

# Julian R Franks

## Personal Information

Nationality: English  
Marital status: Married with four children

## Education

B.A. Econ. Triple Honours Degree Sheffield University, 1965-68  
MBA Columbia University Graduate School of Business, 1968-69  
PhD. London University, 1979

## Present Academic Position

Alexander M. Knaster Chair Professor of Finance  
Professor of Finance at the London Business School and Academic Director of the Centre for Corporate Governance and (past) lead investigator for a £1.4 million pounds ESRC grant for corporate governance.

## Past Academic Positions

Member of faculty at London Business School since 1972  
Visiting Professor at UCLA 1995-6, 1993-4, 1986-7  
Visiting Scholar at UCLA for Summer of 1990 and 1991  
Visiting Associate Professor at Berkeley, California 1982

## Awards

Winner of best paper award, Corporate Governance Through Voice and Exit, Drexel conference, 2019, Drexel University.

Winner of CAMRI Prize in Asset Management for the paper, 'The Returns to Hedge Fund Activism: An international study'.

Winner of the best working paper competition sponsored by the ECGI for the paper entitled 'Ownership, Evolution and Regulation', joint with Colin Mayer and Stefano Rossi.

Winner of the Clinical Paper Competition sponsored by the Journal of Financial Economics and the ECGI for the paper entitled 'Ownership, Evolution and Regulation', joint with Colin Mayer and Stefano Rossi.

Best Paper Prize (2006) awarded by the Journal of Financial Intermediation, for the paper entitled 'Financial Innovations and Corporate Insolvency', 2005, joint with Oren Sussman.

Best Paper Prize (2001) awarded by the Journal of Financial Intermediation, for the paper entitled 'Who disciplines management of poorly performing companies', 2001, joint with Colin Mayer and Luc Renneboog.

Nominated for the Best Research Paper Prize in 2005 by the Review of Finance (top 3 nominations) for my paper: 'Financial distress and bank restructuring of small to medium size UK companies', joint with Oren Sussman.

Award for "Best Teacher", Senior Executive Program, 1989.

## Consultancy

Present or past advisor to: Senior advisor to Conduct market Authority, Ofcom (previously Oftel) for about 20 years re. price controls, British Airports Authority (for about 20 years re. price controls and regulatory issues) and member of an appeals panel for the New Zealand Commerce Commission. Work completed for: The Department of Constitutional Affairs, HM Treasury, DTI, Monopolies and Mergers Commission, National Audit Office, Office of Fair Trading, European Asset Management Association and Gas Utility companies. Current, or past, member of an advisory board of Ofwat (Water regulator), ORR (railways regulator), and WICCS (Scottish water regulator).

Expert witness for UK Government at The Hague on an inter-governmental dispute with the US. Expert witness for Ofcom at three appeals to the Competition Appeals Tribunal (re. regulatory price controls and cost of capital). Provided written and oral evidence to the SEC on an acquisition by National Grid for several US utility companies. Expert witness for various clients at arbitration tribunals in London. Provided evidence to the House of Lords and House of Commons on the regulation of banks.

## Professional Activities

Past board member of European Institute in Brussels, past member for the selection committee for the Western Finance Association Meetings, American Finance Association, European Finance Association, and member of nominating committee for the board of the American Finance Association, 1998.

Currently or previously Associate Editor of Journal of Banking and Finance, The Journal of Financial Services Research, Financial Management, Journal of Empirical Finance, Financial Review, Journal of Corporate Finance and European Journal of Financial Management. Joint Editor of Journal of Law, Finance and Accounting.

Occasional reviewer for the American Economic Review, Quarterly Journal of Economics, Journal of Finance, Journal of Financial Economics, Review of Economic Studies, Journal of Law and Economics, Journal of Financial Quantitative Analysis, Economic Journal, Review of Financial Studies, Journal of Economic Perspectives, Journal of Economic History, and Journal of Business.

## External Positions

Past Member of a joint DTI-Treasury working party on reviewing the insolvency code. Member of the Company Law Review's working party on UK corporate governance. Member of a Task Force appointed by the minister to examine non-bank sources of finance for SME companies. Member of a committee of experts advising the education minister on an investment program (using PFI) for schools. I have advised The Walker Committee on the Governance of banks and the Myners Committee on Mutuals. I have also advised Knight Vinke on the banking crisis and presented that work to the FSA. I have given evidence to the House of Lords, The Vickers Commission on Banking, The House of Commons Banking Commission and the Which Commission on Banking. Currently a senior advisor to Competition Markets Authority and a member of their cost of capital panel. Trustee of a pension fund.

## Books

**J.R. Franks, C. Mayer and L. Correia da Silva**

Risks and Regulation in European Asset Management, OUP, 2003.

**J.R. Franks and C. Mayer**

Risk, Regulation and Investor Protection: The case of Investment Management, Oxford University Press, 1989.

**J. Edwards, J.R. Franks, C. Mayer and S. Schaefer**

Recent Developments in Corporate Finance, Cambridge University Press, 1986. (Editors).

**J.E. Broyles, W. Carleton and J.R. Franks**

Corporate Finance: Concepts and Applications, Kent Publishing Company, 1985.

## Working Papers

**J.R. Franks, Nicolas Serrano-velarde and O. Sussman**

Market Place Lending, Information Efficiency, and Liquidity, Solicited by the Review of Financial Studies. Under revision.

**Cem Demiroglu, J. Franks and Ryan Lewis**

Do Market Prices Improve the Accuracy of Court Valuations in Chapter 11? Under revision with The Journal of Finance. Presented at WFA Meetings, 2017 NBER, Single Resolution Board in Brussels, Western Finance Association meetings.

**J.R. Franks, O. Sussman and Vikrant Vig**

Privatisation of bankruptcy: empirical evidence from the shipping industry. Presented at numerous conferences. Invitation to submit to Review of Financial Studies

**M. Becht, J. Franks & H. Wagner,**

Corporate Governance Through Voice and Exit, Best paper award at Drexel University's Corporate Governance Conference (2019), presented at AFA Meetings 2020, accepted for GCGC meetings in South Korea.

**Julian Franks, Colin Mayer, Hideaki Miyajima and Ryo Ogawa**

Japanese Capitalism in the 21<sup>st</sup> Century, Presented at a conference in Tokyo Japan (November 2019)

**Marco Becht, Julian Franks, Hideaki Miyajima and Icko Suzuki,** Does quiet Activism Work in Japan, Presented at a conference in Tokyo, Japan (November 2019)

## Academic Articles (1972-2018)

**J Franks**

Institutional Ownership and Governance, forthcoming Oxford Review of Economic Policy

**M. Becht, J.R. Franks J. Grant & Hannes Wagner**

The Returns to Hedge Fund Activism: An international study, 2017, The Review of Financial Studies, 30, 9, September, 2933-2971. Lead article and editor's choice. CAMRI Prize in Asset Management.

Summary article published in Japanese in the Nikkei, January 2020 (Becht & Franks)

**J. Franks and C. Mayer**

Evolution of Ownership and Control Around the World: The Changing Face of Capitalism, Chapter 10 in Handbook in Economics, The Economics of Corporate Governance, ed. Hermalin & Weisbach, Elsevier, 2017

**J.R. Franks, C. Mayer and H. Wagner**

Survival of the Weakest: Flourishing Family Firms in Germany, Journal of Applied Corporate Finance, Special Issue, Corporate Governance and Financial Markets in Germany, 27, 4, Fall 2015

**Becht, M., J. Franks and J. Grant (2014),**

Hedge Fund Activism in Europe: Does Privacy Matter? The Handbook in Shareholder Power, (eds.) Jennifer Hill and Randall Thomas, Edward Elgar

**J.R. Franks, C. Mayer and H. Miyajima**

The Ownership of Japanese Corporations in the 20<sup>th</sup> Century, 2014, The Review of Financial Studies, 27 (9): 2580-2625.

**J. Franks and G. Loranth**

A study of the costs of bankruptcy and the allocation of control. 2014, The Review of Finance, 18 (3): 961-997..

**J.R. Franks, C. Mayer, P. Volpin and H. Wagner**

The Life Cycle of Family Ownership: International Evidence, 2012, Review of Financial Studies, 25 (6).

**J. Franks, C. Mayer and S. Rossi**

Ownership: Evolution and Regulation, 2009, The Review of Financial Studies, Vol 22, no. 10: 4009-4056.

**M. Becht, J. R. Franks, C. Mayer and S. Rossi**

Returns to Shareholder Activism Evidence from a Clinical Study of the Hermes U.K Focus Fund, 2008, The Review of Financial Studies, 22 (2009) 3093-3129 .

Reprinted in a Special Issue on Corporate Governance, Review of Financial Studies, 23 (2010), (3), pp 3093-3129, edited by Michael Weisbach and Lucian Bebchuk.

**J. Franks & R. Brealey**

Indexation, Investment and Utility Prices, Oxford Review of Economic Policy, 2009, 25(3), 435-450.

**S. A. Davydenko and J.R. Franks**

Do Bankruptcy Codes Matter? A Study of Defaults in France, Germany and the UK, The Journal of Finance, April 2008, vol 63, no 2, pp 565-608.

Reprinted in Edward R. Morrison (Editor), *Economics of Bankruptcy*, Edward Elgar Publishing, 2012

**J. R. Franks, C. Mayer and H. F. Wagner**

The Origins of the German Corporation – Finance, Ownership and Control, The Review of Finance, 2006, 10, (4), pp 537-585.

**J.R. Franks and O. Sussman**

Financial Innovations and Corporate Bankruptcy, The Journal of Financial Intermediation, July 2005, vol 14, iss 3, pp 283-317.

**J. R. Franks and O. Sussman**

Financial Distress and Bank Restructuring of Small to Medium Size UK Companies, The Review of Finance, 2005, 9 (1) pp 65-96.

Reprinted in Economics of Bankruptcy, edited by Edward R. Morrison, Columbia Law School, Edward Elgar.

**Julian Franks, Oren Sussman**

Financial Innovations and Corporate Bankruptcy, Journal of Financial Intermediation, Volume 14, Issue 3, July 2005, Pages 283-317.

**J.R. Franks, C. Mayer and S. Rossi**

Spending Less Time with the Family: The Decline of Family Ownership in the UK, in NBER Chapters, in *A History of*, Editor Randall Morck, 2005. Corporate Governance around the World: Family Business Groups to Professional Managers, pages 581-612 National Bureau of Economic Research, Inc.

**J.R. Franks and C. Mayer**

Ownership and Control of German Corporations, The Review of Financial Studies, October, 2001, vol 14, no. 4, pp 943-977.

**J.R. Franks, C. Mayer and L. Renneboog**

Who Disciplines Management in Poorly Performing Companies, Journal of Financial Intermediation, Jul 2001, vol 10, iss 3-4, pp 209-248. Winner of JFI Best Paper Prize.

Reprint in *Managerial Disciplining and the Market for (Partial) Corporate Control in the UK* in J. McCahery et al ed., *Corporate Governance Regimes – Convergence and Diversity*, Oxford University Press, 2002.

**J.R. Franks and C. Mayer**

Bank Control, Takeovers and Corporate Governance in Germany, Journal of Banking and Finance, October 1998, vol 22, iss 10-11, pp 1385 - 1403

Reprinted in *Corporate Governance: The State of Art and Emerging Research*, Eds. K. Hopt, M. Roe, and Wymeersch, OUP, 1998

**J.R. Franks, S. M. Schaefer, M. D. Staunton and A. A. Shapiro**

The Direct and Compliance Costs of Financial Regulation, Journal of Banking and Finance, Vol. 21, no. 11, December 1997, pp 1547-1572,

Reprinted in *Issues in Derivative Instrument Law*, Ed. N. Swann, Kluwen, 1999.

**M. J. Brennan and J.R. Franks**

Underpricing, Ownership and Control in Initial Public Offerings of Equity Securities in the UK, Journal of Financial Economics, September 1997, vol 45, iss 3, pp 391-413.

Reprinted in *New Research in Corporate Finance and Banking*, edited by B. Biais and M. Pagano, Oxford University Press.

**J.R. Franks and C. Mayer**

Corporate Ownership and Control in the U.K., Germany and France, in Studies in International Corporate Finance and

Governance Systems: A Comparison of the US, Japan & Europe, edited by Donald H Chew, Oxford University Press, 1997. Also, in the Journal of Applied Corporate Finance, March 1997, Vol 9 (4), 30-45.

**J. R. Franks and C. Mayer**

Ownership & Control of German Corporations, Review of Financial Studies, Winter 2001, Vol 14 (4) 943-977.

**J.R. Franks, K. Nyborg and W. Torous**

A Comparison of UK, US and German Insolvency Codes, Financial Management, Autumn 1996. Vol 25 (3), 86-101.

Revised version, A comparison of English and American bankruptcy procedures, authored by JR Franks and W Torous published in *Convergence and Diversity of Corporate Governance Regimes and Capital Markets*, eds Renneboog et al, OUP, March 2002 (Part 5, Chapter 20).

**J.R. Franks and K. Nyborg**

Control Rights, Debt Structure and the Loss of Private Benefits: The Case of the Insolvency Code, Review of Financial Studies, Autumn 1996, Vol 9 (4), 1165-1210.

**J.R. Franks and S. D. Hodges**

The Meaning of Accounting Numbers in Target Setting and Performance Measurement: Implications for Managers and Regulators in Clean Surplus: A Link between Accounting and Finance, edited by K.V. Peasnell and R. Brief, Garland Publishing, 1996, pages 125-141.

**J.R. Franks and C. Mayer**

Hostile Takeovers and the Correction of Managerial Failure, Journal of Financial Economics, January 1996, Vol 40 (1), 163-181.

Do Hostile Takeovers Improve Performance? Revised version reprinted in Business Strategy Review, December 1996, Vol 7 (4), 1-6.

**J.R. Franks and C. Mayer**

Ownership and Control, in Trends in Business Organization: Do Participation and Cooperation Increase Competitiveness? Ed. Horst Siebert. J.C.B. Mohr (Paul Siebeck) Tübingen, 1995, Page 171.

**J.R. Franks and W. Torous**

A Comparison of Financial Restructuring in Distressed Exchanges and Chapter 11 Reorganizations, Journal of Financial Economics, May 1994, Vol 35, 349-370.

Reprinted in A Comparison of English and American Bankruptcy Procedures, Reprinted in J. McCahery et al ed., *Corporate Governance Regimes – Convergence and Diversity*, Oxford University Press, 2002, Chapter 20, page 457.

**J.R. Franks and W. Torous**

Lessons from a Comparison of US and UK Bankruptcy Codes, Oxford Review of Economic Policy, Winter, 1992, Vol 8 (3), 70-82.

Revised version published in Journal of Applied Corporate Finance, Spring 1993, Vol 6 (1), 95-103 and in Corporate Bankruptcy, Economics and Legal Perspectives, edited by Jagdeep S Bhandari and Lawrence A Weiss, Cambridge University Press, 1996. Translated into Spanish and reprinted in Economista.

**J.R. Franks and E. Schwartz**

The Stochastic Behaviour of Market Variance Implied in the Prices of Index Options: Leverage, Volume and Other Effects, Economic Journal, November, 1991, Vol 101 (409), 1460-1475.

Reprinted in Conference proceedings "Options 2: Recent Advances in Theory and Practice", Volume 2. Edited by Stewart Hodges. Manchester University Press, 1992.

**J.R. Franks, R.S. Harris and S. Titman**

The Postmerger Shareprice Performance of Acquiring Firms, Journal of Financial Economics, Mar 1991, Vol 29, 81-96.

**J.R. Franks and C. Mayer**

Capital Markets and Corporate Control: A Study of France, Germany and the UK, Economic Policy, April 1990, Vol 5 (1) 189-231. Reprinted in five other books.

**J.R. Franks and R. Harris**

Shareholders Wealth Effects of Corporate Takeovers: The UK Experience 1955-85, Journal of Financial Economics, vol 23, iss 2, August 1989, pp 225 – 249.

Reprint: In Corporate Governance in the New Global Economy: editors Keasey, Thompson and Wright, Edward Elgar  
Reprinted in Takeovers, ed A. Cosh and A. Hughes, Vol. II, Dartmouth Publishing, 2001.

**J.R. Franks and W. N. Torous**

An Empirical Investigation of US Firms in Reorganization, Journal of Finance, July 1989, vol 44, no. 3, pp 747-769.

Reprinted in Bankruptcy and Distressed Restructuring. Edited by E. Altman, Irwin, Summer 1992.

**J.R. Franks, R. S. Harris and C. Mayer**

Means of Payment in Takeovers: Results for the United Kingdom and the United States, in CORPORATE TAKEOVERS: Causes and Consequences, editor Alan J. Auerbach, The University of Chicago Press, 1988, (paper published as an NBER working paper).

Reprinted in Takeovers, Volume II, eds Andy Cosh and Alan Hughes, Dartmouth Publishing Co.

**J.R. Franks, J. P. Karki and M. J. P. Selby**

Valuation of Loan Guarantees, Journal of Industrial Economics, September 1988.

**J.R. Franks and Y. Landskroner**

Dividends, Taxes and Financial Intermediaries, Journal of Banking and Finance, 1988, vol 5, pp 63-75.

**J.R. Franks and S.D. Hodges**

Lease Valuation When Taxable Earnings are a Scarce Resource, Journal of Finance, September 1987, vol 42, no 4, pp 987-1005.

**I. Cooper and J.R. Franks**

Treasury Performance Measurement, Midland Corporate Finance Journal, vol. 4, No. 4 Winter 1987. Revised and reprinted in The Treasurer, February and March 1988 issues.

Reprinted in New Development in International Finance, edited by J. M. Stern and D. Chew, Blackwell 1988.

**J.R. Franks and R. S. Harris**

The Role of the Mergers and Monopolies Commission in Merger Policy: Costs and Alternatives, Oxford Review of Economic Policy, Vol. 2, No. 4, Winter 1986: 58-78.

Revised and reprinted in Mergers and Merger Policy, editors John Kay and Jim Fairburn, Oxford University Press, first edition 1989 and second editions 1993. Editors John Kay and M. Bishop.

**J.R. Franks and J. J. Pringle**

Debt Financing, Corporate Financial Intermediaries and Firm Valuation, Journal of Finance, June 1982, vol 37, no. 3, pp 751-761.

**I. Cooper and J.R. Franks**

The Interaction of Financing and Investment Decisions When the Firm Has Unused Tax Credits, Journal of Finance, May 1983, vol 38, iss 2, pp571-583.

**J. R. Franks**

Acquisitions and Mergers, Financial Management Handbook, Eds. J.E. Broyles, I. Cooper and S. Archer, Gower Press. Revised and Reprinted in 1986, chapter 16, pp 375.

**J. R. Franks, S. D. Hodges and C. J. Tolley**

Leasing and Capital Investment, Rental Hire, Oct 1982.

**J.R. Franks and S.D. Hodges**

The Role of Leasing in Capital Investment, National Westminster Bank Quarterly Review, Aug 1979, pp 20-31.

**J.R. Franks and S.D. Hodges**

Valuation of Financial Lease Contracts: A note, Journal of Finance, May 1978 Pages: 657-669, vol 33, iss 2.

**J. R. Franks**

Insider Information and the Efficiency of the Acquisitions' Market, Journal of Banking and Finance, Dec 1978, vol 2, iss 4, pp 379-393.

**J. R. Franks, J. E. Broyles and M. J. Hecht**

An industry study of the profitability of mergers in the United Kingdom, Journal of Finance, 1977, Volume 32, Issue 5, pages 1513–1525, Dec 1977.

**J. R. Franks and J. E. Broyles**

Capital Project Appraisal: A Modern Approach, Management Decision, 1976, Volume 14, No. 3 pp 117-128. Reprinted twice in other journals.

**J. R. Franks and J. E. Broyles**

Inflation and the Investment Decision, Ch 7, Christopher West (ed), Inflation A Management Guide to Company Survival, (Associated Business Programmes), 1976.

**J. R. Franks, C. Bunton and J. E. Broyles**

A Decision Analysis Approach to Cash Flow Management, Operational Research Quarterly, 1974, Volume 25, Issue 4. Pages 573-585.

**J. R. Franks, R. Miles and J. Bagwell**

A Review of Acquisition Valuation Models, Journal of Business Finance and Accounting, March 1974, Volume 1, Issue 1, pp 35-53.

**J. R. Franks and H. H. Scholefield**

Investment Incentives and Regional Policies, National Westminster Bank Quarterly Review, Feb 1972.

**Practitioner and Newspaper Publications****J.R.Franks and Colin Mayer**

**The Death of the Public Corporation, ICGN Yearbook 2017**

**J.R. Franks and C. Mayer**

Three articles in Mastering in Management Series Sept/Oct 2006: The right conditions for trust between businesses, Different votes for different folks, and the Introduction to the Series.

**J.R. Franks, C. Mayer and S. Rossi**

Takeovers that broke family ties, The pace of acquisitions in the UK brought about the end of clan power, Financial Times, 2003.

**J.R. Franks and C. Mayer**

Role of Non Executive Directors, Financial Times (*Personal view*), November 2002.

**J.R. Franks, C. Mayer and L. Correia da Silva**

Regulation and Asset Management, *Mastering Investment*, The Financial Times, 2001.

**J.R. Franks and C Mayer**

Ownership and Control in Europe in The New Palgrave Dictionary of Law and Economics, 1998

**J.R. Franks and C. Mayer**

Restructuring of Under-performing companies, A Personal View in The Financial Times, 1998.

**R.A. Brealey and J.R. Franks**

Some concerns with the Regulatory System of the Utilities, Utility Finance, 1996.

**J.R. Franks**

Some issues in sovereign debt and distressed reorganizations, In Crisis? What Crisis? Orderly Workouts for Sovereign Debtors" CEPR, 1995.

**J.R. Franks and S. Schaefer**

Custodianship and Investor Protection, Personal View, Financial Times, 1994.

**B. Betker, J.R. Franks and W. Torous**

Are Stockholders Better Off When Debt is Restructured Privately? Reprinted in Bankruptcy and Distressed Restructuring. Edited by E. Altman, Irwin, Summer 1992.

**J.R. Franks**

Regulation of Takeovers, Lectures on Regulation, 1991. Edited by M.E. Beesley. Centre of Business Strategy, LBS.

**J.R. Franks and S. Schaefer**

Equity Market Transparency, Stock Exchange Quarterly, April-June 1991. Substantially revised version published in the Journal of Applied Corporate Finance, Spring, 1995.

**J.R. Franks**

Comment on Richard E. Caves' paper, Corporate Mergers in International Economic Integration", European Financial Integration, Editors A. Giovannini and C. Mayer, Cambridge University Press, 1991.

**J.R. Franks and C. Mayer**

Capital Requirements and Investor Protection - An International Perspective, National Westminster Bank Review, August 1990.

**J.R. Franks**

Keeping the boardroom in check without mergers in The Independent, Tuesday, 28 March, 1989.

**J.R. Franks**

Performance of Merging Firms: Stockton Lecture, published in London Business School Journal 1988. Revised and reprinted in The Treasurer, January 1989. Translated into Italian and reprinted in Volume II Studi in Onore di Usaldo de Dominicis, edited by Maurizio Fanni, 1991, pages 875-87.

## PhD Supervision

Supervised the following PhD theses:

Chris Higson "Corporate Financial Behaviour in the Presence of Taxes", 1993.

Man Kit Lai "Market Transparency and Intraday Trade Behaviour in the London Stock Exchange", 1996.

Luc D R Renneboog "Ownership, Managerial control and the Governance of Poorly Performing Companies listed on the London and Brussels Stock Exchanges", 1996.

Kazunori Suzuki "Rights issues in UK and cross holdings in Japan", 1999.

Maria Carapeto "Essays on Chapter 11: Debtor-in-Possession Financing and Bankruptcy Bargaining", 2000.

George Tian (with Saul Estrin): "Government, Governance, and Finance – Some Corporate Finance Issues in China's Emerging Stock Market", 2003.

Sergey Sanzhar "Essays in Corporate Finance", 2004.

Stefano Rossi, "Essays in corporate governance", 2005.

Oguzhan Karakas, "The value of voting and other issues in corporate governance", May 2010

Janis Skrastins, Organizational Design of Financial Institutions, 2015

Gur Aminadev defended and will submit revised version of PhD in the next month

Dimas Fazio in progress

## Research Grants

**J.R. Franks and C. Mayer**



Capital Markets, Corporate Governance and the Market for Corporate Control (1989-92) ESRC Funded Project No. W102251003 for £171,000. Additional grant of £10,000 given by John Chown Associates.

**J.R. Franks and C. Mayer**

Risk, Regulation and Investor Protection; the case of the Investment Management Industry, grant of £34,750 awarded by IMRO (completed, 1989).

**J.R. Franks**

Performance of Merging Firms: A comparison of the US and the UK: grant of £14,750 awarded by The Leverhulme Trust (completed 1988).