

SHASTRI S. SANDY

Work:

Booth School of Business
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Education

University of Chicago, Booth School of Business

Chicago, IL

Ph.D. in Finance and MBA, expected June 2010.

Dissertation: "Does it matter who owns the stock?"

Advisors: Luigi Zingales (Chair), Steven Kaplan, Juhani Linnainmaa and Amir Sufi

Support Area: Economics Coordinated Sequence: Econometrics/Statistics

Massachusetts Institute of Technology

Cambridge, MA

Masters of Engineering in Electrical Engineering and Computer Science, 2002

Bachelor of Science in Computer Science and Engineering, 2001

Bachelor of Science in Management Science, 2001

Concentration in Finance, Minor in Economics

Research Interests

Empirical corporate finance; corporate governance and interaction between shareholders and the firm

Working Papers

Does It Matter Who Owns the Stock? (Job Market Paper)

I test the Wall Street claim that investment banks place the shares of an equity offering in the hands of the "right" shareholders. I classify shareholders based on past trading characteristics. For IPOs where investment banks have discretion over selecting the firm's shareholder base, I find that investment banks do not satisfy long-term shareholders' demand for shares. For these IPOs, there is no correlation between initial shareholder composition and five-year returns following IPOs. In SEOs where investors select into the firm, I find a significant correlation between shareholder composition and five-year returns following SEOs. Post-SEO returns are lower if more short-term investors buy into the equity offering. This evidence suggests that the difference in post-SEO returns is due to stock selection by investors and not the placement decisions investment banks make.

Capital structure as a strategic negotiating tool: Evidence from shareholders' class action lawsuits

I use a negative exogenous shock to shareholders' ability to file class action lawsuits - the passage of the 1995 Private Securities Litigation Reform Act - to test the effect of the probability of being sued on a firm's capital structure. After the passage of the Act, firms with the highest ex-ante probability of being sued have the largest decline in

leverage ratio. The change in leverage is inversely related to the time until the debt matures. These results suggest that managers use their capital structure, specifically their short-term debt, strategically as a negotiating tool in shareholder initiated class action lawsuits.

Work Experience

Analyst: Cornerstone Research, Boston, MA (2002-2004)

I worked on economic analysis for class action lawsuits. I focused on cases involving IPO bookbuilding and liquidity premiums of large block trades.

Academic Honors and Awards

Executive MBA Teaching Assistant Award, Singapore Campus 2007
Executive MBA Teaching Assistant Award, London Campus 2007
CRSP Paper Award 2005
Member of National Society of Collegiate Scholars
Electrical Engineering and Computer Science Honors Society (HKN)
Tau Beta Pi (TBP) National Engineering Honors Society
Open Science Scholarship based upon academic placement in Cambridge Advanced Level Examination, full tuition at MIT 1997-2002
Member of Trinidad and Tobago's 1997 Mathematics Olympiad Team

Teaching and Research Experience

Teaching Assistant:

Corporation Finance (Spring 2008) for Prof. Josh Rauh
Executive MBA London and Singapore Campus, Business Statistics (Winter 2007) for Prof. Federico Bandi
Corporation Finance (Fall 2006) for Prof. Urs Peyer
Financial Instruments (Fall 2006) for Prof. Robert Novy-Marx
Financial Instruments (Spring 2006) for Prof. George Constantinides

Research Assistant:

Prof. Darren Roulstone (2005)

Other Papers

Chat assistant: An online distance collaborative decision tool (Thesis, Master's of Engineering in Electrical Engineering and Computer Science, 2002) **MIT**

I developed a Java and Perl Script web-based chat interface designed to enable groups separated by geographical distance or time to make decisions more effectively.

Interests

Unihoc, soccer, cricket

References

Luigi Zingales (Committee Chair)
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