

# Katherine P. Waldock

## Finance Area

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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.

**Can Strong Creditors Inhibit Entrepreneurial Activity?** (with Nuri Ersahin and Rustom M. Irani)

We examine startup entry and exit activity following the staggered adoption of modern-day fraudulent transfer laws in the United States. These laws strengthen unsecured creditors rights and are particularly important for entrepreneurs whose personal assets commingle with the firms. Using administrative data from the U.S. Census Bureau, we document declines in startup entry, churning among entrants, and closures of existing firms after these laws pass. Firm financial data shows that entrepreneurs lower leverage by reducing unsecured credit. Our results suggest that excessive creditor rights can reduce entrepreneurs appetite for risk, thereby slowing down the extensive margin process of reallocating resources from failing to new businesses.

**Customizing Governance to Attract Capital** (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 constrains directors from following conflicted interests, helps it to capital. We use the staggered adoption of state legislation to identify if this weaker form of governance can be a tool for attracting venture capital (VC) and private equity (PE) investment. We find that this ability to customize corporate governance is associated with more deals, larger deal values, and more late-stage investments. 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.

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 Ritadhi Chakravarti, Nirupama Kulkarni, 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      **Capitalism'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)