

Academy of Entrepreneurial Finance

Program 2008

**September 24-26, 2008, Las Vegas,
Nevada**

Dear Colleagues,

On behalf of the program committee and staff, I would like to take this opportunity to welcome you to the Twentieth Annual Academy of Entrepreneurial Finance Conference on September 24-26, in sunny Las Vegas! This milestone conference brings together national and international researchers and practitioners in the fields of entrepreneurial and small firm finance. Over the course of the next three days, you will share knowledge, ideas, and fellowship with some of the best minds in this important and dynamic field.

This conference will feature the latest research from both U.S. and international scholars on a variety of topics relevant to entrepreneurial finance including financing sources, the role of venture capital and private equity, initial public offerings, performance, global issues, and data sources. As a participant, you will receive feedback on your work, and there will be ample time for networking.

This year, also, we will be graciously hosted by the University of Nevada at Las Vegas. During our stay, we will have the opportunity to visit and use their beautiful campus. It is particularly appropriate that we are having our twentieth conference here, in Nevada, which has been one of the most rapidly growing states in the country. This rapid growth has created many opportunities for entrepreneurship, including the gaming and entertainment businesses that Las Vegas is famous for.

Thank you for attending this year's conference. Enjoy every minute! Take advantage of the knowledge and expertise that will be shared at the conference, and enjoy the many attractions that Las Vegas has to offer. Thanks also to all the program committee members and reviewers who have made this conference possible. Also special thanks to the AEF staff for their hard work.

Sincerely,

Dr. Susan Coleman, Program Chair
Professor of Finance
University of Hartford

WEDNESDAY, SEPTEMBER 24

- **Arrival and Hotel Check in.** The Conference Hotel is Hyatt Place Las Vegas; located at 4520 Paradise Road, Las Vegas, NV 89169. Please visit our web site www.aodef.org for **Hotel Registration and the Special Group Rates** available to you during your stay for the conference.
- **Conference Package Pickup** from the hotel lobby: Hyatt Place Lobby: 5:00-7:00 PM. After that time, please follow the Thursday schedule.
- ***Program Note:*** Please note all of our Thursday and Friday meetings will be held at the Student Union Conference Center located on the campus of University of Nevada at Las Vegas (UNLV). Our hotel- Hyatt Place Las Vegas- is located just at the edge of UNLV. For detailed information on both the hotel- including special Group Rate for your stay- and the exact location of the conference please see our web site at www.aodef.org .

THURSDAY PROGRAM, SEPTEMBER 25

All Thursday meetings will be held at UNLV's Student Union (SU) Conference Center- SU Meeting Room 208-C

Morning Sessions	Morning Sessions
7:30-8:30 SU 208-209 Area	Registration, and Breakfast
8:30-8:45 SU 208-C	Welcome Paul Jarley, Dean, College of Business, UNLV Susan Coleman, University of Hartford and Program Chair
8:45-10:15 SU 208-C <u>Session 11:</u> Financing the Entrepreneurial Firm	<u>Session 11: Financing the Entrepreneurial Firm</u> <u>Session Chair:</u> J. William Petty, Baylor University Pricing Convertible Preferred Stock and Valuing the Capital Structure of Early State Firms Stanley Jay Feldman, Axiom Valuation Solutions Brian Lynn, Axiom Valuation Solutions Discussant: John Nofsinger A Formalized Methodology for Raising Capital to Seed Hedge Fund Start Ups

	<p>Brian Batavia, Illinois Institute of Technology</p> <p>Andrew Kumiega, Illinois Institute of Technology</p> <p>Ben Van Vliet, Illinois Institute of Technology Discussant: James Haskin</p> <p>Is Real Option Analysis Appropriate for Entrepreneur Business Plan and Structured Angel Group's Valuation Consideration?</p> <p>James Haskin, University of North Dakota Discussant: Andre Gygax</p> <p>The Impact of Tax Policy on Entrepreneurial Growth</p> <p>Jeffrey Lowenthal, Northeastern State University</p> <p>Rex Pjesky, Northeastern State University Discussant: Charles Ou</p>
<p>10:15-10:45 SU 208-209 Area</p>	<p>Refreshment Break</p>
<p>10:45 - noon: SU 208-C</p> <p>Session 12: Financing the Small & Medium Size Enterprise- SME #1</p>	<p>Session 12: Financing the Small & Medium Size Enterprise- SME #1</p> <p><u>Session Chair:</u> Percy S. Poon, UNLV</p> <p>What Do We Know About the Capital Structure of Privately Held Firms? Evidence from the Surveys of Small Business Finance</p> <p>Rebel Cole, DePaul University Discussant: Yongjin Park</p> <p>The Impact of the Credit Crisis on Bank Lending to Small Business</p> <p>Richard Constand, University of West Florida Discussant: John Wolken</p> <p>Sources of Funding for New Women-Owned Firms: Evidence from the Kauffman Firm Survey Data</p>

	<p>Susan Coleman, University of Hartford, West Hartford</p> <p>Alicia Robb, University of California, Santa Cruz Discussant: Howard Van Auken</p> <p>Discount Rates for Seed Capital Firms: A Generalization</p> <p>Samuel Mongrut Montalvan, ITESM, Mexico Discussant: Brian Batavia</p>
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[Luncheon and Keynote Address](#)

Afternoon Sessions	Afternoon Sessions
<p>Noon to 1:30 TBA</p>	<p>Luncheon; Keynote Speaker:</p> <p>Robert Strom, Kauffman Foundation</p>
<p>1:30-1:45</p>	<p>Short Break</p>
<p>1:45-3:00 SU 208-C</p> <p>Session 13 Data Sources for Financial Research on Small and Entrepreneurial Firms</p>	<p>Session 13: Data Sources for Financial Research on Small and Entrepreneurial Firms</p> <p><u>Session Chair:</u> Charles Ou, U.S. Small Business Administration</p> <p><u>Panelists:</u></p> <p>Alicia Robb, University of California, Santa Cruz:</p> <p>The Kauffman Firm Survey</p> <p>Traci Mach, Federal Reserve Board of Governors:</p> <p>Utilizing the Survey of Consumer Finance to Collect Information on Small Business Finances</p> <p>John Wolken, Federal Reserve Board of Governors:</p> <p>The 2003 Survey of Small Business Finances</p> <p>Charles Ou, U.S. Small Business Administration:</p> <p>Angel Investment: How Much We Know and Don't Know</p>

<p>3:00-3:30 SU 208-209 Area</p>	<p>Refreshment Break</p>
<p>3:30-5:00 SU 208-C</p> <p><u>Session 14</u> Financing the Small & Medium Size Enterprise-SME #2</p>	<p><u>Program Note: Please Note Sessions 14 and 15 run parallel to each other.</u></p> <p><u>Session 14: Financing the Small & Medium Size Enterprise- SME #2</u></p> <p><u>Session Chair:</u> Stephen M. Miller, UNLV</p> <p>Financial Behaviors Among Bootstrap Finance Choices</p> <p>Lynn Neeley, Northern Illinois University</p> <p>Howard Van Auken, Iowa State University Discussant: Susan Coleman</p> <p>The Evolving Relationship between Community Banks and Small Businesses: Evidence from the Surveys of Small Business Finances</p> <p>John D. Wolken, The Federal Reserve Board Discussant: Richard Constand</p> <p>Parsimonious Lenders: Bank Concentration and Credit Availability to Small Businesses</p> <p>Yongjin Park, Connecticut College Discussant: Alicia Robb</p> <p>Lending to Small Businesses by Financial Institutions in the United States</p> <p>Charles Ou, U.S. Small Business Administration Victoria Williams, U.S. Small Business Administration Discussant: Rebel Cole</p>

3:30-5:00

SU TBA

Session 15

**Global Aspects of
Venture Capital**

Session 15: Global Aspects of Venture Capital

Session Chair: Janet Runge, UNLV

An Examination of the Global Private Equity Industry

Eleanor X Xu, Seton Hall University

Discussant: S.B. Misra

**Strategic Investment Decisions and Deployability of Funds
in Indian Small and Medium Enterprises (SMEs): Some
Observations**

S.B. Misra, Birla Institute of Technology & Science, India

Discussant: Gregory Christainsen

**Case Analysis of Knowledge-based Theory of Firms of VC
Industry in Mainland China: Human Capital Perspective**

Wei Ma, University of Electronic Science and Technology of
China

Discussant: Eleanor X Xu

**Financial Institutions and Living Standards: The Case of
Entrepreneurial Finance in East Asia**

Gregory Christainsen, California State University, East Bay

Discussant: Wei Ma

FRIDAY PROGRAM, SEPTEMBER 26

All Friday meetings will be held at UNLV's Student Union (SU) Conference Center- SU Meeting Room 209

Morning Sessions	Morning Sessions
7: 30-8: 30 SU 208-209 Area	Breakfast
8:30-8:45 SU 209	Welcome and Logistics for Day 2
8:45-10:15 SU 209 <u>Session 26:</u> Venture Capital	<p><u>Session 26</u> : Venture Capital</p> <p><u>Session Chair:</u> Steven Phelan, UNLV</p> <p>Strategic Alliances by Venture Capital-backed Firms: An Empirical Examination</p> <p>Rob Wuebker, Rensselaer Polytechnic Institute Discussant: Eleanor Xu</p> <p>Bridging the Gap Between Theory and Practice: An Experiment with Inspiring Entrepreneurs and Venture Capitalists</p> <p>Donald Flagg, University of Tampa</p> <p>Speros Margetis, University of Tampa Discussant: Gregory Christainsen</p> <p>Determinates of New Firm Birth Rates Internationally</p> <p>John Nofsinger, Washington State University</p> <p>Blerina Reca, Washington State University Discussant: Donald Flagg</p> <p>Taxes and Other Determinants of Hedging: Evidence from Portuguese Privately Held Companies</p> <p>Antonio Martins, University of Coimbra, Portugal</p> <p>Maria Joao Jorge, University of Coimbra, Portugal Discussant: Haizhi Wang</p>

<p>10:15-10:45 SU 208-209 Area</p>	<p>Refreshment Break</p>
<p>10 :45-noon SU 209</p> <p><u>Session 27:</u> Entrepreneurial Finance: A Global Perspective</p>	<p><u>Session 27:</u> Entrepreneurial Finance: A Global Perspective</p> <p><u>Session Chair:</u> Keong Leong, UNLV</p> <p>Determinants of Start-up Firm External Financing Worldwide</p> <p>John Nofsinger, Washington State University</p> <p>Weicheng Wang, Washington State University Discussant: Raymond Cox</p> <p>Differences in Loan Rates for Small and Large Companies: Efficiency or Structural Issues? Evidence from an Explorative Study in Switzerland</p> <p>Andreas Dietrich, Lucerne University of Applied Sciences, Switzerland Discussant: Luann Bangsund</p> <p>The Listing of Foreign Firms-the Case of London's AIM</p> <p>Andre Gygax, University of Melbourne</p> <p>Ashwin Khotkar, University of Melbourne Discussant: Stanley Jay Feldman</p> <p>Sources and Management Styles of Funds, and Size and Structure of Firms Portfolios: Survey from VC and PE in Mainland China</p> <p>Sihai Fang, University of Electronic Science and Technology of China Discussant: Antonio Martins</p>

Lunch and Research Opportunities

Afternoon Sessions	Afternoon Sessions
<p>Noon-1:30 SU 209</p> <p><u>Session 28</u> Working Lunch & Discussion Panel on Research Issues in Entrepreneurial Finance</p>	<p>Session 28: Working Lunch & Discussion Panel on Research Issues in Entrepreneurial Finance</p> <p><u>Session Chair:</u> J. William Petty, Baylor University</p> <p><u>Panelists:</u></p> <p>J. William Petty, Baylor University</p> <p>Jonathan A. Scott, Temple University</p> <p>Jacky So, Ph.D., Texas A&M International University</p> <p>Rassoul Yazdipour, California State University, Fresno</p>
<p>1:30-1:45</p>	<p>Short Break</p>
<p>1:45-3:00 SU 209</p> <p><u>Session 29</u> Initial Public Offerings</p>	<p><u>Session 29: Initial Public Offerings</u></p> <p><u>Session Chair:</u> Jonathan A. Scott, Temple University</p> <p>Intermediaries in the IPO Process and Their Impact on Underpricing: What Do Investment Banks Truly Bring to the Table?</p> <p>Andre Gyax, University of Melbourne</p> <p>Stephanie Ong, University of Melbourne</p> <p>Discussant: J. Jimmy Yang</p> <p>The Impact of Accounting Standards and Ownership Structure on IPO Underpricing: Evidence from Germany's Neuer Market</p> <p>Julie Ann Elston, Oregon State University</p> <p>J. Jimmy Yang, Oregon State University</p> <p>Discussant: Charles Conrick</p> <p>Do Underwriters Have an Information Advantage? Evidence from Institutional Investor Holdings Around IPO- Related</p>

	<p>Securities Class Action Announcement</p> <p>Thomas Walker, Concordia University Discussant: Jeffrey Lowenthal</p> <p>Delaware Incorporation Matters for New Ventures: Evidence from Venture Capital Investment and the Going Public Process</p> <p>Haizhi Wang, Rensselaer Polytechnic Institute</p> <p>Robert Wuebker, Rensselaer Polytechnic Institute Discussant: S.B. Misra</p>
<p>3:15-4:30 SU 209</p> <p><u>Session 30</u> Performance in Entrepreneurial Firms</p>	<p><u>Session 30: Performance in Entrepreneurial Firms</u></p> <p>Session Chair: Chair: Richard Constand</p> <p>A Study of Entrepreneur and Small Business' Required Returns and Empirical Observation of Actual Entrepreneurial Returns Attained</p> <p>Charles Conrick, Dickinson State University</p> <p>Debora Dragseth, Dickinson State University Discussant: Lynn Neeley</p> <p>Organic versus Acquired Growth: A Research Note</p> <p>Raymond Cox, University of Ontario</p> <p>Kevin Cramton, Ripplewood Holdings, LLC</p> <p>Joel Shulman, Babson College</p> <p>Thomas Stallkamp, Babson College Discussant: Shannon Donovan</p> <p>Does Having a Business Plan Affect Performance of New Ventures in the Early Years of Formation?</p> <p>Shannon Donovan, Bridgewater State College Discussant: Victoria Williams</p> <p>Valuation Methods for Initial Public Offerings: Evidence from a Beauty Contest</p>

	Luann Bangsund, University of the Pacific Discussant: Debora Dragseth
4:30 Conference Conclusion	Conference Conclusion

2008 Program Committee and Advisory Board

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Susan Coleman, DPS
University of Hartford

Program Committee Members:

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University of West Florida

Charles Ou, Ph.D.
U.S. Small Business Administration

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Baylor University

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