UF WARRINGTON COLLEGE of BUSINESS

Department of
Finance, Insurance and Real Estate

February 24, 2020

Dear Professor David Robinson,

My name is Minmo Gahng and I am a second-year finance Ph.D. student at the University of Florida. I am writing to apply for the NBER Entrepreneurship Research Boot Camp 2020. Professor Jay Ritter (jay.ritter@warrington.ufl.edu 352-846-2837) will write a recommendation letter for me.

Please feel free to contact me if you have any questions. I can be reached by email (minmo.gahng@warrington.ufl.edu) or phone (919-880-5215). Thank you for your consideration.

Sincerely,

Minmo Gahng

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UNIVERSITY OF FLORIDA

Minmo Gahng

Stuzin Hall 303K (P.O. Box 117168), 1454 Union Road, Gainesville, FL, 32611

minmo.gahng@warrington.ufl.edu +1 (919) 880 5215

Education

University of Florida **Gainesville, FL**
Ph.D. in Finance, Passed the Qualification Exam in 2019 *2018 - Present*

Duke University **Durham, NC**
M.A. in Economics *2017*

Yonsei University **Seoul, South Korea**
Bachelor of Business Administration, Exchange Student to Georgia Tech (2010) *2011*

Research Interests

Entrepreneurial Finance, Private Equity, IPO, Labor and Finance

Working Papers

"Economic Growth Matters for Global Equity Returns" with Brian Gendreau and Andy Naranjo
- Developed from the first year RA assignment and submitted to multiple conferences

Honors and Awards

- Ph.D. Fellowship, Research Grant, **University of Florida** *2018 - Present*
- Merit Scholar Award, **Duke University** *2015 - 2017*
- Scholarship for Academic Distinction, **Yonsei University** *2010*

Professional Experience

The Export-Import Bank of Korea (K-EXIM) **Seoul, South Korea**
Loan Officer – Overseas Infrastructure Financing *2014 - 2015*

Korea Finance Corporation (Currently Korea Development Bank) **Seoul, South Korea**
Associate Manager – Bond Issuance, Investor/Public Relations *2012 - 2014*

Ministry of Health and Welfare of Korea **Seoul, South Korea**
Public Service Personnel – Mandatory Military Service *2007 - 2009*

Additional

- Computing Skills: Python, R, SAS, STATA
- Personal: Married with two children, Enjoy running

References

Jay Ritter
Joseph B. Cordell Eminent Scholar Chair
Dept of Finance, University of Florida
(352) 846-2837
jay.ritter@warrington.ufl.edu

Andy Naranjo
John B. Hall Professor, Department Chair
Dept of Finance, University of Florida
(352) 392-3781
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A list of all current and completed PhD courses at the University of Florida

Finance Theory 1 (Asset Pricing)

Finance Theory 2 (Corporate Finance 1 by Jay Ritter)

Finance Theory 3 (Corporate Finance 2 by Jay Ritter)

Financial Intermediation (Banking by Mark Flannery)

Information Economics

Best Empirical Practice in Economics

Practical Computing in Economics

Data Analysis and Decision Supports

Data Analysis Skills

Web Crawling and Textual Analysis

Preparing to Teach in Business (PhD Teaching Seminar)

Note: Finance PhD program at the University of Florida waived the sequence of microeconomics and econometrics courses for me since I earned an MA degree in economics from Duke University.

As Professor Jay Ritter's student, I have naturally become familiar with the IPO literature. I have developed a particular interest in explaining why IPO activity has declined in recent years, as Gao, Ritter, and Zhu (2013) propose the economies of scope hypothesis as a probable reason. I have also been intrigued by the work of Stulz (2019), who asks a broader question: why have we seen a sharp decline in public equity and an increase in supply of funds for private equity? Stulz (2019) offers a general perspective, but some researchers have discussed specific channels, such as Ewens and Farre-Mensa (2019). They suggest the deregulation of securities laws in 1996 was the impetus for the increased supply of private equity. I am interested in how this increased supply influences the inorganic growth strategies of private companies.

Specifically, I want to focus on the mergers and acquisitions of private equity (PE) portfolio companies and venture capital- (VC) backed companies. To start with, I would like to document when PEs (VCs) acquire (invest) through portfolio companies and when they directly acquire (invest). Then I want to test whether the conventional wisdom that VCs seek risky early-stage companies while PEs seek more established companies still holds. I further want to examine the innovation of companies held by PE portfolio (VC-backed) companies, extending the work of Lerner, Sorensen, and Strömberg (2011). Finally, I would like to examine their exit choices, testing whether so-called build-up strategies have contributed to the decline of public equity[1].

I am also interested in investigating the overlap between VCs and buyout PEs by examining the economics behind the PEs' investments in VC-backed companies as noncontrolling shareholders as well as VCs' takeover deals. This research would aim to show how an increased supply of funds and increased competition among different types of private equity firms affect the value creation among startups.

To evaluate the validity of my ideas and pursue them as my dissertation, I want to get more rigorous training by attending the NBER Entrepreneurship Research Boot Camp. I would aim to achieve three goals, detailed below, from the bootcamp.

First, I would like to learn the ins and outs of both entrepreneurial finance (demand side) and private equity (supply side). I want to learn more than what I could learn by just reading

[1] Jay Ritter's IPO data (https://site.warrington.ufl.edu/ritter/ipo-data/) shows the recent decline in buyout-backed IPOs and Degeorge, Martin, and Phalippou (2016) document the recent increase in secondary buyouts, all directing to the same trend.

papers—in particular, the challenges that researchers in this field face, such as data availability and identification issues, and how to overcome them. Learning from leading scholars would be an invaluable steppingstone for my career development.

My second goal is to meet great mentors and build relationships. By frequently interacting with faculty members at the University of Florida, I have come to understand the importance of great mentors. For example, from Jay Ritter, I not only learned the specifics of IPO scholarship but also learned how he thinks about problems and approaches research. I would like to fully take advantage of the opportunities to interact with other scholars inside and outside of the classroom.

Third, I would like to meet fellow students, who will be my future colleagues and friends. I enjoy discussing research with others, and I often come up with new ideas in these conversations. It would be great to be surrounded by smart people with similar research interests.

I believe that my drive and background have prepared me to participate in-and contribute to-your bootcamp, and I would be honored to be included. If you have any questions, please reach out to me. I look forward to hearing from you soon.

References

Degeorge, Francois, Jens Martin, and Ludovic Phalippou, 2016, On secondary buyouts, *Journal of Financial Economics* 120, 124–145.

Ewens, Michael, and Joan Farre-Mensa, 2019, The Deregulation of the Private Equity Markets and the Decline in IPOs, *NBER Working Paper*, Cambridge, MA.

Gao, Xiaohui, Jay R. Ritter, and Zhongyan Zhu, 2013, Where Have All the IPOs Gone?, *Journal of Financial and Quantitative Analysis* 48, 1663–1692.

Lerner, Josh, Morten Sorensen, and Per Strömberg, 2011, Private Equity and Long-Run Investment: The Case of Innovation, *The Journal of Finance* 66, 445–477.

Stulz, René M, 2019, Public versus Private Equity, *SSRN Electronic Journal*, 26.

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April 17, 2020

NBER Entrepreneurship Boot Camp
Via e-mail: maranjian@nber.org

Dear admissions committee:

This is a letter of recommendation for **Minmo Gahng**, a second year PhD student at the University of Florida's finance department. I have had Minmo as a student in two PhD classes, and have also talked with him on a number of occasions about research ideas. He has also written several "shadow" referee's reports for me for papers that I reviewed for the *JFE*. His reports have identified a number of the same issues that I focused on when I read the paper, and also brought up some other issues that have made my reports better.

Minmo is among the top students in our PhD program. I think that he has excellent potential to be among our top graduates, and I think that he would benefit from participating in the NBER Entrepreneurship Boot Camp. I think that the other students would also benefit from his presence: he occasionally asks perceptive questions, rather than just accepting uncritically what he has been told.

To keep it brief: I strongly recommend that Minmo be accepted for the boot camp.

Sincerely,

Jay R. Ritter

Jay R. Ritter
Joe B. Cordell Eminent Scholar

UF UNIVERSITY of FLORIDA

JAY R. RITTER

Since 1996, Jay R. Ritter has served as the Joseph Cordell Eminent Scholar in the Department of Finance at the University of Florida. He has previously taught at the University of Pennsylvania's Wharton School, the University of Michigan, the University of Illinois at Urbana-Champaign, and the Massachusetts Institute of Technology's Sloan School of Management. Prof. Ritter is best known for his articles concerning equity issuance, especially initial public offerings (IPOs). His articles have won best paper awards at the *Journal of Finance* (1991), *Journal of Financial Research* (1996), *Journal of Financial and Quantitative Analysis* (2009 and 2013), *Journal of Financial Economics* (2010), *European Financial Management* (2012), and *The Financial Review* (2015). He has served as a Director of the American Finance Association, and was President of the Financial Management Association for 2014-15. Prof. Ritter is an Associate Editor of numerous academic journals and has over 45,000 citations on Google Scholar. He has also consulted on valuation and market manipulation cases, as well as securities issuance, and is frequently quoted in the financial press. He has been on the board of trustees of a mutual fund, Vericimetry US Small Cap Value Fund. He is a frequent visitor to Asia, Australia, Canada, and Europe, and has taught PhD classes at CUHK on numerous occasions. Prof. Ritter received his BA, MA, and PhD (1981) degrees in economics and finance from the University of Chicago.