

Finance Theory Group

By-Laws

October 2011

1. **Goal:** The goal of the Finance Theory Group (henceforth: FTG) is to advance theoretical research in financial economics, especially in the fields of corporate finance, financial markets, intermediation, and institutions.
2. **Membership:**
 - (a) The initial members of the corporation shall consist of all people who have been invited by the board to be members. A list of current members appears at the end of this document.
 - (b) Membership is de-activated if a member misses three consecutive regular meetings to which the member was invited. Membership can be re-activated by the Board but only in exceptional circumstances.
 - (c) New members are elected by the vote of the Board of Directors. No more than 6 members could be elected each year (in addition to the winners of the best paper prize and runner up).
 - (d) In exceptional cases, if the board feels a new member can contribute significantly to the group and the person concerned has expressed a strong interest in the group, the board may approve the addition of more than 6 members in a given year. However, every extra member added reduces by one the number of members that may be admitted the following year.
 - (e) New members must work in the area of corporate finance and financial markets, intermediation, and institutions theory and have a Ph.D. awarded no earlier than 1995.

- (f) No member of the Corporation shall be personally liable for any of the debts, liabilities or obligations of the Corporation.

3. Board of Directors:

- (a) The Board of Directors (The Board) consists of 5 people, each serving a two-year term. Three members of the first board serve a three-year term to create a staggered board. Members can serve more than one term but not consecutively. Each director must be a member of FTG.
- (b) Candidates for the Board are proposed by the current board or by any five members, excluding the candidate, and are elected by the vote of all members. Candidates who obtain the most votes are elected. In case of a tie, the Board has the right to decide whether a member is elected or not.
- (c) One member of the Board is chosen by the board to be president. The president is elected for a one-year term and can serve more than one term but not consecutively.
- (d) The responsibilities of the Board include: choosing new members, choosing locations and organizers of next meetings, managing current affairs of FTG, enforcing member de-activation rules, etc. The Board members consult with all the members and specifically with current and past organizers on these issues.
- (e) Board members shall serve without compensation for any services rendered by them to the corporation in their capacity as board members. However, board members are permitted to receive reimbursement for reasonable expenses incurred in carrying out their duties.
- (f) No board member shall solicit services from the Corporation through any procedure or means which would not be available to such person were he not a board member. Further, the Corporation shall not, in providing services or purchasing services, equipment or other supplies, give preferential treatment to any person by reason of the fact that such person is a board member, or a relative of a board member. When the Board is taking a decision on any transaction in which a board member or relative of a board

member has a material financial interest, the material facts of the transaction and the board member's interest therein shall be fully disclosed to the Board beforehand. The Board member with a material interest shall not vote on the matter.

- (g) No board member shall be personally liable for any of the debts, liabilities or obligations of the Corporation.

4. Regular Meetings:

- (a) Regular meetings are held twice a year and constitute the main activity of FTG. One meeting is held in the Fall (September-November) and one meeting is held in the Spring (April-June).
- (b) The organizers for each regular meeting shall be chosen by the Board. The organizers are responsible for logistics and the selection of papers for the meeting. Each regular meeting is held for one or two days and consists of paper presentations by members with the time of 60 minutes allotted to each paper. Any change in format of the meetings suggested by co-organizers should be coordinated with and approved by the Board.
- (c) At least once a year, an organizational meeting will be held as part of a regular meeting. All members attending the regular meeting are invited to the organizational meeting. Any issues related to the organization, including the election of board members and president, may be discussed at the organizational meeting.

5. Meeting Participation:

- (a) All members are entitled to participate in regular meetings.
- (b) Each member wishing to participate in the meeting must inform the co-organizers by the announced deadline.
- (c) If there are any physical constraints on participation, then, after space has been allocated to authors, organizers and Board members, members are invited according to (1) reverse seniority rank (counted from the year of the Ph.D. being awarded); (2) prior participation (members who were not invited to the previous meeting(s) due to participation constraints have a priority). In this case, each member has to double confirm her or his participation

and missing a meeting after confirmation counts as two missed meetings towards membership de-activation (unless for force majeure reasons excused by the Board, then only one meeting is counted).

- (d) If a meeting is held at an educational institution, all tenure-track finance faculty of that institution that satisfy the cut-off requirement (1995 at present) are invited to participate.

6. Irregular meetings: FTG can from time to time hold irregular meetings such as summer theory camps. The rules are announced by the Board for each meeting separately. The general rule is that all members are entitled to attend but that missing such meetings will not count towards membership de-activation.

7. Best Paper Prizes:

- (a) FTG establishes the annual Best Paper Prizes for best finance theory papers on the job market.
- (b) The prizes are awarded by the vote of all members of FTG. The vote is organized by the Board.
- (c) The eligible entries are job market candidates for that year whose job market paper makes a theoretical contribution in the field of corporate finance and financial markets, intermediation, and institutions. The pool of eligible candidates is determined by the Board after consultation with members and then put to the vote of all the members according to the Rules.

8. Changing By-Laws:

- (a) Any proposed changes in By-Laws must be announced to all the members and sufficient time should be allowed for discussions. Any change requires an approval of at least 75% of the members voting on the issue and 60% of all members.
- (b) Changes can be proposed by the Board or by 20% of all members.

Current List of Members:

Viral Acharya (NYU), Rui Albuquerque (BU), Andres Almazan (Texas), Aydogan Altı (Texas), Fernando Anjos (Texas), Ulf Axelson (LSE), Snehal Banerjee (Kellogg), Nittai Bergman (MIT), Philip Bond (Minnesota), Matthieu Bouvard (McGill), Bradyn Breon-Drish (Stanford), Bruce Carlin (UCLA), Archishman Chakraborty (York), Hui Chen (MIT), Ing-Haw Cheng (Michigan), Jonathan Cohn (Texas), Brendan Daley (Duke), Adolfo De Motta (McGill), Giovanni Dell'Ariccia (IMF), Alex Edmans (Wharton), Andrea Eisfeldt (UCLA), Willie Fuchs (Berkeley), Diego Garcia (UNC), Nicolae Garleanu (Berkeley), Simon Gervais (Duke), Vincent Glode (Wharton), Eitan Goldman (Indiana), Itay Goldstein (Wharton), Joao Gomes (Wharton), Alexander Gorbenko (LBS), Brett Green (Kellogg), Dirk Hackbarth (Illinois), Barney Hartman-Glaser (Duke), Zhiguo He (Chicago), Jennifer Huang (Texas), Philipp Illeditsch (Wharton), Ohad Kadan (Washington), Anastasia Kartasheva (Wharton), Peter Kondor (CEU), Arthur Korteweg (Stanford), Yrjo Koskinen (BU), Augustin Landier (Toulouse), Nisan Langberg (Houston), Samuel Lee (NYU), Yaron Leitner (Philadelphia Fed), Doron Levit (Wharton), Dmitry Livdan (Berkeley), Richard Lowery (Texas), Evgeny Lyandres (BU), Igor Makarov (LBS), Andrey Malenko (MIT), Nadya Malenko (BC), Gustavo Manso (MIT), Robert Marquez (BU), Marc Martos-Vila (UCLA), Rich Mathews (Maryland), Jianjun Miao (BU), Konstantin Milbradt (MIT), Martin Oehmke (Columbia), Christian Opp (Wharton), Marcus Opp (Berkeley), Emilliano Pagnotta (NYU), Christine Parlour (Berkeley), Tomasz Piskorski (Columbia), Paul Povel (Houston), Uday Rajan (Michigan), Adriano Rampini (Duke), Matt Rhodes-Kropf (HBS), Francesco Sangiorgi (Stockholm), Lukas Schmid (Duke), Gustav Sigurdsson (Wharton), Raj Singh (Minnesota), Ilya Strebulaev (Stanford), Gunter Strobl (UNC), Alexei Tchisty (Berkeley), Neng Wang (Columbia), Ed van Wesep (UNC), Lucy White (HBS), Vijay Yerramilli (Houston), Bilge Yilmaz (Wharton), Adam Zawadoski (BU), John Zhu (Wharton).