

**KENNETH M. EADES**

June 2021

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Darden Graduate School of Business  
University of Virginia  
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Charlottesville, VA 22903  
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**EDUCATION:** Purdue University, 1975-1980, Received PhD in Finance, August, 1980.  
University of Kentucky, 1967-1971, Received BS in Electrical Engineering, December, 1971.

**SCHOLASTIC**

**AWARDS:** Wells Fargo Award for Excellence in a Case Series 2016  
Paul Tudor Jones Research Professorship (2011-2013)  
First Wachovia Award for Excellence in Case Writing 2006  
Nominated for best corporate finance paper in *The Journal of Finance* 2000.  
First Wachovia Award for Excellence in Research 1990, 2000  
Outstanding Teaching Award from Kellogg School of Management 1987.  
Richard D. Irwin Doctoral Fellowship 1978-1979.  
Outstanding Graduate Instructor Award from Purdue University School of Management 1976-1977.  
Graduated "With Distinction" from University of Kentucky BSEE 1971.

**PROFESSIONAL**

**INTERESTS:** Teaching: Corporate Finance, Investments, Capital Markets.  
Research: Corporate finance issues including dividend policy, mergers and acquisitions, pension funds, and pricing of convertible securities.

**EMPLOYMENT:** 2018 – University of Virginia Professor Emeritus  
1999 - 2018 University of Virginia: Professor of Business Administration at Darden School. Finance Area Coordinator (1995-2018), Academic Director of Mayo Center for Asset Management (2013-2016), University of Virginia Law School (2002-2004).  
1988 - 1999 University of Virginia: Associate Professor of Business Administration at Darden School.

1986 - 1987 Northwestern University: Visiting Assistant Professor of Finance.  
1980 - 1988 University of Michigan: Assistant Professor of Finance.  
1979 - 1980 Purdue University: Visiting Assistant Professor of Finance.  
1975 - 1979 Purdue University: Finance Lecturer.  
1971 - 1975 South Central Bell Telephone: Planning Engineer.

## **PUBLICATIONS:**

Articles:

“Estimating the Effect of Active Management and Private Equity for Defined Benefit Pension Funds” with Joanne Doyle and Brooks Marshall, *Quarterly Review of Economics and Finance*, Volume 69, February 2021, 161-169.

"Company Valuation in Mergers and Acquisitions: How is Discounted Cash Flow Applied by Leading Practitioners?" with Todd Brotherson, Robert Harris, and Robert Higgins, *Journal of Applied Finance*, Volume 24, No. 2, 2014, 43-51.

“The Role of Professors in Improving Financial Literacy,” co-authored with Jonathan Fox, Arthur Keown and Michael Staten. *Journal of Applied Finance*, Volume 23, No. 1, 2013, 138-144.

"Best Practices in Estimating the Cost of Capital: An Update," with Todd Brotherson, Robert Harris, and Robert Higgins, *Journal of Applied Finance*, Volume 23, No. 1, 2013, 17-35.

“The Role of Professors in Improving Financial Literacy,” co-authored with Rosella Bannister, Billy Hensley, Christine Kieffer and Michael Staten. *Journal of Applied Finance*, Volume 22, No. 1, 2012, 186-194.

“A Test of the Relative Pricing Effects of Dividends and Earnings: Evidence from Simultaneous Announcements in Japan,” with Robert Conroy and Robert Harris, *The Journal of Finance*, June 2000, 1199-1227. (Nominated for best corporate finance paper).

"Best Practices in Estimating the Cost of Capital: Survey and Synthesis," with Robert Bruner, Robert Higgins, and Robert Harris, *Financial Practice and Education*, Spring/Summer 1998, 13-27.

"Time-Series Variation in Dividend Pricing," with E. Han Kim and Patrick Hess, *The Journal of Finance*, December 1994, 1617-1638.

"The Crash of the Revco Leveraged Buyout: The Hypothesis of Inadequate Capital," with Robert Bruner. *Financial Management*, Spring 1992, 35-49. Reprinted in *Management Buy Outs*, a volume of the *International Library of Management*, Keith Bradley general editor, Michael Wright, volume editor, Dartmouth Publishing Company, Aldershot England, 1994.

Editor of "Understanding Securitized Investments and Their Use in Portfolio Management," with Diana Harrington and Robert Harris, Continuing Education Series, The Institute of Chartered Financial Analysts, 1990.

"Using a Moot Court to Teach the Dividend-Relevance Controversy," with Diana Harrington, *Journal of Financial Education*, Fall 1991, 27-32.

"Voluntary Conversion of Convertible Securities and the Optimal Call Strategy," with Kenneth B. Dunn. *Journal of Financial Economics*, August 1989, pp 273-301.

Review of *Case Studies in Financial Decision Making* by Diana Harrington, *The Journal of Finance*, March 1987.

"Market Rationality and Dividend Announcements," with E. Han Kim and Patrick Hess. *Journal of Financial Economics*, December 1985, 581-604.

"On Interpreting Security Returns during the Ex-Dividend Period," with E. Han Kim and Patrick Hess. *Journal of Financial Economics*, March 1984, 3-34.

"Empirical Evidence on Dividends as a Signal of Firm Value." *Journal of Financial and Quantitative Analysis*, November 1982, 471-500.

Working papers: "Predicting Defined Benefit Pension Returns: The Impact of SFAS 132 Required Disclosure of Asset Allocation Information," co-authored with Joanne Doyle and Brooks Marshall, October 2009. <http://ssrn.com/abstract=1488983>

Books: *Case Studies in Finance*, 6<sup>th</sup>, 7<sup>th</sup> and 8<sup>th</sup> Editions with Robert Bruner and Michael Schill, McGraw-Hill/Irwin, New York, 2010, 2013, 2018  
*The Portable MBA*, 5<sup>th</sup> Edition with Timothy Laseter, Ian Skurnik, Peter Rodriguez, Lynn Isabella, and Paul Simko. John Wiley & Sons, New Jersey, 2010.  
*Case Studies in Financial Decision Making*, 3<sup>rd</sup> Edition with Diana Harrington, Hinsdale, Ill: Dryden Press, 1994.

Computer tutorial: *Finance Interactive*, with Robert Bruner and Robert Harris, Graduate Management Admission Council and McGraw Hill/Irwin Publishing, 2001  
(Revised with Robert Harris and Sean Carr as *GMAT Business Ready Finance*, 2010.

## **PROFESSIONAL ACTIVITIES:**

Paper presentations: European Financial Management Association Meetings 1998, 2004, 2011.  
Financial Management Association Meetings 1982, 1990, 1991, 1992, 1997, 1998.  
American Finance Association Meetings 1987, 1989.  
Southern Finance Association Meetings 1993.  
Western Finance Association Meetings 1981, 1985.  
Winter Finance Conference 1991.

- Paper discussions: Western Finance Association Meetings June 1986, 1987, 2003.  
Financial Management Association Meetings 1982, 1984-85, 1987, 1989, 1992-93,  
1996-97, 2001-05.  
American Finance Association Meetings December 1990.  
European Financial Management Association Meetings 1999, 2001-2005, 2008,  
2011.
- Roundtable  
Moderator: Financial Management Association (Financial Literacy) 2011, 2012
- Journal referee: *The Review of Financial Studies*  
*The Journal of Finance*  
*Journal of Financial and Quantitative Analysis*  
*Financial Management*  
*Harvard Business Review*
- Executive editor: *Survey and Synthesis Series* -- Financial Management Association (co-editor Arthur Keown) 1998-2004
- Associate editor: *Journal of Financial Research* 1988-2000
- Sponsored research: "Voluntary Conversion of Convertible Securities and the Optimal Call Strategy,"  
National Science Foundation, Washington DC, 1985-1987, with Kenneth B. Dunn.
- Program committee: Financial Management Association Meetings: 1985-86, 89-92, 94-95, 2000-03,  
2006, 2009-10  
European Financial Management Association Meetings: 1997, 1999, 2002-03,  
2006-09: Program Committee Chair (2003-2004)
- Search committee: *Financial Practice and Education* Editor: 1993. Survey and Synthesis Editor: 2003
- Professional societies: Financial Management Association (Vice president of global services: 2005- 2007)  
American Finance Association
- University committee: President's Faculty Budget Advisory Committee: 2010 – 2013.  
Darden Dean Search Committee (Chair) 2014-15.
- Community service: Albemarle County School Finance Advisory Board: 2010 – 2015.  
Supervisory committee, Building Goodness in April: 2001 – 2019.
- Roundtable: Moderator of IBiS Strategic CFO Roundtable in Northern Virginia: 2009 – 2018.

Board of directors: University of Virginia Community Credit Union: Director 2013 – present; Treasurer 2020 – present; Supervisory Committee: 2009-13 (Chair 2011-2013).

University of Virginia Darden School of Business, member of Darden School Foundation: 2007- 13.

University of Virginia Health Services Foundation: Chair of investment committee: investment policy strategy for \$40 million portfolio of reserve funds and retirement assets: 2004-2008.

International teaching:

Gordon Institute of Business, Johannesburg, South Africa, 2003, 2004, 2005 *Finance for Non-financial Managers* for midlevel managers of South African companies.

Melbourne Business School, 2004, *The Mind of a CFO* for senior PwC partners.

E-business awareness seminar presented to Citibank executives in Hong Kong, Singapore, Mexico, and Brazil (2000)

Winter School of Finance hosted by the Warsaw School Economics, February 10-20, 1993 as part of USAID Management Training and Economics Education Project.

Case studies:

Astral Records (capital investment) (UVA-F-1065) (with Conroy and Bruner))  
Athens Ring Road (project financing) (UVA-F-1576) (with Allayannis)  
Aurora Textiles (capital investment) (UVA-F-1536)  
Autozone, Inc. (share repurchases) (UVA-F-1672)  
Avnet Computer (equipment leasing) (UVA-F-1125) (with Marston)  
Beasley Broadcasting, Inc (UVA-F-1065)  
Best Buy: Investing in Language Learning (cost-benefit) (UVA-F-1669)  
Briggs & Stratton, Inc (economic value added) (UVA-F-1203)  
Burlington Northern Railroad Company: Equipment Leasing (UVA-F-0969)  
CATEX (e-business) (UVA-F-1289) (with Clyman)  
Centennial Pharmaceutical Corp (earnout compensation) (UVA-F-1446)  
Chausson Body and Assembly: A Proposed U.S. Joint Venture (UVA-F-0961)  
Chocolate Confections Corp. (capital investment) (UVA-F-1371) (with Weaver)  
Compass Records (capital investment) UVA-F-1488 (with Bruner and Carr)  
Delphi Corporation (bankruptcy) (UVA-F-1617)  
Delta Beverage Group, Inc. (risk management) (UVA-F-1188)  
Dominion Resources: Cove Point (UVA-F-1740)  
DSC Communications, Inc (credit assessment) (UVA-F-1071)  
DSC Communications Corporation: 1993 (UVA-F-1072)  
Eli Lilly and Co.: Globalization, Foreign Tax Credits & Leasing (UVA-F-1008)  
First Internet Bank of Indiana (e-business) (UVA-F-1286) (with Clyman)  
Flagstar Companies, Inc. (acquisition) (UVA-F-1186)  
Freeserve (e-business) (UVA-F-1296) (with Clyman)  
General Motors Class E Contingent Notes (UVA-F-0930)

General Motors 1991 Equity Financing (PERCS) (UVA-F-1109)  
Genzyme and Relational Investors (activist investor) (UVA-F-1660) (with Matos)  
Hershey Corporation (governance/merger) (UVA-F-1409)  
Horizon Lines (bankruptcy) (UVA-F-1668)  
Insweb (e-business) (UVA-F-1291) (with Clyman)  
International Business Machines Corporation: Issuer Put Options  
(risk management) (UVA-F-1009)  
International Paper: Longwood Woodyard Plant (capital investment) (UVA-F-1252)  
International Paper: Alternatives to Longwood Woodyard Plant (UVA-F-1253)  
Island ECN (e-business) (UVA-F-1287) (with Clyman)  
Ito's Delight (option pricing concepts) (UVA-F-1333) (with Allayannis)  
Ito's Dilemma (A) (option pricing concepts) (UVA-F-0936)  
Ito's Dilemma (B) (option pricing estimation) (UVA-F-0937)  
Ito's Dilemma (C) (financial engineering) (UVA-F-1066)  
J.C. Penney Company (liquidity crunch) (UVA-F-1720)  
J&L Railroad (hedging with derivatives) (UVA-F-1053)  
J&L Railroad: The Board Meeting (hedging with derivatives) (UVA-F-1605)  
Kingston-Murray Enterprises (equity derivative - LYON) (UVA-F-1108)  
Larry Puglia and the T. Rowe Price Blue Chip Growth Fund (market efficiency)  
(UVA-F-1772)  
Locked Tight Storage Facilities (leasing) (UVA-F-1120) (with Marshall)  
Loewen Corporation (market efficiency) (UVA-F-1448)  
Marina Electronics Corporation (UVA-F-1513)  
Mead Corporation: Cost of Capital (UVA-F-0982)  
Mead Corporation: Corrugated Cleaning System Upgrade Project (UVA-F-0983)  
Merrill Lynch (e-business) (UVA-F-1284) (with Clyman)  
Mogen, Inc. (convertible bond) (UVA-F-1559)  
Österreichische Kablewerke GmbH (privatization) (UVA-F-1197)  
Pepsico, Inc.: Cost of Capital (UVA-F-0981)  
Prime Micro Inc (credit assessment) (UVA-F-1661)  
Procter & Gamble: Cost of Capital (UVA-F-0931)  
Procter & Gamble: Cost of Capital (Abridged) (UVA-F-1183)  
Procter & Gamble: Mexico 1991 (global funding) (UVA-F-1060) (with Eaker)  
Rhodes, Inc. (IPO) (UVA-F-1074)  
Rockboro Machine Tools Corporation (UVA-F-1765)  
Sanofi-Aventis' Tender Offer for Genzyme (UVA-F-1716) (with Matos)  
Smith & Wesson: A Big Shot at Security? (security analysis) (UVA-F-1665)  
Star River Electronics Ltd. (comprehensive analysis) (UVA-F-1361) (with Bruner and  
Conroy)  
Structured Notes (derivative security) (UVA-F-1618)  
Target Corporation (capital budgeting) (UVA-F-1563)  
The Absheron Project: BP's Production Sharing Agreement in Azerbaijan  
(capital investment analysis) (UVA-F-1753)  
The Financial Detective, 2016 (financial ratio analysis) (UVA-F-1763)  
The Timken Company (corporate acquisition) (UVA-F-1472)  
University of Virginia Health System: The Long-term Acute Care Hospital Project

(capital investment) (UVA-F-1676)  
USEC (capital investment analysis) (UVA-F-1546)  
Valmont Industries, Inc (economic value added) (UVA-F-1191)  
Virginia Public School Authority (municipal bonds) (UVA-F-1184) (with Eaker)  
Worldwide Paper Company (capital investment) (UVA-F-1372)  
WNG Capital LLC (lease financing) (UVA-F-1777)  
WLR Foods and Tyson Foods (corporate acquisition) (UVA-F-1465)  
WLR Foods and Pilgrims Pride (corporate acquisition) (UVA-F-1466)  
W.R. Hambrecht (e-business) (UVA-F-1288) (with Clyman)  
Zoltek Industries (privatization) (UVA-F-1163)

Technical notes: Cost of Capital Exercises (UVA-F-0909)  
Introduction to the Cost of Equity (UVA-F-0911)  
The Corporation's Weighted-Average Cost of Capital (UVA-F-0910)  
The Corporation's Cost of Capital (Abridged) (UVA-F-1218)  
Overview of Credit Ratings (UVA-F-1413)

Consulting: Darden Executive Education: risk analysis for Valeant board (2015); programs with significant finance modules for mid to senior management: WestRock, Merck, Algeco Scotsman, AES, Timken, and Rolls Royce.  
Heraeus: design and delivery of finance module for company's International Management Program (2013-14)  
OCBC Bank: design and delivery of strategy identification seminar for CEO and senior management team. Singapore. (August 2003).  
Citibank: design and delivery of e-business seminar to senior and mid-level corporate bank executives in U.S. and internationally. Also delivered to PwC Financial Services Group executives. (2000-2001)  
Expert witness: DLA Piper (Washington D.C., trademark of financial industry firm, 2020). Armstrong Law Firm, pllc (Richmond, VA., family law, interpretation of marital assets, 2019); Morgan, Lewis & Bockius (New York, preferred stock case, cumulative dividends 2008), Shearman & Sterling (New York, public utility damages 2005); Spriggs & Hollingsworth (Washington D.C. damages case - 2007); Paul, Weiss (New York, Enron damages case 2006); Shearman & Sterling (New York, preferred stock cost of capital 2005); Wilcox & Savage (Norfolk, Va, firm valuation/equity discount rate 2004); Troutman Sanders (Richmond, VA earnout valuation 2003); Jones, Day, Reavis & Pogue (Washington D.C., firm valuation 2002); Porter, Wright Morris & Arthur (Washington D. C., tax fraud); Trout & Richards (Washington D.C., firm valuation).  
Salomon Smith Barney: design and delivery of finance training for Investment Banking Analysts (1998).  
Smith Barney: design and delivery of finance training for Sales and Trading Associates (1996 – 1997).  
Internal Revenue Service: valuation of financially distressed companies, valuation of asset-backed securities (auto leases) (1994 – 1999)

Ashland Chemical Corp: design and implementation of economic profit seminar for senior management (1998)

International Paper: design and implementation of advanced capital investment analysis seminar for senior management (1995-2000)

Select Capital Strategies, L.P.: advisor to investment partnership regarding optimization of money manager selection. (1990-1993)

NationsBank: design of 4-year development program for MBA Associates (1992-96)