

Yini Liu

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Academic Appointments

University of Western Ontario, Canada 2020 - Present
Assistant Professor (tenure-track)

Education

University of Texas at San Antonio, United States 2015 – 2020
Ph.D. in Finance
Fudan University, Shanghai, China 2013-2015
M.A. in Finance (Fund Management Track)
University of Groningen, Netherlands 2014
Exchange Student
Fudan University, Shanghai, China 2009-2013
B.A. in Economics
University of Manchester, United Kingdom 2012
Exchange Student

Journal Publications

- “Does innovation success reduce the cost of financing? Evidence from private investments in public equity”, *Finance Research Letters*, (2022): 103378.
<https://doi.org/10.1016/j.frl.2022.103378>
- “How Reverse Merger Firms Raise Capital in PIPEs: Search Costs and Placement Agent Reputation”, with Onur Bayar and Juan Mao, *Review of Quantitative Finance and Accounting*, (2021) 56:143–184 <https://link.springer.com/article/10.1007/s11156-020-00889-7>
- “On Chinese Firms Preference for Fund Collection by Initial Public Offering from the Perspective of Reputation Premium, Market Power and Cash Dividends”, with Suhua Tian, *Shanghai Journal of Economics (CSSCI) 2014 (1): 50-62*
<http://www.cqvip.com/qk/97983x/201401/48574608.html>

Research Interests

Private Equity Offerings	Financial Intermediation
SEO and IPO	Entrepreneurial Finance
Law and Economics	Labor Economics

Working Papers

- **Litigation and Information Effects in Private Sales of Securities**

We analyze the resolution of information asymmetry ahead of private investments in public equity (PIPEs) in which the issuer experienced class action lawsuits. We explain the associated information effects measured by the announcement wealth effects and the discounts. Counting on a comprehensive, hand-gathered dataset, we show that the more severely litigated PIPEs are associated with higher announcement wealth effects and higher levels of discounts. We find that issuer's voluntary disclosure positively influences PIPE information effects particularly when coupled with auditor changes. We conclude that PIPEs do not necessarily constitute high-financing cost venues when mitigation actions are pursued.

- **The Role of Loan Market Access and Financial Covenants in Pricing Private Placements**

We examine the pricing of private investments in public equity (PIPEs) in the presence of coordination frictions among existing loan creditors, incumbent shareholders, and PIPE investors. We find that PIPE firms with current outstanding loans at issuance offer a larger discount to PIPE investors and the discount increases with loan covenant strictness. We argue that, rather than free-riding on the monitoring or certification benefit provided by the firm's loan lenders, PIPE investors are more concerned about coordination frictions among stakeholders. The potentials of sharing control rights with the creditors and bearing the risk of potential wealth transfer in response to covenant violations hence motivate PIPE investors to demand for greater compensation. We also find that PIPE issuers are more willing to offer deep discounts and investor friendly terms when the coordination gain resulting from the participation of PIPE investors is significant. Our results remain robust when we use a variety of loan covenant measures including the number of covenants, covenant types, and covenant strictness, and when we adopt a two-stage least square instrumental approach addressing the endogeneity concern.

- **Is Short Selling Informative about Litigation Risk? Evidence from Private Investments in Public Equity**

We examine the impact of litigation risk on short selling activity around PIPE transactions. We find that PIPE issuers that incurred securities class action lawsuits prior to the PIPE offering are shorted more heavily around the PIPE issuance date. Heterogeneity in the level of issuers' litigation risk such as the case status at the time of security issue and the timing of the private placement after the litigation event affects the extent of short selling activity surrounding PIPEs. In addition, the effects of litigation risk on short selling are more pronounced in PIPEs where lead investors are hedge funds. Our results imply that outside investors incorporate value-relevant information about issuing firms' litigation risk through their short selling activity around PIPE offerings.

- **The Role of Existing Shareholders in Private Equity Placements: Evidence from PIPEs in China**

This paper investigates how the participation of firms' existing shareholders affects the pricing and valuation of the private equity placements (PIPEs). Using a large sample of PIPEs issued by Chinese listed firms from 2006 to 2019, we find that the effective discount and long-term buy-and-hold abnormal stock returns of PIPEs participated by existing shareholders are significantly higher than those participated only by new investors. However, the superior post-PIPE stock performance of deals participated by existing shareholders is not driven by improved operating performance. PIPEs participated by existing shareholders are more likely to use the raised funds for internal usage and be followed by tunneling activities such as frequent dividend announcements, related-party transactions, and positive earnings management following the PIPE. Our findings suggest that the effect of existing shareholders presence in private equity placements is more consistent with the "Tunneling Hypothesis" than the "Certification Hypothesis". We document that the tunneling incentives can be mitigated when the firm's corporate governance is stronger.

Conference Presentations (* presenter)

- Endless Summer Conference on Financial Intermediation and Corporate Finance August, 2022
Onur Bayar, **Ioannis V. Floros***, Yini Liu, and Juan Mao, "Litigation and Information Effects in Private Sales of Securities"
- Southern Finance Association Annual Meeting (Captiva Island, FL) November 2021
Onur Bayar*, Yini Liu, and Juan Mao, Is Short Selling Informative about Litigation Risk? Evidence from Private Investments in Public Equity
- Financial Management Association Annual Meeting (Denver, CO) October 2021
Yini Liu*, Ca Nguyen, "The Role of Loan Market Access and Financial Constraints in Pricing Private Placements"
- Eastern Finance Association Annual Meeting (Virtual) April 2021
Onur Bayar, **Ioannis V. Floros***, Yini Liu, and Juan Mao, "Litigation and Valuation Effects in Private Sales of Securities"
- Financial Management Association European Conference (Virtual) June 2021
Onur Bayar, **Ioannis V. Floros***, Yini Liu, and Juan Mao, "Litigation and Valuation Effects in Private Sales of Securities"
- Southwestern Finance Association Annual Meeting (Virtual) March 2021
Onur Bayar, **Yini Liu***, and Juan Mao, Is Short Selling Informative about Litigation Risk? Evidence from Private Investments in Public Equity
- Financial Management Association Annual Meeting (New Orleans, LA) October 2019
(Dissertation selected by the 2019 FMA Doctoral Student Consortium)
Onur Bayar, **Yini Liu***, and Juan Mao, "Litigation Risk and Private Investments in Public Equity"

ASSA American Finance Association PhD Student Poster Session (Atlanta, GA)	Jan 2019
Onur Bayar, Yini Liu* , and Juan Mao, “How Reverse Merger Firms Raise Capital in PIPEs: Search Costs and Placement Agent Reputation”	
Financial Management Association Annual Meeting (San Diego, CA)	October 2018
Onur Bayar, Yini Liu* , and Juan Mao, “How Reverse Merger Firms Raise Capital in PIPEs: Search Costs and Placement Agent Reputation”	
Financial Management Association Asia/Pacific Conference (Hong Kong)	May 2018
Onur Bayar, Yini Liu* , and Juan Mao, “How Reverse Merger Firms Raise Capital in PIPEs: Search Costs and Placement Agent Reputation”	
Midwest Finance Association Annual Meeting (San Antonio, TX)	March 2018
Onur Bayar, Yini Liu* , and Juan Mao, “How Reverse Merger Firms Raise Capital in PIPEs: Search Costs and Placement Agent Reputation”	
Southwestern Finance Association Annual meeting (Houston, TX)	March 2019
Onur Bayar, Yini Liu* , and Juan Mao, “How Reverse Merger Firms Raise Capital in PIPEs: Search Costs and Placement Agent Reputation”	

Conference Discussions

Eastern Finance Association Annual Meeting (Virtual)	April 2021
Southwestern Finance Association Annual Meeting (Virtual)	March 2021
Financial Management Association Annual Meeting (San Diego, CA)	October 2018
Financial Management Association Asia/Pacific Conference (Hong Kong)	May 2018
Southwestern Finance Association Annual meeting (Houston, TX)	March 2019

Honors and Awards

UTSA Keith Fairchild Teaching Award 2019
ASSA American Finance Association 2019 Meeting Doctoral Student Travel Grant
UTSA Doctoral Student Competitive Scholarship, 2019
UTSA College of Business 5th Year funding received 2019-2020
UTSA College of Business PhD Excellence Award 2017&2018&2019
UTSA Graduate Student Professional Development Award 2017&2018&2019
UTSA Doctoral Tuition Fellowship 2015-2019
Southwestern Finance Association 2019 Meeting Doctoral Student Stipend
Fudan U Graduate Student Scholarship 1st Award 2014&2015
Fudan U Xiyuan Research Award, 2013
Fudan U Undergraduate Student First Class Scholarship 2011&2012

Teaching Interests

Corporate Finance, Entrepreneurial Finance, International Finance, or Capital Markets and Investments classes at undergraduate or graduate level

Teaching Experience

I have taught the following courses at the University of Western Ontario:

2021 Winter MOS3311B Advanced Corporate Finance

% Agree (strongly agree, agree, agree somewhat)	MOS 3311B Section 001	MOS 3311B Section 002
	N=14	N=16
1. Displays enthusiasm	100%	100%
2. Well organized	92.9%	100%
3. Presents concepts clearly	85.7%	93.8%
4. Encourages participation	100%	100%
5. Responds to questions clearly	92.9%	100%
6. Encourages reflection	85.7%	93.8%
7. Provides fair evaluation	100%	87.5%
8. Provides helpful feedback	92.9%	100%
9. Good motivator	92.9%	93.8%
10. Effective as a university teacher	100%	93.8%
11. Course as a learning experience	85.7%	100%

I have taught the following courses at the University of Texas at San Antonio:

2019 Spring FIN3003 Survey of Finance

- Teaching evaluation: 4.41/5.00 (College of Business average: 4.18/5.00)
- Class size: 66; Number of Respondents: 58

2018 Summer FIN3013 Principles of Business Finance

- Teaching evaluation: 4.45/5.00 (College of Business average: 4.12/5.00)
- Class size: 37; Number of Respondents: 33

2017 Fall FIN3003 Survey of Finance

- Teaching evaluation: 4.25/5.00 (College of Business average: 4.04/5.00)
- Class size: 40; Number of Respondents: 32

Academic Work Experience

Coauthored Book: "Equity Markets, Valuation, and Analysis"

- Chapter 14: "Private Company Valuation"

Referee for: *Journal of Banking and Finance*, *British Journal of Management*, *International Journal of Accounting, Auditing and Performance Evaluation*

Other Teaching Experience

Research Assistant: Department of Finance, 2015-2019

Teaching Assistant:

- 2019 Fall, 2018 Spring and Fall: Computer Modeling of Financial Applications: Grader
- 2017 Summer: Principles of Business Finance: Lab Instructor
- 2016 Spring: Cases and Problems in Finance: Grader

Industry Experience

Fosun International, January-June, 2015, Shanghai, China

- 6-month internship as investment analyst in PE/VC projects in public facilities, transportation and logistics, online retailing industries
- Offer generated

BNY Mellon Western Fund Management, June-September, 2014, Shanghai, China

- 3-month internship as product management assistant
- Comply with mutual fund industry regulation and prepare legal documents for 3 new mutual fund products

Bank of Communications, January-June, 2011, Shanghai, China

- 6-month internship as assistant in the department of personal wealth management
- Compile 200+ client files and verify quarterly financial statements

Professional Affiliations

Member of American Finance Association (AFA), Financial Management Association (FMA), Midwest Finance Association (MFA), Southwestern Finance Association (SWFA)

Skills

Software and database: Stata; SAS; R; Python; SPSS; Microsoft; Bloomberg; Capital IQ

Language: English (proficient); Mandarin (native)