Dain C. Donelson

Associate Professor and KPMG Faculty Fellow
University of Texas at Austin, McCombs School of Business
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EDUCATION

Ph.D. in Accountancy, University of Illinois at Urbana-Champaign, 2007

M.S. in Finance, Boston College, 1999

J.D., *magna cum laude*, Northwestern University School of Law, 1997

B.S. in Management, *magna cum laude*, Kettering University, 1994

EXPERIENCE

Academic Appointments and Professional Experience

University of Texas at Austin, McCombs School of Business
Associate Professor (with tenure), 2014-present
Assistant Professor, 2007-2014

University of Illinois at Urbana-Champaign, College of Business
Instructor, Research Assistant, Teaching Assistant, 2003-07

IBM Corporation
Financial Analyst, 1999-2003

U.S. Bankruptcy Court, Western District of Wisconsin
Law Clerk, 1997-98

Teaching Experience

University of Texas at Austin
Financial Accounting Standards and Analysis/Intermediate Accounting, 2013-16
Empirical Research in Accounting (Ph.D. Seminar), 2015
Legal Liability and Regulation of Accountants, 2011-13
Business Law/Business Law and Ethics, 2007-11

University of Illinois at Urbana-Champaign
Accounting Measurement and Disclosure, 2004-05

RESEARCH AND RELATED ACTIVITIES

Research Interests

My research focuses primarily on the intersection of law and accounting, including areas such as securities litigation, financial reporting fraud, corporate governance, accounting standards and the regulation of accounting and capital markets.

Refereed Articles in Financial Times 45 and Economics Journals

1. Financial statement quality and debt contracting: Evidence from a survey of commercial lenders (with R. Jennings and J. McInnis), *Contemporary Accounting Research* (conditionally accepted).
2. Large market declines and securities litigation: Implications for disclosing adverse earnings news (with J.J. Hopkins), *Management Science* (forthcoming).
3. Explaining rules-based characteristics in U.S. GAAP: Theories and evidence (with J. McInnis and R.D. Mergenthaler), *Journal of Accounting Research* 54 (3): 827-861 (2016).
4. The role of directors' and officers' insurance in securities fraud class action settlements (with J.J. Hopkins and C. Yust), *Journal of Law and Economics* 58 (4): 747-778 (2015).
5. The predictive qualities of earnings volatility and earnings uncertainty (with R.J. Resutek), *Review of Accounting Studies* 20 (1): 470-500 (2015).
6. Audit committee financial expertise and earnings management: The role of status (with P. Badolato and M. Ege), *Journal of Accounting and Economics* 58 (2-3): 208-230 (2014).
7. Litigation risk and agency costs: Evidence from Nevada corporate law (with C.G. Yust), *Journal of Law and Economics* 57 (3): 747-780 (2014).
8. Discontinuities and earnings management: Evidence from restatements related to securities litigation (with J. McInnis and R.D. Mergenthaler), *Contemporary Accounting Research* 30 (1): 242-268 (2013).
9. The potential for catastrophic auditor litigation, *American Law and Economics Review* 15 (1): 333-380 (2013).
10. The effect of R&D on future returns and earnings forecasts (with R.J. Resutek), *Review of Accounting Studies* 17 (4): 848-876 (2012).
11. The timeliness of bad earnings news and litigation risk (with J. McInnis, R.D. Mergenthaler, and Y. Yu), *The Accounting Review* 87 (6): 1967-1991 (2012).
12. Rules-based accounting standards and litigation (with J. McInnis and R.D. Mergenthaler), *The Accounting Review* 87 (4): 1247-1279 (2012).
13. Changes over time in the revenue-expense relation: Accounting or economics? (with J. McInnis and R. Jennings), *The Accounting Review* 86 (3): 945-974 (2011).

Law Review Articles and Other Refereed Articles

14. The effect of governance reform on financial reporting fraud (with J. McInnis and R.D. Mergenthaler), *Journal of Law, Finance and Accounting* (forthcoming).
15. Scienter pleading and Rule 10b-5: Empirical analysis and behavioral implications (with R.A. Prentice), *Case Western Reserve Law Review* 63 (2): 441-509 (2012).
16. Requiem for a regulator: The Office of Thrift Supervision's performance during the financial crisis (with D. Zaring), *North Carolina Law Review* 89 (5): 1777-1813 (2011).

17. Creating quality courts (with F.B. Cross), *Journal of Empirical Legal Studies* 7 (3): 490-510 (2010).
18. Insider trading as a signaling device (with R.A. Prentice), *American Business Law Journal* 17 (2): 1-73 (2010).

Book Chapter

Research on litigation against auditors (with K. Kadous and J. McInnis), *The Routledge Companion to Auditing* (D. Hay, W.R. Knechel and M. Willekens, editors, 2014).

Public Working Papers

The costs and benefits of disclosure regulation: Evidence from D&O insurance (with J.J. Hopkins and C.G. Yust)

Internal control weaknesses and financial reporting fraud (with M. Ege and J. McInnis)

Audit firm reputational consequences of alleged non-GAAP misconduct by clients (with M. Ege and J. Leiby)

Nonrecurring income taxes: Do analysts and investors understand transitory tax expenses (with C. Koutney and L. Mills)

Audit fees and interpretive guidance (with D. Folsom, J. McInnis, R.D. Mergenthaler and K. Peterson)

Workshop Presentations

University of Missouri, Accounting Department, Columbia, MO, 2016 (scheduled)

Pennsylvania State University, Accounting Department, State College, PA 2015

Ohio State University, Accounting Department, Columbus, OH, 2015

University of Chicago, Accounting Department, Chicago, IL, 2014

University of Connecticut, Accounting Department, Storrs, CT, 2014

Miami University, Accounting Department, Oxford, OH, 2014

Northwestern University, Accounting Department, Evanston, IL, 2013

University of Texas at Austin, Accounting Department, 2015, 2013, 2012, 2010, 2009, 2008; Accounting Advisory Council, 2010; Business Law, 2007

University of Pennsylvania, Legal Studies Department, Philadelphia, PA, 2010

University of Illinois at Urbana-Champaign, Accounting, 2007, 2005; Finance, 2006, 2005

Conference Presentations

Symposium on Power & Control: Today's Corporate Governance Issues (panelist), University of Virginia School of Law, Charlottesville, VA, 2014

Journal of Accounting and Economics Conference, MIT, Cambridge, MA, 2013

American Law and Economics Association Annual Meeting, Nashville, TN, 2013

American Accounting Association Annual Meetings, Anaheim, CA, 2013 (discussant); San Francisco, CA, 2010; Chicago, IL, 2007; Washington, DC, 2006

Conference on Empirical Legal Studies, Chicago, IL, 2011 (discussant)

Lone Star Accounting Research Conference, Richardson, TX, 2008

Other Conferences Attended

PWC Young Scholars Research Symposium, University of Illinois, 2015

PCAOB/JAR Conference on Auditing and Capital Markets, Washington, DC, 2014

Colorado Summer Accounting Research Conference, Telluride, CO, 2014

Lone Star Accounting Research Conference, College Station, TX, 2013

American Accounting Association (AAA) Annual Meetings, Washington, DC, 2012; Denver, CO, 2011; New York, NY, 2009

Conference on Empirical Legal Studies, Palo Alto, CA, 2012

Center for Accounting Research Excellence (CARE) Conference, Palisades, NY, 2011

FARS Midyear Meeting, San Antonio, TX, 2007

AAA/Deloitte/J. Michael Cook Doctoral Consortium, Lake Tahoe, CA, 2006

CFA Academic Research Conference, Chicago, IL, 2006

University of Illinois at Urbana-Champaign Symposiums, 2005, 2004, 2003

University of Texas Conferences, Austin TX
NASD OMX Conference on Capital Markets, 2014; Accounting Ph.D. Alumni Reunion and Conference, 2012; Empirical Archival Research in Accounting Conference, 2011; The Intersection of Economics and Psychology in Accounting Research, 2010; Accounting and Corporate Governance Conference, 2009; Lone Star Accounting Research Conference, 2009; Conference on Financial Economics and Accounting, 2008; Accounting Theory Conference, 2008; Institutional Investors Conference, 2007

SERVICE

Reviewer Activity - Conferences and Grants

AAA Audit Section Midyear Meeting; AAA Annual Meeting; AAA FARS Midyear Meeting; Conference on Empirical Legal Studies; Research Grants Council of Hong Kong

Reviewer Activity - Journals

Accounting Horizons; Accounting, Organizations and Society; The Accounting Review; American Business Law Journal; American Law and Economics Review; Contemporary Accounting Research; Economics Bulletin; European Accounting Review; The International Journal of Accounting; Journal of Accounting, Auditing and Finance; Journal of Accounting and Economics; Journal of Accounting Research; Management Science; Review of Accounting Studies; Review of Financial Studies

Department and Business School Service

Workshop coordinator (2015-17)

Member, Dean's Advisory Committee (2014-15)

Principal organizer, NASD OMX Conference on Capital Markets (2014)

Assistant section organizer, AAA Annual Meeting (2013)

Second-year summer paper supervisor, Christopher Yust (2012)

Member, Research Data Committee (2011-12)

Pre-law faculty advisor (2009-present)

Dissertation Committee Service (Initial Placement)

Christopher Yust, 2015 (Texas A&M University)

Matthew Ege, 2013 (University of Florida)

HONORS AND AWARDS

KPMG Endowed Faculty Fellowship in Accounting Education (2015-present)

Best Conference Paper, AAA Audit Section Midyear Meeting (2015)

Outstanding Article in American Business Law Journal (2010)

Irwin Fellowship, Dennis Fellowship, University Fellowship (University of Illinois)

Beta Gamma Sigma (National Business Academic Honor Society)

Ettleson Scholarship (Northwestern University School of Law)

Corpus Juris Secundum Award (Northwestern University School of Law)

Order of the Coif (National Legal Academic Honor Society)