successfully merges with a target. PIPEs financing SPACs after the BC announcement are associated with a higher announcement abnormal return, and obtain more favorable pricing and contract terms than SPAC PIPEs before the BC announcement. This effect is contingent on PIPE investor identity. Our findings suggest that the role of hedge fund investors who provide instant capital to offset redemption is more crucial to SPAC sponsors in the late stage, while the role of strategic investors, who offer industry expertise and target search assistance, is more appreciated in the early stages.

RESEARCH INTERESTS

Banking, Financial Intermediation, Corporate Finance, Finance-Growth Nexus

EDUCATION

Ph.D. in Finance, *The University of Texas San Antonio*

08/2017 - 05/2022

MSc. in Natural Science

07/2011 – 08/2013

Emphasis: Math & Math Education

Stephen F. Austin State University

BSc. in Mathematics

07/2006 – 12/2009

Minor: Finance

Stephen F. Austin State University

PRESENTATIONS

“Capital Regulation, Monetary Policy and the Renegotiation of International Loans”

2021 Western Finance Association PhD Project Panel Session

2021 7th International Young Finance Scholars Conference

2021 International Finance and Banking Society Oxford Conference

2022 American Finance Association Annual Meeting (Poster Session)

2022 Financial Management Association Annual Meeting

“Monetary Policy and the Renegotiation of International Loans”

2021 PhD Project FEDSA, Virtual Conference

“Dividend Mispricing: Evidence from the Merger Arbitrage Market”

2020 PhD Project FEDSA, San Diego, CA

2020 Southwestern Finance Association, San Antonio, TX

2020 Emerging Scholars Symposium, Greenville, NC
2021 Financial Management Association, Denver, CO.

“Missing the Target: Anomalous Target Stock Returns on Acquirer Ex-days”
2019 Baruch Research Symposium, New York, NY
2019 UTSA Department Seminar, San Antonio, TX

“A Qualitative Comparison of Methods in Frequency Domain Econometrics”
2015 Intellectbase International Consortium Conference, Nashville, TN

“Probability of Communication Across Random Landings”
2009 Mathematical Association of America Texas Meeting, Denton, TX

CONFERENCE PARTICIPATION

2022 Financial Management Association Presenter, Atlanta, GA
2022 American Finance Association Poster Session Presenter, Virtual Conference
2021 Financial Management Association Presenter, Denver, CO
2021 International Finance and Banking Society Oxford Conference, Virtual Conference
2021 7th International Young Finance Scholars Conference Presenter, Virtual Conference
2021 PhD Project Doctoral Student Association (FEDSA) Presenter, Virtual Conference
2020 Southwestern Finance Association (AFA) Presenter, San Diego, CA
2020 PhD Project Doctoral Student Association (FEDSA) Presenter, San Diego, CA
2019 Baruch Research Symposium, Presenter, New York, NY
2015 Intellectbase International Consortium (IIC) Conference Presenter, Nashville, TN
2009 Mathematical Association of America (MAA) Conference Presenter, Denton, TX

ACADEMIC EXPERIENCE

Adjunct Instructor

08/2021 - 05/2022

Department of Finance, Trinity University
Taught one section of Corporate Finance
Designed learning objectives to meet institutional targets
Developed course materials including assessments

Lecturer I

01/2020 – 05/2022

Department of Finance, The University of Texas San Antonio
Taught two sections of Financial Management in Master of Science in Business program
Taught one section of Survey of Finance

Adjunct Instructor

08/2013 - 08/2017

Department of Mathematics, Stephen F. Austin State University
Taught one section of either Finite Mathematics or Mathematics in Society
Designed learning objectives to meet state and institutional targets
Developed course materials including assessments

Adjunct Instructor

08/2013 - 08/2017

Division of Science & Mathematics, Angelina College
Taught one section of either Algebra or Introductory Statistics
Designed learning objectives to meet state and institutional targets

Developed course materials including assessments

Mathematics Teacher

02/2010 - 08/2013

Nacogdoches High School, Nacogdoches Independent School District

Taught remedial to advanced placement Math courses for grades 10-12

Designed district curriculum for Algebra II and Algebra II-PAP

Recognized by school board for classroom excellence

University Interscholastic League Coach

OTHER EXPERIENCE

Program Director

08/2013 – 08/2017

Academic Assistance & Resource Center, Stephen F. Austin State University

Managed daily program operations including scheduling and training

Hired and supervised 65 part time personnel

Managed \$120,000 program budget

SERVICE

Reviewer – The Case Journal

02/2023 - Present

Reviewer – Review of Quantitative Finance and Accounting

05/2021 - Present

The PhD Project – President (FEDSA)

01/2021 – 01/2022

The PhD Project – Vice President (FEDSA)

01/2020 – 01/2021

United States Gyokushin Ryu Aikido Federation – Treasurer

07/2019 – 07/2021

Caribbean Students Association – Faculty Advisor

09/2013 - 09/2017

COMPUTER SKILLS

STATA, R, Python

Microsoft Office

PROFESSIONAL MEMBERSHIPS

Financial Management Association (FMA) since 2019

Southwestern Finance Association (SWFA) since 2019

American Finance Association (AFA) since 2018

The PhD Project since 2017