Adel Khusnulgatin, University of Toronto, Rotman School of Management, Canada.

Phone number: +16476798486

E-mail address: adel.khusnulgatin@rotman.utoronto.ca

Recommendation letter writer: Alexander Dyck, alexander.dyck@rotman.utoronto.ca

As a third-year Ph.D. student in Finance at the University of Toronto, Rotman School of Management, I am enthusiastic about expanding my knowledge and gaining new perspectives at the NBER Entrepreneurship Research Boot Camp. My research interests lie in corporate governance and entrepreneurial finance areas and align perfectly with the topics covered at the boot camp. I am eager to learn from the experts and contribute to the discussions to the best of my ability. I elaborate on my research work in more detail in a two-page essay below, and attach a CV as well as the full academic history.

ADEL KHUSNULGATIN

+1 (647) 679-84-86 ⋄ adel.khusnulgatin@rotman.utoronto.ca

EDUCATION

University of Toronto, Rotman School of Management — September 2020 - Current
Program: Ph.D. in Finance — Current GPA: 4.2/4.3

New Economic School, Moscow — September 2017 - July 2020
Program: Master of Arts in Economics — *Cum Laude*, GPA: 4.8/5.3
Thesis: Economic Growth and Corruption in Russia — Thesis Grade: A+
Advisors: *Ruben Enikolopov* and *Hosny Zoabi*

Moscow Institute of Physics and Technology — September 2013 - July 2017
Program: Bachelor of Science in Applied Mathematics and Physics — *With Honors*, GPA: 4.9/5.0
Thesis: X-ray Pulsars Broadband Spectroscopy — Thesis Grade: A
Advisor: *Alexander Lutovinov*

AWARDS AND SCHOLARSHIPS

NES Student Outstanding Leadership — 2020
Awarded for the manifestation of leadership qualities and supportiveness to students and personnel

Best in Finance — 2020
Awarded for the best grades in the financial area at NES

SAFMAR Charity Foundation Scholarship — 2017 - 2020
Awarded for excellent academic standing at NES — *nes.ru/scholarships/*

Anna Dvornikova and Ilya Strebulaev Foundation Scholarship — 2019
Awarded for devotion to an academic career — *nes.ru/scholarships/*

Vladimir Potanin's Foundation Scholarship — 2018 - 2019
Awarded to the 500 Russian universities students for exceptional leadership skills — *fondpotanin.ru*

Innovative Education Development Fund Scholarship — 2014 - 2016
Awarded to the 10 best students in the department — *phystech-foundation.org*

PROFESSIONAL EXPERIENCE

University of Toronto, Rotman — Winter 2023
Continuous Time Financial Theory, Lecturer (Prof. Redouane Elkamhi)

University of Toronto, Rotman — Summer 2022 – Winter 2023
Research Assistant (Supervisors: Alexander Dyck and Craig Doidge)

University of Toronto, Rotman — Fall 2022
Corporate Financing, Teaching Assistant (Prof. Sergei Davydenko)

University of Toronto, Rotman — Summer 2022
Corporate Financing, Teaching Assistant (Prof. Sergei Davydenko)

University of Toronto, Rotman — Spring 2022
Investment Banking and Corporate Valuation, Teaching Assistant (Prof. Sergei Davydenko)

University of Toronto, Rotman Winter 2022
Research Assistant (Supervisor: Sergei Davydenko)

University of Toronto, Rotman Fall 2021
Corporate Financing, Teaching Assistant (Prof. Sergei Davydenko)

University of Toronto, Rotman Summer 2021
Corporate Financing, Teaching Assistant (Prof. Sergei Davydenko)

New Economic School, Moscow May 2018 - June 2020
Junior Researcher, Research Assistant (Supervisors: Hosny Zoabi and Evgeny Yakovlev)

New Economic School, Moscow Spring 2020
Macroeconomics-V, Teaching Assistant (Prof. Konstantin Styrin) *Avg. Evaluation: 4.7/5.0*

New Economic School, Moscow Spring 2020
Labor Economics, Teaching Assistant (Prof. Irina Denisova) *Avg. Evaluation: 4.5/5.0*

New Economic School, Moscow Winter 2020
Development Economics, Teaching Assistant (Prof. Michele Valsecchi) *Avg. Evaluation: 4.9/5.0*

New Economic School, Moscow Fall 2019
Economic Growth, Teaching Assistant (Prof. Hosny Zoabi) *Avg. Evaluation: 4.9/5.0*

New Economic School, Moscow Fall 2019
Applied Microeconometrics, Teaching Assistant (Prof. Evgeny Yakovlev) *Avg. Evaluation: 4.3/5.0*

New Economic School, Moscow Spring 2019
Macroeconomics-V, Teaching Assistant (Prof. Konstantin Styrin) *Avg. Evaluation: 4.8/5.0*

Russian Academy of Sciences, Moscow September 2014 - July 2017
Senior Laboratory Assistant at Space Research Institute (Supervisor: Lutovinov Alexander)

WORKING PAPERS

Venture Capital and Reputation (2022)

Midpoint Return? (2022)
This paper introduces a new return concept: the midpoint return. The midpoint return is found to behave sufficiently different from the classical return in the CAPM-related prediction regressions. It is likely due to the classical return not paying equal weights for positive and negative price movements and having a corresponding positive bias. Market midpoint beta negatively predicts future midpoint returns for NASDAQ, AMEX, and NYSE stocks. The predictability is especially pronounced for stocks with small market capitalization. Neither size, conditional skewness, nor downside risk account for the difference between the two returns. The momentum effect of the midpoint return exists but is almost two times smaller than the momentum of the classical return. This suggests that many linear models should be carefully examined on the appropriateness of the choice of the return as a dependent variable.

A Friend in Trouble: Police Nepotism in Russia. (2021)
I study the effect of connections with Police on crime detection in Russia using the data from the Russian Crime Victimization Survey. Having a friend in the police is associated with a statistically significant increase in the probability of finding an offender by $10 - 35\%$ ($3 - 7$ p.p.). Besides that, there is evidence of the police's non-optimal behavior and underperformance due to moral hazard issues: in the more severe crime cases connections play a similarly important role as in the less severe crime cases. What is more, there is a negative relationship between the probability of crime detection and the various proxies for regional-level corruption. Finally, there is evidence of connections with the law

enforcement officials being less valuable in a more corrupt environment, which suggests that corruption has a detrimental effect on the law enforcement system. All of the above indicates that the 2011–2012 Russian police reform failed to turn cabbage into a carriage and additional serious reforms are required.

CONFERENCES

2022: Wisconsin Russia Project Young Scholars Conference (presenter); European Finance Association Doctoral Workshop (visitor); European Finance Association Conference (visitor); European Association of Law and Economics Conference (presenter).

UNIVERSITY OF TORONTO

Complete Academic History

Adel Khusnulgatin **Accurate as of:** Feb 9, 2023

This is not an official transcript.

Registration History

2020 Fall-2023 Winter: School of Graduate Studies

School of Graduate Studies

2020 Fall - Doctor of Philosophy - Graduate Department of Management

Crs Code	Title	Wgt	Mrk	Grd	CrsAvg
ECO1011H	Mathematics and Statistics for MA Doctoral Stream and PhD Students	0.50		CR	
ECO2400H	Econometrics I	0.50		A+	
RSM3030H	Financial Theory I	0.50		A	
RSM3032H	Empirical Methods in Finance	0.50		A	
RST9999Y	Research/Thesis	0.00		IPR	

2021 Winter - Doctor of Philosophy - Graduate Department of Management

Crs Code	Title	Wgt	Mrk	Grd	CrsAvg
ECO2401H	Econometrics II	0.50		A	
RSM3033H	Current Topics in Finance	0.50		A+	
RST9999Y	Research/Thesis	0.00		IPR	

2021 Summer - Doctor of Philosophy - Graduate Department of Management

Crs Code	Title	Wgt	Mrk	Grd	CrsAvg
RST9999Y	Research/Thesis	0.00		IPR	

2021 Fall - Doctor of Philosophy - Graduate Department of Management

Crs Code	Title	Wgt	Mrk	Grd	CrsAvg
ECO2411H	Financial Econometrics	0.50		A+	
RSM3080H	Research Methods in Business	0.50		IPR	
RST9999Y	Research/Thesis	0.00		IPR	

2022 Winter - Doctor of Philosophy - Graduate Department of Management

Crs Code	Title	Wgt	Mrk	Grd	CrsAvg
RSM3031H	Financial Theory II	0.50		A+	
RSM3034H	Capital Markets Workshop	0.50		A+	
RSM3080H	Research Methods in Business	0.50		CR	
RST9999Y	Research/Thesis	0.00		IPR	

2022 Summer - Doctor of Philosophy - Graduate Department of Management

Crs Code	Title	Wgt	Mrk	Grd	CrsAvg
DEX5555Y	Departmental Examination	1.00		CR	
RST9999Y	Research/Thesis	0.00		IPR	

2022 Fall - Doctor of Philosophy - Graduate Department of Management

Crs Code	Title	Wgt	Mrk	Grd	CrsAvg
RSM3010H	Special Topics in the Economics of Technology and Innovation	0.50		A	
RSM3090H	Reading Course	0.50		A	

	Research Topics		
RST9999Y	Research/Thesis	0.00	IPR

2023 Winter - Doctor of Philosophy - Graduate Department of Management

Crs Code	Title	Wgt	Mrk	Grd	CrsAvg
RST9999Y	Research/Thesis	0.00		IPR	

This is not an official transcript.

There is a growing body of evidence suggesting that firms are remaining private for longer periods of time. According to a study by Ewens and Farre-Mensa (2020), deregulation has had a significant impact on the increase of private capital supply. This deregulation, among other factors, has allowed mutual funds and hedge funds to invest in private markets, as discussed by Lerner and Nanda (2020). The increased capital flow into private markets may offer more favorable conditions for private firms, leading to their reluctance to go public through IPO or MA. Additionally, this trend may result in overinvestment by VC and PE funds in their portfolio companies, resulting in the burning of investor's money.

In one of my research projects, I aim to address a question outlined in Jenkinson, Kim, and Weisbach (2021) research review: how much capital should be allocated to private equity and how it should be divided among different types of funds. I am currently collecting the necessary data and constructing a theoretical model that examines the decision to remain private for longer periods of time. My goal is to quantify the value of staying private longer by introducing a novel instrumental variable to the literature and by examining how this value has changed over time. Specifically, I aim to determine if increased time in private markets creates value or if private markets are becoming oversaturated. This answer may vary across industries and among different types of firms (LBO-backed and VC-backed).

In several other related research projects, I am investigating the impact of various factors on the choice of private firms to remain private and postpone going public through IPOs (Doidge et al., 2013; Gao et al., 2013). I am examining the influence of information disclosure, protection of intellectual property, maintenance of competitive advantages through secrecy, as well as the impact of VC reputation and availability of capital.

In my second-year paper, I examine the stylized fact of the growing trend of venture capitalists becoming more "founder-friendly" (Lerner and Nanda, 2020; Ewens and Malenko, 2022) and aim to explain this change through a theoretical model. A unique aspect of my approach is to highlight the growth and impact of startup accelerators and incubators, which have emerged and expanded at the same time as the trend of more founder-friendly interactions between founders and venture capitalists. I posit that the presence and activities of these accelerators and incubators enhance the transmission of information about venture capital firms' reputations. This increased awareness, in turn, leads to increased private information disclosure from founders to investors, allowing for better governance decisions and greater contributions to the firm's success, rendering CEO replacement unnecessary and leading to even more founder-friendly contracting. I am currently collecting the necessary data to support this theory.

List of References

Doidge, C., G. A. Karolyi, & R. M. Stulz (2013). The U.S. left behind? globalization and the rise of IPOs outside the U.S. *The Journal of Financial Economics* 110(3), 546–573.

Ewens, M., & Farre-Mensa, J. (2020). The deregulation of the private equity markets and the decline in IPOs. *The Review of Financial Studies*, 33(12), 5463-5509.

Ewens, M., & Malenko, N. (2022). Board dynamics over the startup life cycle. *National Bureau of Economic Research.* No. w27769.

Gao, X., J. R. Ritter, and Z. Zhu (2013). Where have all the IPOs gone? *The Journal of Financial and Quantitative Analysis* 48(6), 1663–1692.

Jenkinson, T., Kim, H., Weisbach, M. S. (2021). Buyouts: A Primer. *National Bureau of Economic Research.* No. w29502.

Lerner, J., & Nanda, R. (2020). Venture capital's role in financing innovation: What we know and how much we still need to learn. *Journal of Economic Perspectives*, 34(3), 23-61.

Joseph L. Rotman School of Management
University of Toronto

Rotman

To: David Robinson, Academic Coordinator, NBER Entrepreneurship Research Boot Camp
Re: Application of Adel Khusnulgatin
Date: February 15, 2023

Dear David,

I want to enthusiastically and unreservedly recommend PhD student Adel Khusnulgatin for admission to the NBER Entrepreneurship Boot Camp. Adel is a 3rd year PhD student in Finance at the Rotman School of Management, University of Toronto. In my 17 years at Rotman we have not had a better PhD student. He's a natural for this program, and he would benefit tremendously from the opportunity.

Adel is super smart, well-trained, and hardworking. This positions him well to both learn from the instructors and to participate in discussions. Prior to joining us at Rotman, he completed a degree in Mathematics and Physics from the Moscow Institute of Physics and Technology, then a Masters degree from the New Economic School, probably the best place for economics and finance training in Russia. In both programs, his work was simply outstanding and we were delighted he joined our program. At Rotman, he has excelled in all of our required courses in economics and finance. My high view of him is shared by all my Rotman colleagues.

He is keenly interested in Entrepreneurship and in private equity and venture capital more generally. He has read widely on these topics and has started to conduct research in this area. He has taken an economics course on Technology and Innovation. Unfortunately, given the limited size of our PhD program, we do not offer a specific course in the finance area on entrepreneurship, VC and PE. The frameworks and methods you can introduce to him in the Bootcamp are thus particularly important and would help him to conduct even better research.

Illustrative of his interests in entrepreneurship is his second-year paper, titled 'Venture Capital and Reputation,' This paper addresses the situation noted by Lerner and Nanda (2020) among others that VC firms don't appear to be engaging nearly so actively in firms to improve their governance as they used to, and have become much more founder friendly. Adel asks whether the growing founder friendliness is a source of concern or has a rational explanation reflecting some changes in the structure of innovative firms and the ecosystem for venture investing? His approach to answer the question starts, as I think it should, by developing a theoretical framework that can explain the stylized facts that VCs used to intervene, and now they no longer do. The key insight Adel brings into focus is the potential role in the innovative process played by accelerators, (such as Y combinator, and Techstars,). What I think is important for you to know is that he demonstrated strong theoretical skills in addressing this question, excellent familiarity with the literature, and this whetted his appetite for doing empirical work. An example of that continuing work is captured in a new paper he is working on that he describes as part of his essay for the bootcamp (and he has already submitted a request to access Burgiss data as part of that research).

Professor Alexander Dyck
105 St. George Street Telephone: (416)-946-0819 E-mail: adyck@rotman.utoronto.ca
Toronto, Ontario, Canada M5S 3E6 Facsimile: (416)-971-3048

A final reason I want to recommend him is that I supervised his second year paper, and I have employed him as a RA (in a project with my colleague Professor Craig Doidge). I think I know him well and he is outstanding to work with. He listens well, he learns quickly, he is adept with data and works very hard to understand it, and its implications. He is also a creative thinker. He has huge upside, with no downsides.

So let me finish as I started. I enthusiastically recommend Adel Khusnulgatin. I think he is just the kind of student the boot camp was designed for, who is well positioned to benefit tremendously from the outstanding instructors you have assembled, and whose participation will enrich the class.

Don't hesitate to contact me if you have any further questions. Thanks so much for considering his application.

Best wishes,



Alexander Dyck
Manulife Financial Chair in Financial Services