Yuanqing (Lorna) Zhong

University of Toronto, Rotman School of Management, Canada.

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Year of entry into the PhD program: 2021

Expected year of completion: 2027

Recommendation letter writer: Ting Xu, tingxu.xu@rotman.utoronto.ca

As a fifth-year Ph.D. candidate in Finance at the University of Toronto, Rotman School of Management, my research interests lie in Merge & Acquisition and entrepreneur finance, areas that closely align with the boot camp's themes. I look forward to learning from leading scholars in the field. A more detailed overview of my research is provided in the attached one-page statement, along with my CV.

Yuanqing(Lorna) Zhong

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Education

University of Toronto, Rotman School of Management September 2021 - Current
Ph.D. in Finance
Advisors: *Alexander Dyck*, *Andrey Golubov*, and *Irene Yi*

University of Toronto, Rotman School of Management September 2019 - June 2020
Master of Financial Risk Management, Dean's Honor List

University of Toronto, Rotman Commerce September 2015 - June 2019
Bachelor of Commerce, high distinction

Research Interests

- Primary: Mergers & Acquisition, Corporate Governance, Entrepreneurial Finance
- Secondary: Economics of Innovation, Law and Finance

Working Papers

Non-Compete Agreements and the Market for Corporate Control (with Andrey Golubov)
Non-compete agreements (NCAs) limit outside employment options and, therefore, increase personal costs of job displacement for managers. Using state-level changes in NCA enforceability as a natural experiment, we find that managers are more averse to horizontal takeovers when NCA enforcement tightens. In particular, higher enforceability is associated with fewer same-industry takeovers. Those that do materialize are more likely to be hostile, involve higher premiums, and are less likely to complete. Overall, the findings indicate that the use of NCAs and their enforceability have important implications for the market for corporate control.

Work in Progress

Litigation Risk in the Market for Corporate Control (with Adel Khusnulgatin)
The prior literature shows that when operating firms are drawn into patent litigation, they are more likely to merge. Litigation can create pressure on a small defendant, pushing it into the hands of acquirers. It can also pressure a larger defendant, prompting it to acquire a smaller plaintiff. In contrast, we finnd that when litigation risk rises because peers face patent lawsuits from non-practicing entities, acquisition activity declines. Potential buyers become concerned about contamination risk and reduce their demand for targets. In short, realized litigation risk can stimulate acquisitions, but heightened ambient litigation risk deters them.

Awards and Scholarships

- Rotman PhD Research Traineeships 2024-2025
- Johnston Centre Corporate Governance Innovation Grant 2024
- Dean's Honor List Scholar 2018-2020
- Rotman School Of Management Master Of Financial Risk Management Bursary 2019
- The Anna and Alex Beverly Memorial Scholarship 2019
- Supplementary J.S. McLean Scholarship 2015

Conference and Seminars

- 2025: American Finance Association (AFA), Financial Intermediation Research Society (FIRS)
- 2024: Americ an Law and Economics Association (ALEA), *8th Annual M&A Research Centre Conference, *New Economic School, *University of Oregon (Lundquist)
- 2023: University of Toronto (Rotman)

(*denotes presentation by co-author)

Other Professional Activities

- Referee: Journal of Corporate Finance
- Discussant:
  - FIRS 2025: Jang, Tak, and Wang, "Global Insolvency and Cross-border Capital Flows" 2025

Teaching

University of Toronto, Rotman School of Management

- Course Instructor, Corporate Finance (Undergraduate) Winter 2025
- Course Instructor, Python for Business (Master) 2024-2025
- TA, Finance II (EMBA; Prof. Craig Doige) 2024-2025
- TA, Forecasting Risks and Opportunities (MBA; Prof. Tom McCurdy) Winter 2024
- TA, Python for Business (Master; Prof. John Hull) 2022-2024
- TA, Corporate Finance (Undergraduate; Prof. Irene Yi) Winter 2024
- TA, Machine Learning and Financial Innovation (MBA, MFin; Prof. John Hull) 2020-2024
- TA, Regulation of Financial Institutions (MFRM; Prof. John Hull) 2020, 2021, 2023
- TA, Capital Market Theory (Prof. Alexandre Corhay, Prof. Raymond Kan) 2020-2023
- TA, Investments (Prof. Bing Han) Fall 2022

Other Research Experience

- Research Assistant, Prof. Craig Doige 2024-2025
  Perform data analysis using statistical and machine learning methods.

Others

- Programming: Python, Stata, LaTeX, R, VBA
- Languages: English, Mandarin

Yuanqing (Lorna) Zhong
Feburary 10th, 2026

My research interests lie in the field of Merge & Acquisition and entrepreneur finance. Across my projects, I study how incentives and frictions shape deal activity and, ultimately, the exit opportunities available to the target companies and their investors.

In one of my current research projects, I aim to address a question outlined in Azoulay et al. (2020): why VCs bet young despite evidence that the most successful startups are often founded by older entrepreneurs. I am currently collecting the necessary data and running preliminary analyses. My central hypothesis is that founders across age groups differ in their optimal exit timing: younger founders may be more willing to sell earlier because of higher outside-option value and human-capital considerations, while older founders may prefer to hold out longer. Since VCs face exit pressure from limited partners, this creates a trade-off between investing in the age group with the highest upside versus backing founders whose exit preferences are more aligned with the VC's fund timeline.

In another working paper, we study the effect of litigation risk on Mergers & Acquisitions activities. When litigation risk rises because peers face patent lawsuits from non-practicing entities, acquisition activity declines. Potential buyers become concerned about contamination risk and reduce their demand for targets. In short, realized litigation risk can stimulate acquisitions, but heightened ambient litigation risk deters them. These dynamics have important implications for the exit environment faced by firms, especially innovative or IP-intensive companies. When ambient litigation risk rises, target firms may have fewer potential bidders, weaker bargaining positions, and longer timelines to exit.

In my second-year paper, building upon Germanise (2011) and Kini, Williams, and Yin (2021), we study the effect of Non-Compete Agreements (NCAs) on the market of corporate control. NCAs are a type of employment contract that limit employees outside employment options. The main results shows that managers are more averse to horizontal takeovers when NCA enforcement tightens. However, in private market, we do not find evidence that greater NCA enforcement promotes acquisition activity, this is potentially caused by the decreasing bargaining power of executives given they are more tied up to the firm after they signed the NCAs.

I believe the workshop will enable me to take advantage of top academic resources and allow me to further enhance my knowledge in the entrepreneurship finance. Moreover, the workshop can provide a unique platform for exchanging ideas with the scholars who share similar interests. I am committed to actively contributing to the workshop discussions and am confident that the knowledge and insights gained from this experience will propel my research endeavors forward.

References:

Azoulay, P., Jones, B. F., Kim, J. D., & Miranda, J. (2020). Age and high-growth entrepreneurship. *American Economic Review: Insights,* 2(1), 65-82

Garmaise, M. J. (2011), "Ties that Truly Bind: Noncompetition Agreements, Executive Compensation, and Firm Investment," *The Journal of Law, Economics, & Organization*, 27(2), 376–425.

Kini, O., R. Williams, and S. Yin (2021), "CEO Noncompete Agreements, Job Risk, and Compensation," *The Review of Financial Studies*, 34(10), 4701–4744.

Rotman School of Management
UNIVERSITY OF TORONTO

Ting Xu, Ph.D.
Assistant Professor of Finance
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Dear Review Committee:

I am writing with great enthusiasm to recommend Lorna Zhong for participation in the NBER Entrepreneurship Bootcamp.

Lorna is a fifth-year PhD student in the Finance Department at the University of Toronto's Rotman School of Management. I have worked with her in my capacity as a faculty advisor and have had the opportunity to observe her development as a researcher. Lorna combines strong empirical training with an excellent economic intuition, and she is exceptionally thoughtful about how institutional frictions shape entrepreneurial outcomes and exit markets.

Lorna's research agenda sits at the intersection of mergers and acquisitions and entrepreneurial finance, with a unifying focus on how incentives and constraints shape deal activity and, ultimately, the exit opportunities available to firms and their investors. One of her ongoing projects engages a central question in entrepreneurship and venture capital research: why venture investors disproportionately back young founders despite evidence that the most successful startups are often founded by older entrepreneurs. Lorna's hypothesis is both novel and compelling—founders of different ages may have systematically different optimal exit timing due to outside options and human-capital considerations. Because VCs face exit pressure stemming from fund horizons and limited-partner constraints, this can create a wedge between the age group with the highest upside and the age group whose exit preferences best align with the VC's timeline. This line of inquiry is squarely in the wheelhouse of the Bootcamp and would benefit from direct engagement with the entrepreneurship literature and researchers working on related questions.

In a second working paper, Lorna studies how litigation risk affects merger activity, leveraging variation in peer exposure to patent litigation by non-practicing entities. The key insight is nuanced: realized litigation risk can increase the incentives to transact, yet heightened ambient litigation risk can deter acquisitions by raising concerns about contamination risk and reducing buyer demand. The result has clear implications for the

exit environment faced by innovative and IP-intensive firms—when ambient risk rises, targets may face fewer potential bidders, weaker bargaining positions, and longer timelines to exit. The project highlights Lorna's ability to identify economically meaningful mechanisms and to translate them into testable empirical predictions.

Lorna's second-year paper examines how the enforcement of non-compete agreements affects the market for corporate control. Building on the literature on labor-market frictions and managerial incentives, she shows that tighter non-compete enforcement is associated with greater managerial aversion to horizontal takeovers. Importantly, she also explores why these patterns may differ between public and private markets, bringing a sophisticated institutional lens to the analysis. Across projects, Lorna demonstrates strong command of empirical design and careful attention to alternative explanations.

Given the entrepreneurial focus of her work—and especially her interest in founder behavior, investor incentives, and exit dynamics—I believe Lorna would benefit tremendously from the systematic exposure to frontier entrepreneurship research offered by the Bootcamp. I also expect she will be an excellent contributor to the cohort: she brings creative ideas, a rigorous approach to empirical work, and a collaborative, collegial style that makes her a great research partner.

Overall, Lorna is exactly the type of candidate the Entrepreneurship Bootcamp is designed to support. I recommend her without reservation.

Sincerely yours,



Ting Xu