# Matthew A. Phillips

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## Education

Ph.D. Accounting, University of Miami, 2021

M.P.A. Accounting, University of Miami, 2012

B.B.A. Accounting, University of Miami, 2010

## Relevant Experience

Instructor, University of Miami, 2018, 2020, 2021

Teaching Assistant, Northwestern University, 2020

Teaching Assistant, University of Miami, 2019

Audit Senior, Ernst and Young, 2013 - 2015

## Research (abstracts provided at the end)

### *Publications and Accepted Manuscripts*

**Financial Statement Complexity and Bank Lending** (with Indraneel Chakraborty, Andrew Leone and Miguel Minutti-Meza)

***Forthcoming, The Accounting Review***

### *Working Papers*

**Origination Lenders as Market Makers in the Secondary Loan Market** (solo-authored)

***Job market paper***

**Does Recognition versus Disclosure Affect Debt Contracting? Evidence from SFAS 158** (with John Donovan and Andrew McMartin)

***Under 2$^{nd}$ round review, The Accounting Review***

**Contracting in the Dark: The Rise of Public-Side Lenders in the Syndicated Loan Market** (with Hami Amiraslani, John Donovan and Regina Wittenberg-Moerman)

***Revising for 2$^{nd}$ round submission, Journal of Accounting and Economics***

**The Role of Disclosure in Closing Going Private Deals** (with Pietro Bianchi, Miguel Minutti-Meza and Maria Vulcheva)

***Preparing for submission***

# Teaching

**University of Miami**

Instructor - Accounting for Decision-Making and Control (Fall 2021)
In-person (and online for remote students) instruction
Graduate level course
Overall Rating - 4.9 out of 5.0

Instructor - Intermediate Accounting I (Summer 2020)
Online (remote) instruction
Pre-Graduate level course (summer intensive program)
Overall Rating - 4.7 out of 5.0

Instructor - Financial Statement Analysis (Spring 2018)
Graduate level course
Overall Rating - 4.6 out of 5.0

Teaching Assistant - Financial Statement Analysis (Fall 2019)
Professor Eric Weisbrod
Graduate level course

**Kellogg School of Management at Northwestern University**

Teaching Assistant - Financial Reporting Systems (Spring 2020)
Professor Andrew Leone
Executive MBA level course

# Academic and Professional Activities

## *Presentations*

2021

University of Miami Business Forum (panel moderator)

2019

Hawaii Accounting Research Conference (presenter and discussant)
FARS Midyear Meeting (discussant)
LBS Trans-Atlantic Doctoral Conference (presenter and discussant)
AAA/Deloitte/J. Michael Cook Doctoral Consortium
Graduate Research in Accounting Conference at Emory (discussant)
AAA Annual Meeting (presenter and discussant)

2018

FARS Midyear Meeting (discussant)
AAA Southeast Region Meeting
AAA Annual Meeting
Florida Accounting Symposium
29th Annual Conference on Financial Economics and Accounting

### *Invited Conference Participation*

St. Louis Federal Reserve and Indiana University Workshop on Financial Institutions Research (2021)

### *Other Conference Participation*

Miami Rookie Camp (2015-2019)

Florida Accounting Symposium (2015-2016, 2019)

University of Miami and AAA Rookie Camp (2015-2019)

Loan Syndication and Trading Association Annual Conference (2019)

Audit Midyear Meeting (2016)

### *Ad Hoc Reviewer*

*The Accounting Review*

*Contemporary Accounting Research*

*Accounting Horizons*

*European Accounting Review*

AAA Annual Meeting

FARS Midyear Meeting

AAA Southeast Region Meeting

Hawaii Accounting Research Conference

## Awards and Recognition

Miami Business School Outstanding PhD Student Award for Research (2019)

University of Miami Deloitte Institute for Research & Practice in Analytics grant recipient ($10,000)

AAA/Deloitte/J. Michael Cook Doctoral Consortium Fellow

FARS 2018 Excellence in Reviewing Award

Nominated for Best Discussion at 2018 FARS Midyear Meeting

Bowman Foster Ashe Scholarship

Alan P. Fiske Scholarship

Arthur Metzger–Deloitte Scholarship

Arthur B. McBride Herbert Accounting Scholarship

Arthur Andersen–W.D. Pruitt Scholarship

## Certifications

Certified Professional Accountant (licensed in Florida - AC46879)

# Abstracts

### Origination Lenders as Market Makers in the Secondary Loan Market

This paper examines whether market making after loan sales is a mechanism by which origination lenders mitigate or exacerbate agency problems in originate-to-distribute lending markets. Specifically, I investigate the association between origination lenders participation as market makers and the trading costs for loans they sell on the secondary market. I find that greater participation of origination lenders as market makers, relative to other market makers, is associated with lower bid-ask spread of their borrowers' traded loans. This finding is most pronounced for loans trading in conditions of low liquidity, such as when there are few market makers, when loans are further past their origination date, and during market-wide liquidity shocks. I do not find evidence that origination lenders differentially reduce trading costs for borrowers with weak information environments. Lenders that participate as market makers benefit by experiencing strong subsequent lending relationships with borrowers. Collectively, my evidence suggests that origination lenders actively facilitate trading of their borrowers' loans by promoting liquidity in the secondary market.

### Financial Statement Complexity and Bank Lending

Recent evidence suggests that investors struggle to process complex financial disclosures. Relative to equity and public debt investors, banks have unique advantages in acquiring information and can impose contractual terms to mitigate information frictions. We investigate whether financial statement complexity is associated with firms' reliance on bank financing and the terms of bank loans. We focus on two aspects of complexity, the length of financial reports and the complexity of financial reporting rules. We document that complexity is positively associated with firms' reliance on bank financing (i.e., level of debt and new financing). This result is consistent with banks' superior information processing capabilities. Next, we document that banks ameliorate information frictions using loan contractual terms (i.e., interest rates, covenants, and collateral requirements). Overall, our findings suggest that banks are an attractive source of financing for firms with complex disclosures, but banks also increase screening and monitoring for relatively complex borrowers.

### Does Recognition versus Disclosure Affect Debt Contracting? Evidence from SFAS 158

We study how recognition versus disclosure affects pricing and control allocation in debt contracting. We examine whether loan spreads and the use of covenants changed around SFAS 158 adoption, which required recognition of previously disclosed pension liabilities. We find that pension underfunding is positively associated with loan spreads and negatively associated with the use of capital (i.e., balance sheet) covenants prior to the adoption of SFAS 158. This is consistent with lenders viewing disclosed accounting information as not sufficiently reliable for contracting and instead pricing the risk associated with underfunding. Post-SFAS 158, pension underfunding is associated with lower spreads and a higher likelihood of using capital covenants relative to the pre-period. Further, we find no change in the use of performance covenants or the underlying credit risk associated with pension underfunding post SFAS-158. Collectively, this evidence is consistent with recognition improving the reliability of accounting information for debt contracting.

### Contracting in the Dark: The Rise of Public-Side Lenders in the Syndicated Loan Market
(with Hami Amiraslani, John Donovan and Regina Wittenberg-Moerman)

We document a novel trend in syndicated lending where some participants voluntarily waive their rights to access borrowers private information. Although these public-side lenders are unable to use private information to evaluate borrowers creditworthiness, forgoing their access to private information allows them to avoid the scrutiny associated with the potential leakage of borrowers private information into public securities markets. We find that these costs and benefits explain participants decision to join syndicates as public-side lenders. Public-side lenders are more likely to participate in loans syndicated by reputable lead arrangers and those that include more restrictive monitoring provisions, which mitigate these lenders information disadvantage. The participation of public-side lenders is also more likely when there is greater regulatory oversight of potential misuse of private information. We further show that the presence of public-side lenders in syndicates is positively associated with the participation of lenders that are less likely to have robust internal information barriers, such as institutional investors and small and foreign banks. Finally, we find that public-side lenders are positively associated with the likelihood and timeliness of ex-post renegotiations, suggesting that a more limited access to private information can improve contracting efficiency. Collectively, our results provide new insights on the demand for and the use of private information in loan contracting and how public-side lenders affect syndicated lending dynamics.

**The Role of Disclosure in Closing Going Private Deals**

There is a perceived conflict of interests in going private transactions, resulting from transferring a company's ownership and control to affiliated parties and terminating its public status. These deals are subject to mandatory disclosure requirements, aimed to inform shareholders before the transaction is put to a general vote. However, the expected incremental role of these disclosures is uncertain. We demonstrate that disclosure volume is positively associated with the likelihood of closing a deal and with the time between its announcement and resolution. Next, we find that disclosure volume is positively associated with three proxies for the intensity of shareholders' negotiations: upward price revisions, disclosure amendments, and litigation. Our findings offer insights into the incremental benefits and costs of disclosure in this setting. Increased disclosure can facilitate the completion of going private deals, but exiting shareholders can also use it to delay the closing date and negotiate better terms.

## References

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