CONFERENCE ON FINANCIAL INNOVATION: 35 YEARS OF BLACK/SCHOLES AND MERTON

PROGRAM

THURSDAY, OCTOBER 16, 2008

7:30 **Breakfast**

8:15 Opening Remarks
Nick Zeppos, Chancellor, Vanderbilt University

8:30 Financial Innovation: The Past 35 Years
Moderator: Robert E. Whaley, Vanderbilt University
Keynote Speaker: Leo Melamed, Cbainnan Emeritus, CME Group

9:00 Session 1: Volatility Markets
Chair: Emanuel Derman, Columbia University
Nicolas P.B. Bollen, Vanderbilt University
Empirical A1 1alysis of VIX Options: Lessons from a Flourishing Market
Krag "Buzz" Gregory, Goldman Sachs
Volatility As a1 1 Asset Class
Peter Carr, Bloomberg LP and Courant Institute, New York University
Variance Risk Premia

10:30 Break

11:00 Session 2: Real Estate Markets
Chair: Simon Gervais, Duke University
Robert Shiller, Yale University
Derivatives Markets for Home Prices
Nancy Wallace, University of California, Berkeley
Volatility, Mortgage Default, and CMBS S1 1bordi1 1atio1 1

12:00 Lunch

1:30 Session 3: Credit Markets
Chair: Clifford A. Ball, Vanderbilt University
Thomas Ho, Thomas Ho Company, Ltd.
Val1 1atio1 1 of !merest Rate and Credit Co1 1ti1 1ge1 1 1 Claims: A Unified Model
Rob Engle, Stern School of Business, NYU
A Dynamic Stntctura/ Model ofCDO Pricing
Francis Longstaff, UCLA
Asset Prici1 1g a1 1d the Credit Market

3:00 Break

3:30 **Financial Innovation: The Next Decade**
Moderator: Hans R. Stoll, Vanderbilt University
Panelists:
Edward J. Joyce, President and COO, Chicago Board Options Exchange
Leo Melamed, Chainnan Emeritus, CME Group
Robert Merton, John and Natty McArthur University Professor, Harvard Business School
Myron Scholes, Frank E Buck Professor of Finance, Emeritus, Stanford University and Chairman, Platinum Grove Asset Management, L.P.

6:00-9:00 **Reception and** dinner-Country Music Hall of Fame

FRIDAY, OCTOBER 17, 2008

7:30 **Breakfast**

8:30 Session 4: Stock Index Option Markets
Chair: Craig Lewis, Vanderbilt University
George Constantinides, University of Chicago
Are Options 011 Index Fu1 1 1res Profitable for Risk Averse Investors? empirical Evidence
Michael Johannes, Columbia University
Understanding I1 1de.x Op1ion Ret1 1ms
Stephen Figlewski, New York University
Estimation of Risk-Neutral Density F1mctio1 1s

10:00 Break

10:30 Session 5: Real Options
Chair: Jacob Sagi, Vanderbilt University
Kerry Back, Texas A&M University
Ope1 1 Loop Equilibria and Perfect Competition in Option Exercise Games
Neng Wang, Columbia University
Entrepreneurial Fi1 1a1 1ce amt No1 1-diversijiable Risk

11:30 Session 6: Share-based Compensation Contracts
Chair: Jim Cochrane, JALCO & Associates, LLC
Kevin Murphy, University of Southern California
The Cost and Value of Employee Stock Options
Richard Stanton, University of California, Berkeley
Optimal Exercise of Executive Stock Options and lmplicatio1 1s for Firm Cost

12:30 Closing Remarks and Lunch
Robert E. Whaley, Vanderbilt University

2:00 Departures