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Financial Regulation &  
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**CFRED and AIIFL Seminar:**

## **UNBUNDLING AND MEASURING TUNNELING**

by

**Prof. Bernard Black**

*School of Law, Northwestern University  
Kellogg School of Management, Northwestern University  
European Corporate Governance Institute (ECGI)*

Chaired by: **Prof. Robin Huang**, *Faculty of Law, CUHK*

**27 May 2015, Wednesday, 12:30 – 2:00p.m.**

*The CUHK Graduate Law Centre, 2/F Bank of America Tower, 12 Harcourt Road, Central.*

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In this seminar, Prof. Bernard Black will present based on a paper, “[Unbundling and Measuring Tunneling](#)”, written by him and his co-authors, Prof. Vladimir A. Atanasov and Prof. Conrad S. Ciccotello. Here is an abstract of the paper:

“Managers and controlling shareholders can extract wealth from firms in many different ways. We develop here a framework for analyzing different types of "tunneling" transactions. We divide tunneling into three broad groups: cash flow, asset, and equity tunneling. We model each type of tunneling as decomposable into a probability of tunneling and a magnitude. We present a simple model of how each type of tunneling affects share prices and financial metrics and provide two detailed case studies -- Gazprom in Russia and Coca-Cola in the United States -- to illustrate how these types of tunneling can occur in both emerging and developed markets. Finally, we explore a number of uses of our decomposition approach -- for empirical research into the nature and extent of tunneling; for asset pricing, especially in high-tunneling-risk environments; for legal regulation of tunneling; and for accounting rules.”

Please join us to share the view with Prof. Bernard Black.

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**All are welcome!  
Admission is free of charge!**

Please join us by registering your interest [here](#) by 26 May 2015.

## **ABOUT THE SPEAKER:**



Prof. Bernard S. Black is the Nicholas D. Chabraja Professor at Northwestern University School of Law and Kellogg School of Management. He is also managing director of the Social Science Research Network and founding chairman of the annual Conference on Empirical Legal Studies. Professor Black received a BA from Princeton University, an MA in physics from the University of California, Berkeley, and a JD from Stanford Law School. He was Professor of Law at Stanford Law School from 1998 to 2004 and at Columbia Law School from 1988 to 1998. His principal research areas are law and finance, international corporate governance, health care and medical malpractice, and corporate and securities law. His books include *To Sue is Human: A Profile of Medical Malpractice Litigation* (forthcoming 2010, with David Hyman, William Sage, Charles Silver, and Kathryn Zeiler), *The Law and Finance of Corporate Acquisitions* (2nd ed., with Ronald Gilson, 1995 and supplement 2006–2007), and *Guide to the Russian Law on Joint Stock Companies* (with Reinier Kraakman and Anna Tarassova (1998).

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