American Law and Economics Association

Twenty-First Annual Meeting

May 20-21, 2011

Columbia Law School

Jerome Greene Hall
435 West 116th Street
(Corner of Amsterdam & 116th Street)
American Law and Economics Association 2010-2011

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Friday, May 20

(All sessions to be held in Jerome Green Hall at Columbia Law School)

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

8:00 – 8:45: Registration and Continental Breakfast

9:00 – 10:30: Session I:

Panel IA: Procedure I: Lawyers (Room 102)

Panel Chair: Geoffrey Miller

Andrew F. Daughety and Jennifer F. Reinganum, "Search, Bargaining, and Agency in the Market for Legal Services"

Siddhartha Bandyopadhyay and Bryan C. McCannon, "The Effect of the Election of Prosecutors on Criminal Trials"

Yuk-fai Fong and Frances Xu, "Defense Attorney's Fee Structure: a Signaling Explanation"

Panel IB: Antitrust I: Theory (Room 101)

Panel Chair: Jonathan Baker

Eray Cumbul, "Welfare Effects of Horizontal Mergers in Differentiated Product Markets under Cournot and Bertrand Game Settings"

Anne Duchene, Debapriya Sen, and Konstantinos Serfes, "Patent Licensing Contracts and Entry Deterrence"

Carmine Guerriero, "The Political Economy of (De)Regulation: Theory and Evidence from the U.S. Electricity Market"

Panel IC: Contract Law I: Formal Models (Room 103)

Panel Chair: Florencia Marotta-Wurgler

Francesco Parisi, Giuseppe Dari Mattiacci, and Sander Onderstal, "Inverse Adverse Selection: The Market for Gems"

Tracy R. Lewis and Alan Schwartz, "Long Term Contracting with Private Information"

Zhiyong Liu and Ronen Avraham, "Investment Incentives and Efficiency under Optional Remedies"
Friday (cont.)

Panel ID:  Tort Law I: Theory (Room 107)

Panel Chair: Ronen Avraham

Ariel Porat, "Misalignments in Tort Law"

Alexander Stremitzer, "Restoring Causation through Proportional Liability: How More Lenient Sanctions Lead to Higher Compliance"

Ehud Guttel and Shmuel Leshem, "Buying the Right to Harm: The Economics of Buyouts"

Panel IE:  Corporate and Securities I: Takeovers (Room 106)

Panel Chair: Marcel Kahan

Thomas W. Bates and David A. Becher, "Bid Resistance by Takeover Targets: Managerial Bargaining or Bad Faith?"

Jordan Michael Barry and John William Hatfield, "Takeover Defenses and Adverse Selection"


Panel IF:  Administrative Law I: Administrative Agencies (Room 105)

Panel Chair: Bert Huang

Griffin Edwards, "A Selection-Corrected Estimate of Chevron’s Impact on Agency Deference"


W. Kip Viscusi, "Policy Challenges of the Heterogeneity of the Value of Statistical Life"

10:30 – 11:00: Coffee Break
Friday (cont.)

11:00 – 12:30:  Session II:

Panel IIA:  Functions of Law (Room 101)

Panel Chair:  Barak Richman

Gillian K. Hadfield and Barry R. Weingast, "What is Law? A Coordination Model of the Characteristics of Legal Order"

Robert Cooter and Aaron Edlin, "Law and Growth Economics: A Framework for Research"

Steven Shavell, “When is Compliance with the Law Socially Desirable?”

Panel IIB:  Property Law I:  Property Theory (Room 102)

Panel Chair:  Michael Heller

Abraham Bell and Gideon Parchomovsky, "Governing Property By Auction"

Lee Fennell, "Property and Precaution"

Yun-chien Chang and Henry E. Smith, "An Economic Analysis of Civil versus Common Law Property"

Panel IIC:  History, Law Schools (Room 103)

Panel Chair:  Daniel Klerman

Henry Hansmann and Mariana Pargendler, "Voting Restrictions in 19th Century Corporations: Investor Protection or Consumer Protection?"

Giuseppe Dari-Mattiacci, “Slavery and Freedom: Reasons and Consequences of the Use of Rewards"


Panel IID:  Corporate and Securities II:  Executive Compensation (Room 104)

Panel Chair:  Reinier Kraakman

Jeffrey N. Gordon, "Corporate Governance and Executive Compensation in Financial Firms: The Case for Convertible Equity-Based Pay"

Mark Carey and Bo Sun, "Stock or Option: Compensation Design and Risk Choices"

Yonca Ertimur, Fabrizio Ferri, and David Maber, "Reputation Penalties for Poor Monitoring of Executive Pay: Evidence from Option Backdating"
Friday (cont.)

Panel IIE: Employment Law and Family (Room 105)

Panel Chair: Amy Wax

Marcello Basili, Alessandro Innocenti, and Antonio Nicita, "Workers' Right to Virtual Strike. An Experiment"

On Amir and Orly Lobel, "Innovation Motivation: Behavioral Effects of Post-Employment Restrictions"

Yehonatan Givati and Ugo Troiano, "Law, Economics and Culture: Theory and Evidence from Maternity Leave Laws"

Panel IIF: Criminal Law I: Punishment and Race (Room 106)

Panel Chair: Nuno Garoupa

Jean N. Lee, "The Process is the Punishment: Juror Demographics and Case Administration in State Courts"

Joshua Fischman and Max Schanzenbach, "Racial Disparities, Judicial Discretion, and the United States Sentencing Guidelines"

Murat C. Mungan, "Optimal Warning Strategies in Law Enforcement"

Panel IIG: Taxation I (Room 107)

Panel Chair: Nancy Staudt

Mihir Desai and Dhammika Dharmapala, "An Alternative Transfer Pricing Norm"

Thomas J. Brennan and Robert L. McDonald, "Deconstructing the Taxation of Packaged Financial Strategies"

Yair Listokin, "Taxation and Liquidity"

12:30 - 2:00: Lunch – Faculty House (adjacent to the Law School)
Sponsored by Cornerstone Research
2:00– 3:30: **Session III:**

**Panel IIIA: Tort Law II: Empirical (Room 101)**

Panel Chair: W. Kip Viscusi

- **Anup Malani** and Julian Reif, "Accounting for Anticipation Effects: An Application to Medical Malpractice Tort Reform"

- **Jun Zhou**, "The Predictability of Noneconomic Damages in Medical Malpractice Settlements and Litigations: Evidence from Texas since 1988"

- **Myungho Paik**, Bernard S. Black, David A. Hyman, and Charles M. Silver, "Will Tort Reform Bend the Cost Curve? Evidence from Texas"

**Panel IIIB: Intellectual Property I: Patents (Room 103)**

Panel Chair: Michael Meurer

- **C. Scott Hemphill** and Mark A. Lemley, "Earning Exclusivity: Generic Drug Incentives and the Hatch-Waxman Act"

- **Jonathan Masur**, "Patent Inflation"

- **Thomas F. Cotter**, "An Economic Analysis of Patent Law's Inequitable Conduct Doctrine"

**Panel IIIC: Procedure II: Litigation (Room 102)**

Panel Chair: Anthony Niblett

- Amy Farmer and **Paul Pecorino**, "Pretrial Bargaining with Asymmetric Information and Endogenous Expenditure at Trial"

- Francesco Parisi, **Barbara Luppi**, and Davide Ferrari, "Jury Size and the Hung-Jury Paradox"

- **Scott Baker** and Anup Malani, "Does Accuracy Improve the Informational Value of Trials"
Panel IID: Corporate and Securities III: Financial Markets (Room 105)

Panel Chair: Edward Iacobucci

Ryan Bubb and Alex Kaufman, "Securitization and Moral Hazard: Evidence from a Lender Cutoff Rule"

Edward G. Fox, Merritt B. Fox, and Ronald J. Gilson, "Economic Crisis and Share Price Unpredictability: Reasons and Implications"

John Armour, Colin Mayer, and Andrea Polo, “Regulatory Sanctions and Reputational Damage in Financial Markets”

Panel IIE: Antitrust II: Regulation (Room 107)

Panel Chair: William Bishop

James C. Cooper and Joshua D. Wright, "State Regulation of Alcohol Distribution: The Effects of Post & Hold Laws on Consumption and Social Harms"

Koki Arai, "Ex-post Examination of Business Combination: Impacts on Retail Prices"

Yuliya V. Bolotova and Andrew M. Novakovic, "The Effect of the New York State Milk Price Gouging Law on the Performance of Fluid Whole Milk Market: An Empirical Analysis"

Panel IIIF: Bankruptcy I: Empirical (Room 106)

Panel Chair: Richard Hynes

Daniel Sullivan and Frank McIntyre, "Long-Term Income Stagnation among the Bankrupt"

Deniz Anginer and A. Joseph Warburton, "The Chrysler Effect: The Impact of the Chrysler Bailout on Borrowing Costs"

Yilan Xu, "Does Mortgage Deregulation Increase Foreclosure? Evidence from Cleveland"

3:30 – 4:00: Coffee Break
Friday (cont.)

4:00 – 5:30:  **Session IV:**

Panel IVA:  **Contract Law II: Law and Economics of Contracts** *(Room 101)*

*Panel Chair:* Avery Katz

- Adam B. Badawi, "Self-Help and the Rules of Engagement"
- Bernhard Ganglmair, "Material Breach of Contract and Rejection with Imperfect Expectation Damages"
- Florencia Marotta-Wurgler, "Does Disclosure Matter?"

Panel IVB:  **Tort Law III: Empirical** *(Room 102)*

*Panel Chair:* Joanna Shepherd

- Andrea Leiter, Magdalena Thöni, and Hannes Winner, "Evaluating Human Life Using Court Decisions on Damages for Pain and Suffering"
- Antonio Nicita and Simona Benedettini, "Measuring the ‘Peltzman Effect’ under a Penalty Point System"
- Levon Barseghyan, Francesca Molinari, Ted O'Donoghue, and Joshua C. Teitelbaum, "The Nature of Risk Preferences: Evidence from Insurance Choices"

Panel IVC:  **International Law** *(Room 103)*

*Panel Chair:* John Allinson

- Cheryl Long, "Chinese Courts in Transition: Evolution, Causes, and Effects"
- Eric A. Posner and Alan O. Sykes, "Noncompliance and Remedies in International Law"
- Kate Litvak, "The Effect of Immigration Laws on Firms’ Financial Decisions"
Friday (cont.)

Panel IVD: Administrative Law II: Government Structure and Policy (Room 107)

Panel Chair: Jacob Gersen

Bernd Hayo and Stefan Voigt, "Endogenous Constitutions: Politics and Politicians Matter, Economic Outcomes Don't"

Brian Galle, "The Politics of Federalism: Self-Interest or Safeguards? Evidence from Congressional Control of State Taxation"

Nuno Garoupa and Tom Ginsburg, "Hybrid Judicial Career Structures: Reputation v Legal Tradition"

Panel IVE: Corporate and Securities IV: Empirical (Room 106)

Panel Chair: Alicia Davis

Henry Hansmann and Steen Thomsen, "Virtual Ownership and Managerial Distance: The Governance of Industrial Foundations"

Anup Agrawal and Tareque Nasser, "Corporate Financial and Investment Policies in the Presence of a Blockholder on the Board"

Michal Barzuza, "Self Selection and Market Segmentation in the Market for Corporate Law"

Panel IVF: Employment Law and Discrimination (Room 105)

Panel Chair: Orley Ashenfelter

Amy L. Wax, "Disparate Impact Realism"

Joni Hersch, "Sexual Harassment Risks and Pay Premiums"

Shamena Anwar, Patrick Bayer, and Randi Hjalmarsson, "Jury Discrimination in Criminal Trials"

5:30 – 6:30: Cocktails - Low Memorial Library Rotunda (Located on Campus Walk (116th Street))

Sponsored by The Analysis Group

6:30: ALEA Annual Dinner – Low Memorial Library Rotunda

Presiding: Louis Kaplow, President, President, ALEA

Speaker: John Donohue, Vice President, ALEA
Saturday, May 21

8:00 – 9:00:  Continental Breakfast

9:00 – 10:30:  Session V:

Panel VA:  Administrative Law III: Institutions and Transitions (Room 101)

Panel Chair:  Cathy Hafer

Allison L. Westfahl Kong and Richard L. Revesz, "Regulatory Change and Optimal Transition Relief"

Barak Y. Orbach and Frances R. Sjoberg, "The Clucking Theorem: Legal Transitions, Civility Norms, and Social Costs"


Panel VB:  Taxation II (Room 102)

Panel Chair:  Mihir Desai

Michelle J. White, Daria Burnes, and David Neumark, "Fiscal Zoning and Sales Taxes: Do Higher Sales Taxes Lead to More Retailing and Less Manufacturing?"

Victor Fleischer, "Taxing Founders' Stock"

David I. Walker, "The Taxation of Punitive Damages Liabilities"

Panel VC:  Corporate and Securities V: Venture Capital and LBOs (Room 103)

Panel Chair:  Stephen J. Choi

Ola Bengtsson and Dan Bernhardt, "The Role of Lawyers in Venture Capital Contracting: Theory and Evidence"

Ola Bengtsson and S. Abraham Ravid, "Geography and Style in Private Equity Contracting: Evidence from the U.S. Venture Capital Market"

Jerry Cao, Douglas Cumming, and Meijun Qian, "Law, Investor Protection and LBOs"
**Saturday (cont.)**

**Panel VD: Criminal Law II: Law Enforcement** *(Room 107)*

Panel Chair: Anne Morrison Piehl

Badi Hasisi, **Yoram Margalioth**, and Liav Orgad, "Ethnic Profiling in Airport Screening: Lessons from Israel, 1968-2010"

**David S. Abrams**, "Building Criminal Capital vs Specific Deterrence: The Effect of Incarceration Length on Recidivism"


**Panel VE: Procedure III: Judges** *(Room 106)*

Panel Chair: Ezra Friedman

**Benjamin Alarie**, Andrew J. Green, and Edward Iacobucci, "Is Bigger Always Better? On Optimal Panel Size, with Evidence from the Supreme Court of Canada"

**Carlos Berdejo**, "It's the Journey, not the Destination: Judicial Preferences and Decision-making in the Ninth Circuit"


**Panel VF: Bankruptcy II: Theory** *(Room 105)*

Panel Chair: Douglas Baird

**Anthony J. Casey**, "The Creditors' Bargain and Option-Preservation Priority in Chapter 11"

**Richard Hynes**, “Redeeming Reorganization”

**Patrick Bolton** and Martin Oehmke, “Should Derivatives be Senior?”

10:30 – 11:00: **Coffee Break**
Saturday (cont.)

11:00 – 12:30:  Session VI:

Panel VIA:  Tort Law IV: Theory (Room 101)

Panel Chair:  Kathy Zeiler

- **David Gilo**, Ehud Guttel, and Erez Yuval, "Negligence, Strict Liability and Collective Action"

- **Abraham L. Wickelgren**, "Settlement and the Strict Liability-Negligence Comparison"

- Giuseppe Dari-Mattiacci and **Luigi Alberto Franzoni**, "Innovation and Liability Law"

Panel VIB:  Intellectual Property II (Room 103)

Panel Chair:  Ben Roin

- **Alejandro Zentner**, "Ten Years of File Sharing and its Effect on International Sales of Copyrighted Music: An Empirical Analysis Using a Panel of Countries"

- **Dotan Oliar**, "Copyright Law and Technological Change"


Panel VIC:  Procedure IV: Politics and Judges (Room 102)

Panel Chair:  John de Figueiredo


- **Joanna M. Shepherd** and Michael Kang, "The Partisan Price of Justice: An Empirical Analysis of Campaign Contributions and Judicial Decisions"

- **John R. Lott, Jr.**, "What Does the American Bar Association Judicial Rating Really Measure?"
Panel VID:  **Environmental Law** *(Room 107)*

*Panel Chair:* Henry Smith

- Howard F. Chang and Hilary Sigman, "The Effect of Allowing Pollution Offsets with Imperfect Enforcement"
- Jonathan Masur and Eric Posner, "Climate Regulation and the Limits of Cost-Benefit Analysis"
- Richard L. Revesz and Matthew R. Shahabian, "Climate Change and Future Generations"

Panel VIE:  **Corporate and Securities VI: Governance** *(Room 106)*

*Panel Chair:* Jill Fisch

- Bo Becker, Dan Bergstresser, and Guhan Subramanian, "Does Shareholder Proxy Access Improve Firm Value? Evidence from the Business Roundtable Challenge"
- Lucian A. Bebchuk, Alma Cohen and Charles C.Y. Wang, "Learning and the Disappearing Association between Governance and Returns"

Panel VIF:  **Antitrust III: Exclusion** *(Room 105)*

*Panel Chair:* Aaron Edlin

- Edward M. Iacobucci and Ralph A. Winter, "Collusion on Exclusion"
- Kathryn E. Spier and Claudia M. Landeo, "Vertical Contracts and Market Foreclosure: An Experimental Study of Exclusive Dealing under Social Preferences"
- Sue H. Mialon, "Exclusionary Bundling: The Motive for Merger"

12:30 – 1:45:  **Lunch – Faculty House (adjacent to the Law School)**

*Sponsored by The Federalist Society*
Saturday (cont.)

1:45 – 3:15  
**Session VII:**

**Panel VIIA:**  
**Administrative Law IV: Judiciary (Room 101)**

*Panel Chair:* Joshua Fischman

Matthew C. Stephenson and Justin Fox, "Judicial Review, Political Competition, and Minority Interests"

Michael D. Gilbert, "Judicial Independence and Social Welfare"

Raphael Franck, "Judicial Impartiality in Politically-Charged Cases"

**Panel VIIB:**  
**Criminal Law III (Room 102)**

*Panel Chair:* Richard McAdams

Stéphane Mechoulan and Nicolas Sahuguet, "Assessing Racial Discrimination in Parole Release"

Richard T. Boylan, "The Effect of Punishment Severity on Plea Bargaining"

Tonja Jacobi, "The Perverse Effect of the Exclusionary Rule on Guilt and Innocence"

**Panel VIlC:**  
**Property Law II (Room 107)**

*Panel Chair:* Richard Brooks

Cherie Metcalf and Ian Keay, "Property Rights, Resource Access and Long Run Growth"

Keren Mertens Horn and Katherine O'Regan, "The Low Income Housing Tax Credit and Racial Segregation"

Oren Bar-Gill and Nicola Persico, "Possessory Interests and Property Rules"

**Panel VIID:**  
**Corporate and Securities VII (Room 103)**

*Panel Chair:* Jeffrey N. Gordon

John Armour, Brian Cheffins, and Bernie Black, "Delaware’s Balancing Act"

Brian Broughman, "Entrepreneur Wealth and the Value of Limited Liability"

Gerard Hertig, "Governments as Vulture Investors: Credit Crisis Case Studies"
Panel VIIIE:  
**Contract Law III: Experimental Studies of Contracting** (Room 105)

*Panel Chair:* Eric Posner

Claudine Desrieux and Jean Beuve, "Relational Contracts and Endogenous Contractual Incompleteness: Experimental Evidence"

Doron Teichman and Yuval Feldman, "Are all Contractual Obligations Created Equal?"

Zev J. Eigen, "When and Why Individuals Obey Form-Adhesive Contracts: Experimental Evidence of Consent, Compliance, Promise and Performance"

Panel VIIIF:  
**Tort Law V: Theory** (Room 106)

*Panel Chair:* Robert Cooter

Albert Choi and Kathryn E. Spier, "Should Consumers be Permitted to Waive Products Liability? Product Safety, Private Contracts, and Adverse Selection"

Gerrit De Geest, "Who Should be Immune from Tort Liability?"

Ariel Porat and Avraham D. Tabbach, "Willingness to Pay, Death, Wealth and Damages"

3:15  
**Wine and Cheese Reception**  
Located on the first floor of Jerome Green Hall