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Eric A. Powers

Associate Professor of Finance and Chair

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Research Interests

Corporate Finance: Restructuring, Capital Investment Policy, Corporate Control, Managerial Turnover, Capital Structure.

Investments: Fixed Income Securities, Make-Whole Call Provisions, Bond Tender Offers.

Education

Massachusetts Institute of Technology – Sloan School of Management

Ph.D. Financial Economics (1993-1998)

Thesis: Corporate Restructuring: An Analysis of Spin-offs, Sell-offs and Equity Carve-outs.

Cornell University – Johnson Graduate School of Management

Masters of Business Administration (1991-1993)

Graduation with Distinction

Cornell University – College of Arts and Sciences

Bachelor of Arts, Mathematics and Computer Science (1982-1986)

Professional Experience

Associate Professor of Finance (2004-present, Department Chair 2021-present)

Assistant Professor of Finance (1998-2004)

Moore School of Business, University of South Carolina

Lieutenant Commander, United States Naval Reserve (1991-1998)

Lieutenant, United States Navy (1986-1991)

Teaching Experience

Finance and Markets (FINA 333): Introductory course for business minors.

Delivered 100% online (2015-Present).

Introduction to Financial Management (FINA 363): Introductory (junior year)

core course for undergraduate business majors at University of South Carolina (1998-2012).

Intermediate Corporate Finance (FINA 365): Case study course focusing on corporate valuation for the Finance Scholars program.

Advanced Corporate Finance (FINA 463): Senior year case study course in corporate finance for undergraduate business majors at University of South Carolina (2000-2003).

Fixed Income Securities (FINA 475): Senior year undergraduate course on valuing and analyzing fixed income securities (2010-2013).

Global Finance (DMSB 715): Core finance class for Moore School International MBA (IMBA) program (2005-2013).

Advanced Financial Management (FINA 761): Case study course in corporate finance for MBA students (2013-Present).

Current Issues in Finance (FINA 866): PhD Corporate Finance seminar (2005, 2007, 2008, 2016)

PhD Research Seminar (FINA 869) (2007, 2009).

Bond Valuation and Bond Portfolio Management: Two week MBA course taught at the University of Puerto Rico – Rio Piedras (2007, 2008, 2010, 2011)

Awards and Recognition

Mortar Board Honor Society Excellence in Teaching Award: 2001 and 2002

Nominated for Amoco Outstanding Teacher Award (the University's highest teaching award): 1999, 2001, 2010

Honorary member of Delta Sigma Pi business honor fraternity, 2003.

Publications

Gertner, Robert, Eric Powers, and David Scharfstein, 2002, Learning About Internal Capital Markets from Corporate Spin-offs, *Journal of Finance* 57, 2479-2506. Reprinted in *Corporate Restructuring* edited by John J. McConnell and David J. Denis.

Eric Powers, 2003, "Deciphering the Motives for Equity Carve-outs", *Journal of Financial Research* 26, 31-50.

Mann, Steven V and Eric A. Powers, 2003, Indexing a Bond's Call Price: An Analysis of Make-Whole Call Provisions, *Journal of Corporate Finance* 9, 535-554.

Mann, Steven V and Eric A. Powers, 2003, What is a Make-Whole Call Provision Worth?, *Journal of Bond Trading and Management* 1, no. 4 315-325.

McNeil, Chris, Greg Niehaus, and Eric Powers, 2004, Management Turnover in Subsidiaries of Conglomerate versus Stand-alone Firms, *Journal of Financial Economics* 72, 63-96.

Eric A. Powers, 2005, Interpreting Logit Regressions with Interaction Terms as Seen in the Management Turnover Literature, *Journal of Corporate Finance* 11, 504-522.

Steven C. Mann and Eric A. Powers, 2007, The Determinants of Bond Tender Offer Premiums and the Percentage Tendered, *Journal of Banking and Finance* 31, 547-566 (lead article).

Powers, Eric A., and Sergey Tsyplov, 2008, What is the Cost of Financial Flexibility? Theory and Evidence for Make-whole Call Provisions, *Financial Management* 37, 485-512.

Brown, Scott, Tim Koch, and Eric Powers, 2009, Slippage and the Choice of Market or Limit Orders in Futures Trading, *Journal of Financial Research* 32, 309-336.

Brown, Scott, Jose Julian-Cao, and Eric Powers, 2013, Do Investment Newsletters Move Markets? *Financial Management* 42, 315-338.

Powers, Eric A., and Sudipto Sarkar, 2013, Setting the Optimal Make-whole Call Premium, *Journal of Applied Financial Economics* 23, 461-473.

Powers, Eric, Gang Xiao, 2014, Mispricing of Chinese Warrants, *Pacific Basin Finance Journal* 30, 62-86.

Brown, Scott and Eric Powers, 2020, The Life Cycle of Make-Whole Call Provisions, *Journal of Corporate Finance* 65, 1-23.

Powers, Eric, 2021, The Optimality of Call Provision Terms, *Management Science* 67, 5969-6627.

Working Papers

Powers, Eric, Donghang Zhang and Yafei Zhang, 2020, The Volcker Rule and Borrowing Cost in the Corporate Bond Market.

Work in Progress

Lockwood, James, Eric Powers and Gang Xiao, Price Discovery and Government Ownership of Shares.

Powers, Eric, Critical Differences in Bond Coverage between SDC, Mergent FISD, and Bloomberg.

Powers, Eric and Scott Brown, State Income Tax Changes and Trading of Triple Tax Exempt Municipal Bonds.

Powers, Eric and Sergey Tsyplakov, Asset Sales by Bankrupt Companies: Pre-Packaged Deals or Free-Fall Chapter 11.

Irani, Vahid and Eric Powers, Debt Structure and the Determinants of Merger Terms.

Professional Presentations:

National Bureau of Economic Research Summer Institute, "Learning About Internal Capital Markets From Corporate Spin-offs" August 1999.

University of South Carolina Finance Seminar, "Learning About Internal Capital Markets From Corporate Spin-offs" October 1999.

Eastern Finance Association Conference, "Learning About Internal Capital Markets From Corporate Spin-offs" April 2000.

University of South Carolina Finance Seminar, "Indexing a Bond's Call Price: An Analysis of Make-Whole Call Provisions" October 2000.

London Business School Finance Seminar, "Indexing a Bond's Call Price: An Analysis of Make-Whole Call Provisions" October 2000.

Eastern Finance Association Conference, "Indexing a Bond's Call Price: An Analysis of Make-Whole Call Provisions" April 2001.

Southern Finance Association Conference, "Indexing a Bond's Call Price: An Analysis of Make-Whole Call Provisions" November 2001.

Southern Finance Association Conference, "Spinoffs, Selloffs, and Equity Carveouts: An Analysis of Divestiture Method Choice" November 2001.

University of South Carolina Finance Seminar, "Management Turnover in Subsidiaries of Conglomerate Versus Stand-alone Firms" February 2002.

Southern Finance Association Conference, "Management Turnover in Subsidiaries of Conglomerate Versus Stand-alone Firms" November 2002.

National Bureau of Economic Research, Universities Research Conference on Corporate Governance, "Management Turnover in Subsidiaries of Conglomerate Versus Stand-alone Firms", May 2003.

University of South Carolina Finance Seminar, "Are Make-Whole Call Provisions Overpriced? Theory and Empirical Evidence" October 2003.

Southern Finance Association Conference, "Determinants of Bond Tender Offer Premiums and Tendering Rates" November 2003.

University of South Carolina Finance Seminar, "Determinants of Bond Tender Offer Premiums and Tendering Rates" March 2004.

Southern Finance Association Conference, "What is the Cost of Financial Flexibility: Theory and Evidence for Make-whole Call Provisions" November 2005.

University of South Carolina Finance Seminar, "Setting the Optimal Make-Whole Call Premium" September 2006.

University of North Carolina Charlotte, "Slippage and the Choice of Market or Limit Orders in Futures Contracts", March 2007.

University of Puerto Rico, "The Changing World of Call Provisions in Corporate Debt", April 2007.

Municipal Association of South Carolina, "Fundamentals of Investing Municipal Funds", October 2007.

Financial Management Association Conference, "Slippage and the Choice of Market or Limit Orders in Futures Contracts", October 2007.

Southern Finance Association Conference, "Slippage and the Choice of Market or Limit Orders in Futures Contracts" and "Institutional Ownership and its Effect on Target Capital Structure and Speed of Adjustment", November 2007.

Financial Management Association Conference, "Second-hand News and the Impact of Investment Newsletters", November 2010 (Nominated for a best paper award in investments.)

Southern Finance Association Conference, "Second-hand News and the Impact of Investment Newsletters", November 2010.

University of North Carolina at Charlotte, "The Life-Cycle of Make-Whole Call Provisions", November 2012.

Midwest Finance Association Conference, "The Life-Cycle of Make-Whole Call Provisions", March 2013.

Financial Management Association Conference, "The Life-Cycle of Make-Whole Call Provisions", October 2013.

University of South Carolina, “The Life-Cycle of Make-Whole Call Provisions”, November 2014.

Nordic Corporate Governance Conference, “The Life-Cycle of Make-Whole Call Provisions”, June 2018.

University of South Carolina, “The Optimality of Call Provision Terms”, January 2019.

Financial Management Association Conference, “The Volcker Rule and Borrowing Costs in the Corporate Bond Market”, October 2021.

University Service:

Finance Department Recruiting Committee: 2000-present.
Finance Department Recruiting Committee Chair: 2005-2006, 2009-2012.
Undergraduate Curriculum Review Committee: 2001-2002.
Coordinator of Finance Department Seminar Series: 2000-2004.
Faculty Advisor for undergrad Financial Management Association: 2003-2006.
Moore School Computer Resources Committee: 2003-2009.
Moore School Classroom Design Committee: 2004-2005.
Dean's Faculty Advisory Council: 2004-2005.
Faculty Senate: 2005-2008.
Mentor: Capstone Scholar Program: 2005-2010.
Moore School IMBA Faculty Advisory Committee (2006-2008, 2010-2012).
Finance Department Phd Coordinator (2007-2011, 2015-2016).
Moore School WRDS Data Administrator (2007-2018).
Chairman: Moore School IMBA Task Force (2008-2010).
Moore School Internationalization Task Force (2009-2010).
Chairman: Moore School Accelerated MBA Steering Committee (2010-2013).
Finance Department Undergraduate Internship Coordinator (2010-2020).
Moore School Graduate Faculty Committee (2011-2021).
Chairman: Finance Scholars Program Development Committee (2015).
Online Teaching Task Force (2020-2022).
Chairman – Finance Department (2021-present).

Professional Service:

Board Member – Carolina Collegiate Federal Credit Union (2006-2017)
Treasurer (2006-2012), Board Chairman (2013-2015).

Ad hoc reviewer for

- *Applied Financial Analysis* (2011, 2012)
- *Corporate Governance: An International Review* (2009, 2011).

- *Economic Inquiry* (2004).
- *Financial Management* (2010).
- *Financial Review* (2003, 2004, 2009).
- *International Review of Financial Analysis* (2012).
- *Journal of Accounting, Auditing and Finance* (2018).
- *Journal of Banking and Finance* (2004, 2006).
- *Journal of Corporate Finance* (2004, 2005 (2), 2007 (2), 2008 (2), 2010).
- *Journal of Economics and Business* (2008).
- *Journal of Finance* (2005, 2007).
- *Journal of Financial and Quantitative Analysis* (2007 (2)).
- *Journal of Financial Research* (2002, 2004, 2005 (2)).
- *Journal of Futures Markets* (2018).
- *Journal of International Business Studies* (2011).
- *Management Science* (2018).
- *Managerial Economic Decisions* (2010).
- *Review of Financial Economics* (2007 (2)).

Ad hoc grant request reviewer for Standard Research Grants program of the Social Sciences and Humanities Research Council of Canada (2004).

Program Committee: Eastern Finance Association (2001).

Program Committee: Southern Finance Association (2004, 2007).

Selection Committee: Best Paper in Corporate Finance for Southern Finance Association (2004).

Program Committee: Financial Management Association (2006).

Program Committee: Southern Finance Association (2007).

Program Committee: Mid-West Finance Association (2013-2016)

Participation in Doctoral Dissertations:

Scott Brown: Slippage, The Hidden Cost of Trading (2004).

Volodymyr Zdorovtsov: Firm-Specific News, Extended-Hours Trading, and Variances over Trading and Nontrading Periods (2004).

Gang Xiao: Shareholder Protection and Investment Efficiency (2012).

Jing Huang: Essays in Corporate Finance (2012).

Jimmy Lockwood: Cross Listings and Price Discovery (Dissertation Chair, 2013)

Yijia “Eddie” Zhao: Three Essays in Corporate Finance (2015)

Ashleigh Poindexter: Three Essays on Corporate Finance: A Multilevel Inspection of Target Capital Structure & Convertible Debt Issuance and Market Valuations of Innovative Ability

Robert Viglione: Crypto Finance (2020)

Gerard Pinto: Three Essays on Financial Intermediation (2021).

Consulting:

International Textile Group Merger (2011-2013) – Valuation of textile firm involved in merger.

State of South Carolina vs Bank of New York Mellon (2012-2013) – Analysis of asset-backed securities utilized in securities lending program.

City of Detroit vs Bank of New York Mellon (2013) - Analysis of asset-backed securities utilized in securities lending program.

Alberta Department of Justice vs Enmax Energy and Enmax PSA (2015-2016) – Analysis of economic impact of call provisions in bonds issued by Enmax.
The United States Securities and Exchange Commission vs. Benjamin Sydney Staples and Benjamin O'Neal Staples (2015) – Analysis of economic damages from investment in retail notes with survivor put options.

First Citizens Bank and Trust Company vs Colbert, Anderson and Grand South Bank (ongoing) – Estimation and analysis of economic damages from purported solicitation of customers while under a no-compete clause.

South Carolina Public Service Commission - Analysis of potential rate policies on utility financial strength on behalf of the South Carolina Public Service Commission (ongoing).

Analysis of historical prices of defaulted conduit municipal bonds (ongoing).

State of South Carolina Workers Compensation Commission – Calculation of imputed values and attorneys' fees for multiple cases.

Other:

Coordinator of MBA Independent Study courses in preparation for the Level I and Level II exams for CFA - Certified Financial Analyst (2008-present).