American Law and Economics Association

Eighteenth Annual Meeting

May 16-17, 2008

Columbia Law School
435 West 116th St.
New York, NY 10027-7297
American Law and Economics Association 2007-2008

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Friday, May 16

(All sessions to be held at Columbia Law School)

(Author's name in bold indicates person presenting paper)

8:00 – 8:45:  Registration and Continental Breakfast
Sponsored by Yale University Press

9:00 – 10:30:  Session I:

Panel IA:  Torts I (Room 101)
Panel Chair:  Catherine Sharkey

Robert Cooter and Ariel Porat, “Liability for Lapses: First or Second Order Negligence?”

Nuno Garoupa and Thomas S. Ulen, “The Economics of Activity Levels in Tort Liability and Regulation”

David Gilo and Ehud Guttel, “Liability for Insufficient Risks”

Panel IB:  Corporate Law and Governance I (Room 103)
Panel Chair:  Martijn Cremers


Sudhakar Balachandran, Fabrizio Ferri, David Maber, “Solving the Executive Compensation Problem through Shareholder Votes? Evidence from the U.K.”

Antonio Falato, “Superstars or Superlemons? Top Executive Pay and Corporate Acquisitions”

Panel IC:  Litigation and Settlement (Room 105)
Panel Chair:  Andrew Daughety

Eric Helland and Gia Lee, “Secrecy, Settlements & Medical Malpractice Litigation”


Warren F. Schwartz and Abraham L. Wickelgren, “Credible Discovery, Settlement, and Negative Expected Value Suits”
Panel ID: **Property** *(Room 107)*

*Panel Chair:* Henry Smith

- **Lee Anne Fennell,** “Homeownership 2.0”
- **Dean Lueck** and Gary D. Libecap, “The Demarcation of Land”
- **Max M. Schanzenbach** and Robert H. Sitkoff, “Bequest Puzzles in Economics: A Legal Perspective”

Panel IE: **Political Economy & Public Choice I** *(Room 304)*

*Panel Chair:* Nathaniel Persily

- **Paul Pecorino,** “By-Product Lobbying: Was Stigler Right?”
- Giuseppe Dari-Mattiacci, Sander Onderstal, and **Francesco Parisi,** “Seeking Rents in the Shadow of Coase”
- **Alexander Volokh,** “Privatization, Free Riding, and Industry-Expanding Lobbying”

Panel IF: **Intellectual Property: Patents** *(Room 546)*

*Panel Chair:* Josh Lerner

- **Jing-Yuan Chiou,** “The Patent Quality Control Process: Can We Afford (Rationally) Ignorant Patent Offices”
- **Ronald J. Mann,** “A New Look at Patent Quality”
- **Matthew Sag, Tonja Jacobi,** and Maxim Sytch, “The Effect of Judicial Ideology in Intellectual Property Cases”

Panel IG: **Labor & Employment Law** *(Room 701)*

*Panel Chair:* Orley Ashenfelter

- **Daniel L. Chen** and Jasmin Sethi, “Does Forbidding Sexual Harassment Exacerbate Gender Inequality?”
- **Suzanne Scotchmer,** “Risk Taking and Gender in Hierarchies”
Friday (cont.)

10:30 – 10:45: Coffee Break

10:45 – 12:15: Session II:

Panel IIA: Contracts and Commercial Law I (Room 101)

Panel Chair: Bentley MacLeod

Ernst Fehr, Oliver Hart and Christian Zehnder, “Contracts as Reference Points - Experimental Evidence”

Ariel Porat, “Expanding Restitution: Liability for Unrequested Benefits”

Juliet P. Kostritsky, “Uncertainty, Reliance, Preliminary Negotiations and the Hold Up Problem”

Panel IIB: Securities Regulation (Room 103)

Panel Chair: Stephen Choi

Michal Barzuza and David C. Smith, “Signaling a Lemon: The Decision not to Cross-List and High Private Benefits of Control”

Alicia Davis Evans, “Are Investors’ Gains and Losses From Securities Fraud Equal Over Time? Some Preliminary Evidence”


Panel IIC: Law and Global Investment (Room 105)

Panel Chair: Raymond Fisman

Katharina Pistor, “Global Network Finance: Understanding East-West Linkages between Sovereign Wealth Funds and Private Banks”


Simeon Djankov, Tim Ganser, Caralee McLiesh, Rita Ramalho, Andrei Shleifer, “The Effect of Corporate Taxes on Investment and Entrepreneurship”
Friday (cont.)

Panel IID: Courts and Judges (Room 107)

Panel Chair: Daniel Klerman

Dhammika Dharmapala, Nuno Garoupa, Richard H. McAdams, “Exclusionary Rules Convict the Innocent”

Jonathan R. Nash and Rafael I. Pardo, “An Empirical Investigation into Appellate Structure and the Perceived Quality of Appellate Review”


Panel IIE: Regulatory Decision-making (Room 304)

Panel Chair: Cary Coglianese

Matthew D. Adler, “Risk Equity: A New Proposal”

Jacob E. Gersen and Anne Joseph O’Connell, “The Timing of Regulation”

Matthew C. Stephenson, “Optimal Political Control of the Bureaucracy”

Panel IIF: Tax (Room 546)

Panel Chair: David Schizer

Alex Raskolnikov, “Beyond Deterrence: Targeting Tax Enforcement with a Penalty Default”

Michael S. Knoll, “Business Taxes and International Competitiveness”

Lily L. Batchelder and Surachai Khitatrakun, “Dead or Alive: An Investigation of the Incidence of Estate Taxes versus Inheritance Taxes”

Panel IIG: Civil Rights & Discrimination I (Room 701)

Panel Chair: Peter Siegelman

Yoon-Ho Alex Lee, “Social Perception and Affirmative Action: A Game-Theoretic Analysis”

Lior Jacob Strahilevitz, “Reputation Nation: Law in an Era of Ubiquitous Personal Information”

JJ Prescott, “The Effects of Judge, Prosecutor, and Defendant Race and Gender Interactions on Defendant Outcomes”
Friday (cont.)

12:15 – 1:30:  **Lunch (Mezzanine)**
Sponsored by Cornerstone Research

1:30 – 3:00:  **Session III:**

**Panel IIIA:  Contracts and Commercial Law II (Room 101)**

*Panel Chair:* Robert Scott


**Panel IIIB:  Corporate Law and Governance II (Room 103)**

*Panel Chair:* Roberta Romano

- **Jens C. Dammann** and Matthias Schundeln, “The Incorporation Choices of Privately Held Corporations”

- Murali Jagannathan and **A.C. Pritchard**, “Does Delaware Entrench Managers?”


**Panel IIIIC:  Bankruptcy I (Room 105)**

*Panel Chair:* Douglas Baird


- Sarah W. Carroll and **Wenli Li**, “The Homeownership Experience of Households in Bankruptcy”

- **Adam J. Levitin** and Joshua Goodman, “Mortgage Market Sensitivity to Bankruptcy Modification”
Friday (cont.)

Panel IIID:  **Property & Environmental** *(Room 107)*

*Panel Chair:* Thomas Merrill

- Abraham Bell and Gideon Parchomovsky, “Compensating Against Corruption”
- Eric Kades, “A Positive Theory of Eminent Domain”
- Jonathan R. Nash, “Allocation and Uncertainty: Strategic Responses to Environmental Grandfathering”

Panel IIIE:  **Criminal Law: Empirical** *(Room 304)*

*Panel Chair:* Thomas Miles

- Brian Rowe, “Gender Bias in the Enforcement of Traffic Laws: Evidence Based on a New Empirical Test”
- Fritz Foley, “Welfare Payments and Crime”
- Thomas Stratmann and Michael D. Makowsky, “Political Economy at Any Speed: Determinants of Traffic Citations”

Panel IIIF:  **Intellectual Property** *(Room 546)*

*Panel Chair:* Christopher S. Yoo

- Dotan Oliar and Christopher Sprigman, “The Emergence of Intellectual Property Norms in Stand-Up Comedy”

Panel IIIG:  **Political Economy & Public Choice II** *(Room 701)*

*Panel Chair:* Roderick Hills

- Ezra Friedman, “Do Small Governments Make Bad Neighbors”
- Filipe R. Campante and Quoc-Anh Do, “Inequality, Redistribution, and Population”
- Yehonatan Givati, “Strategic Statutory Interpretation by Administrative Agencies”
Friday (cont.)

3:00 – 3:15:   Coffee Break

3:15 – 4:45:   Session IV:

Panel IVA:   Corporate Governance around the World I (Room 101)
   Panel Chair: Rene Stultz

   Holger Spamann, “Measuring Legal Shareholder Protection - Revisiting ‘Law and Finance’”


Panel IVB:   Torts II (Room 103)
   Panel Chair: A. Mitchell Polinsky

   Andrew F. Daughety and Jennifer F. Reinganum, “Population-Based Liability Determination, Mass Torts, and the Incentives for Suit, Settlement, and Trial”

   Eric Helland and Alexander Tabarrok, “Product Liability and Moral Hazard: Evidence from General Aviation”


Panel IVC:   Lawyers, Judges, and Juries (Room 105)
   Panel Chair: Jennifer Reinganum

   Rosa Ferrer, “The Effect of Lawyers' Career Concerns in Litigation”


   Stephen J. Choi, Jill E. Fisch, and A.C. Pritchard, “Attorney as Arbitrators”
Panel IVD:  **Antitrust and Regulation I** *(Room 107)*

*Panel Chair:* Edward Iacobucci

- **Ittai Paldor**, “RPM as an Exclusionary Practice”
- **Antonio Nicita**, “Consumers Win-back as Exclusionary Conduct: Some Insights for Antitrust Law”
- **Claudia M. Landeo** and Kathryn Spier, “Naked Exclusion: An Experimental Study of Contracts with Externalities”

Panel IVE:  **Family & Gender** *(Room 304)*

*Panel Chair:* Amy Wax

- **Betsey A. Stevenson** and Justin Wolfers, “Paradox of Declining Female Happiness”
- **Rick Geddes**, Dean Lueck, and Sharon Tennyson, “The Effects of Expanding Women’s Rights”

Panel IVF:  **Public Law** *(Room 546)*

*Panel Chair:* Steven Croley

- **Donald Wittman**, “What is So Special about Special Interest Politics?”

Panel IVG:  **International Law** *(Room 701)*

*Panel Chair:* Oona Hathaway

- **Andrew T. Guzman**, “International Tribunals: A Rational Choice Analysis”
- **Vincy Fon**, “Linking International Issues”
5:30 – 6:45: Cocktails
Sponsored by The Federalist Society

7:00
ALEA Annual Dinner
Sponsored by Columbia Law School

Speaker: Michelle White, University of California, San Diego

Lerner Hall, 115th & Broadway
Saturday, May 17

8:00 – 9:00:  Continental Breakfast

9:00 – 10:30:  Session V:

Panel VA:  Theory of the Firm  (Room 101)

Panel Chair:  Henry Hansmann

  Brian Broughman, “Independent Directors and Board Control in Venture Finance”

  Oliver Hart, “Hold-Up, Asset Ownership, and Reference Points”

  Giorgio Zanarone, “The Role of Decision Rights in Incomplete Contracts: The Case of Automobile Franchising”

Panel VB:  Torts III  (Room 103)

Panel Chair:  David Rosenberg

  Jennifer Arlen, “Contracting Over Malpractice Liability”

  Fernando Gomez and Jose Penalva, “Insurance and Tort: Coordination Systems and Imperfect Liability Rules”

  Cass R. Sunstein, “Illusory Losses”

Panel VC:  Behavioral Law & Economics  (Room 105)

Panel Chair:  Kathryn Zeiler

  Sumit Agarwal, John C. Driscoll, Xavier Gabaix, and David Laibson, “The Age of Reason: Financial Decisions over the Lifecycle”

  Seth A. Seabury, “Inferring Beliefs about Potential Trial Outcomes Using Jury Verdicts in Civil Litigation”

  John Hagedoorn and Geerte Hesen, “Complexity and the Cognitive Load Of R&D Alliance Contracts: An Experimental Study”
Panel VD:  **Antitrust and Regulation II** *(Room 107)*

*Panel Chair:*  Aaron Edlin

- **Eberhard Feess** and Ansgar Wohlschlegel, “All-Unit Discounts and Competing Entrants”
- **Gillian K. Hadfield**, “Legal Barriers to Innovation: The Growing Economic Cost of Professional Control over Corporate Legal Markets”

Panel VE:  **Financial Institutions** *(Room 304)*

*Panel Chair:*  Assaf Hamdani

- David Reiffen and **Michael A. Robe**, “Ownership Structure & Enforcement Incentives at Self-Regulatory Financial Exchanges”
- **Donato Masciandaro**, “Politicians and Financial Supervision outside the Central Bank: Why Do They do it?”
- Yaxuan Qi, **Lukas Roth**, and John K. Wald, “Political Rights and the Cost of Debt”

Panel VF:  **Health Law** *(Room 546)*

*Panel Chair:*  Anup Malani

- Adeline Delavande, Dana Goldman, and **Neeraj Sood**, “Criminal Prosecution and HIV-related Risky Behavior”
- **J. Mark Ramseyer**, “Talent and Expertise under Universal Health Insurance: The Case of Cosmetic Surgery in Japan”
- **Andrew M. Francis** and **Hugo M. Mialon**, “Tolerance and HIV”

10:30 – 10:45:  **Coffee Break**
Saturday (cont.)

10:45 – 12:15:  **Session VI:**

**Panel VIA:**  **Corporate Governance around the World II (Room 101)**

*Panel Chair:* Vikramaditya Khanna


- **Érica Gorga**, “Changing the Paradigm of Stock Ownership: From Concentrated Towards Dispersed Ownership? Evidence from Brazil and Consequences For Emerging Countries”

- **Stavros Gadinis**, “Is Investor Protection the SEC’s Top Priority? Evidence from Enforcement against Broker-Dealers”

**Panel VIB:**  **Contracts and Commercial Law III (Room 103)**

*Panel Chair:* Jason Johnston

- **Emily Kadens**, “Merchants, Kings, and the Codification of Commercial Law”


**Panel VIC:**  **Civil Rights and Discrimination II (Room 105)**

*Panel Chair:* Richard Brooks


- **Alok Kumar** and Justin Wolfers, “Do Analysts Discriminate? Evidence of In-group Bias?”

- **Enrichetta Ravina**, “Beauty, Personal Characteristics and Trust in Credit Markets”

**Panel VID:**  **Negotiations and Dealmaking (Room 107)**

*Panel Chair:* Guhan Subramanian

- **Albert H. Choi**, “Integrating an Agreement to Induce Information Disclosure”


- **Liza S. Vertinsky**, “Reconsidering Patent Licensing in the Aftermath of Medimmune”
Saturday (cont.)

Panel VIE:  **International Economic Law** *(Room 304)*

*Panel Chair:* Michael Trebilcock

- **Mostafa Beshkar**, “Trade Skirmishes and Safeguards: A Theory of the WTO Dispute Settlement Process”
- Robert W. Staiger and **Alan O. Sykes**, “Currency Manipulation in World Trade”
- **Joel P. Trachtman**, “The International Law of Economic Migration”

Panel VIF: **Family & Gender: Fiscal Policy** *(Room 546)*

*Panel Chair:* Gillian Hadfield

- **Howard F. Chang**, “Immigration Restriction as Redistributive Taxation: Working Women and the Costs of Protectionism in the Labor Market”
- Margaret F. Brinig and Steven L. Nock, “Legal Status and Effects on Children”

12:15 – 1:30:  **Lunch (Mezzanine)**

Sponsored by Analysis Group

1:30 – 3:00  **Session VII:**

Panel VIIA:  **Corporate Law and Governance III** *(Room 101)*

*Panel Chair:* Eric Talley

- **Robert Daines**, “Rating the Ratings: How Good are Commercial Corporate Governance Ratings”
- **Dalida Kadyrzhanova** and Matthew Rhodes-Kropf, “Concentrating on Governance”
- **James C. Spindler**, “Vicarious Liability for Bad Corporate Governance: Are we Wrong about 10b-5?”
Saturday (cont.)

Panel VIIB:  **Rules and Legal Systems** *(Room 103)*

*Panel Chair:* Giuseppe Dari-Mattiacci

- **Kristoffel Grechenig** and **Martin Gelter,** “The Transatlantic Divergence in Legal Thought: American Law and Economics vs. German Doctrinalism”

Panel VIIC:  **Bankruptcy II** *(Room 105)*

*Panel Chair:* Kenneth M. Ayotte

- **Vedran Capkun** and Lawrence A. Weiss, “Bankruptcy Resolution and the Restoration of Priority of Claims”
- **Tom Chang** and Antoinette Schoar, "Judge Specific Differences in Chapter 11 and Firm Outcomes"
- **Stephen J. Lubben,** "Corporate Reorganization and Professional Fees"

Panel VIID:  **Political Economy and Public Choice III** *(Room 107)*

*Panel Chair:* Jacob Gersen

- **Stephen J. Choi,** G. Mitu Gulati, and Eric A. Posner, “Professionals or Politicians: The Uncertain Empirical Case for an Elected Rather than Appointed Judiciary”
- **Brian D. Galle,** “Federal Grants, State Decisions”

Panel VIIE:  **Law and Development** *(Room 304)*

*Panel Chair:* Robert Cooter

- **Krishnamurthy V. Subramanian, Frederick Tung,** and Xue (Sue) Wang, “Law, Agency Costs and Project Finance: An Empirical Analysis”
- **Adam Feibelman,** “Regulation of Consumer Finance as Development Policy”
Panel VIIF: Criminal Law: Theory (Room 546)

Panel Chair: Stephen Shavell


Shmuel Leshem, “The Effects of the Right to Silence on the Innocent’s Decision to Remain Silent”

Svetlana Andrianova and Nicolas Melissas “Corruption, Extortion, and the Boundaries of the Law”

3:00 Wine and Cheese Reception (Mezzanine)