

Katherine P. Waldock

Finance Area

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Citizenship: U.S.

INTERESTS Corporate Bankruptcy, Law and Finance, Small Businesses, Financial Intermediation

EMPLOYMENT **Georgetown University, McDonough School of Business**

Assistant Professor of Finance, 2017 - Present

EDUCATION **New York University, Stern School of Business**

Ph.D., Finance, 2017

M.Phil., Finance, 2016

Harvard University

B.A. *Cum Laude*, Economics (with High Honors), 2010

WORKING PAPERS **Unsecured Creditor Control in Chapter 11**

In Chapter 11 bankruptcy, certain control rights are assigned to an official committee of unsecured creditors. This paper investigates the impact of the official committee on Chapter 11 outcomes using a novel dataset built from raw court documents that covers all cases from 2004-2014 with over \$10 million in assets. We find that the existence of an official committee is associated with a 7-11% increase in the likelihood that the firm is acquired. It also leads to a reduction in the amount of time spent in bankruptcy, particularly for firms that end up acquired. In addition to the main results, we also find that membership composition matters and that certain influential creditors are associated with higher rates of reorganization when they are present on the official committee.

Creditor Rights and Entrepreneurship: Evidence from Fraudulent Transfer Law (with Nuri Ersahin and Rustom M. Irani)

We examine entrepreneurial activity following the adoption of modern-day fraudulent transfer laws in the U.S. These laws strengthen creditor rights by removing the burden of proof from creditors attempting to claw back funds that were transferred out of failing businesses. They are particularly important for entrepreneurs whose personal assets are often commingled with those of the venture. Using establishment-level data from the U.S. Census Bureau, we find significant declines in start-up entry, churning among new entrants, and closures of existing ventures after the passage of these laws. Our findings suggest that strengthening creditor rights can, in some circumstances, impede entrepreneurial activity and slow down the process of reallocating capital from failing to new businesses.

Seizing Opportunities: How Weak Governance Facilitates Deal-making (with Ofer Eldar and Jillian P. Grennan)

We examine whether and to what extent a corporation's ability to waive the corporate opportunity doctrine, which is a critical element of a director's duty of loyalty, shapes its ability to raise capital. We use the staggered adoption of state legislation from 2000 to 2015 that permits the waiver of the corporate opportunity doctrine to identify if this weaker form of governance can serve as a tool for attracting venture capital (VC) or private equity (PE) investment. We find that the ability to waive the corporate opportunity doctrine is associated with more deals, larger deal values, and more late-stage investments in entrepreneurial firms. The capital is accompanied by more directorships for VC and PE investors and a thickening of those investors' overall networks among firms in treated states. That weaker governance catalyzes such investment has important implications for our understanding of law and finance, the mentoring of entrepreneurs, and decision to remain private.

WORKS IN
PROGRESS

The Determinacy of Corporate Bankruptcy *Draft coming soon*

Negotiation in Chapter 11 *Draft coming soon*

The Evolution of Risk: Evidence from Natural Language Processing (with Lee Pinkowitz and Rohan Williamson)

Spillover Effects of Bankruptcy: Evidence from the Indian Insolvency and Bankruptcy Code (with Nirupama Kulkarni, S.K. Ritadhi, and Siddharth Vij)

Multinational Bankruptcy (with James Albertus, Sreedhar Bharath, and Edith Hotchkiss)

TEACHING
EXPERIENCE

Georgetown University

Instructor

Undergraduate Applied Financial Management (Teaching Rating: 4.7/5)

New York University

Instructor

Undergraduate Corporate Finance (Teaching Rating: 6.4/7)

Teaching Assistant

MBA Risk Management in Financial Institutions, Professor Anthony Saunders

MSRM Risk Management in Financial Institutions, Professor Anthony Saunders

Executive MBA Foundations of Finance, Professor Anthony Lynch

MBA Corporate Finance, Professor Philipp Schnabl

MBA Risk Management in Financial Institutions, Professor Sinan Cebenoyan

Jones Day

Teaching Assistant

Global Finance Training, Professor David Scharfstein

AWARDS AND
GRANTS

BlackRock, Applied Research Award Finalist (2016)
Colorado Finance Summit, Best Ph.D. Paper Finalist (2016)
American Association of University Women, American Fellowship (2016)
American Finance Association, Student Travel Grant (2015)
NYU Stern, Jules Bogen Doctoral Fellowship (2015)
NYU Stern, Center for Global Economy and Business Grant (2014)
NYU Stern, Teaching Commendation (2014)
NYU Stern, Doctoral Fellowship (2010, 2011, 2013, 2014)

PROFESSIONAL
ACTIVITIES

Capitalisn't Podcast, Co-host with Luigi Zingales (2017 - Present)
Census Bureau, Special Sworn Status Researcher (2014 - Present)
NBER Retirement Research Center, Consultant (2013)
Office of Financial Research, Intern (2013 - 2014)
Lehman Brothers Capital Markets Group, Intern (Summer 2008)

DISCUSSIONS

T. Babina: *Destructive Creation at Work: How Financial Distress Spurs Entrepreneurship*. American Finance Association Conference (2018)
S. Bernstein, E. Colonnelli, X. Giroud, and B. Iverson: *Bankruptcy Spillovers*. Western Finance Association Conference (2017)
S. Bernstein, E. Colonnelli, and B. Iverson: *Asset Reallocation in Bankruptcy*. Western Finance Association Conference (2016)

POLICY PAPERS

The Budgetary Impact of Ending Drug Prohibition with Jeffrey Miron, Cato Institute White Paper (2010)

ARTICLES

[Trump's Economic Report Misses Mark on Key Issue: Wage Growth](#) The Hill (Feb. 2018)
[Ask The Experts: 2016 Financial Predictions](#) WalletHub (Dec. 2015)
[Drug Legalization – a Windfall for State Budgets](#) Huffington Post (Sep. 2010)

COMMUNITY
SERVICE

New York Center for Children, Junior Board Member (2017 - Present)

Chelsea-Elliott "I Have a Dream" Program, Mentor (2011 - 2012)