

J.B. HEATON

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PROFESSIONAL EXPERIENCE

March 2019 - Present	Probinatorics LLC Predictive analytics company (founder and managing member).
November 2017 - Present	J.B. Heaton, P.C. Law and finance consulting, testimony and litigation.
September 1999 – October 2017	Bartlit Beck LLP Partner (2004-2017). Civil litigation practice focused on high-stakes financial matters.

BAR ADMISSIONS

Illinois (Active, admitted in 1999)
New York (Active, admitted 2012)

EDUCATION

University of Chicago Graduate (now Booth) School of Business, 1992-1999.
Ph.D. (finance), 1999; M.B.A., 1999.

University of Chicago Law School, 1996-1999.
J.D., 1999.

University of Illinois Urbana-Champaign
A.B., 1990. Phi Beta Kappa. *Magna Cum Laude*.

SCHOLARLY PUBLICATIONS

“Simple Insolvency Detection for Publicly-Traded Firms,” *Business Lawyer* (forthcoming Summer 2019).

“The Social Costs of Dividends and Share Repurchases,” *Journal of Business, Entrepreneurship, & the Law* (forthcoming).

“Corporate Governance and the Cult of Agency,” *Villanova Law Review* (forthcoming).

“Debt and Insolvency,” *Review of Banking and Financial Law* (forthcoming).

“Too Much Insolvency: ‘Unmatured Interest’ and ‘Debt’ Under the Code,” 27 *American Bankruptcy Institute Law Review*, 45-49 (2018).

“Failed Anti-Activist Legislation: The Curious Case of the Brokaw Act” (with Alon Brav and Jonathan Zandberg), 11 *Journal of Business, Entrepreneurship, & the Law* 329-352 (2018).

“Risk Aversion as Risk-Neutral Pessimism: A Simple Proof,” 56 *International Review of Law & Economics*, 70-72 (2018).

“Worthless Companies,” 24 *European Financial Management*, 721-727 (2018).

“What Injures a Corporation? Toward Better Understanding Corporate Personality,” 73 *Business Lawyer* 1031 (2018).

“Quantitative Investing and the Limits of (Deep) Learning from Financial Data,” 47 *Journal of Financial Transformation*, 117-122 (2018).

“Positive Equity Prices with Insolvency Under Legal Solvency Tests,” 23 *Journal of Forensic Economics*, 63-70 (2018).

“Why Indexing Works,” *Applied Stochastic Models in Business and Industry*, 2017, 33(6) (with Nick Polson and Jan Hendrik Witte).

“Rejoinder to ‘Deep learning for finance: deep portfolios’” *Applied Stochastic Models in Business and Industry* 33 (1), 2017, 19-21 (with Nick Polson and Jan Hendrik Witte).

“Deep learning for finance: deep portfolios,” *Applied Stochastic Models in Business and Industry* 33 (1), 2017, 3-12 (with Nick Polson and Jan Hendrik Witte).

“The ‘Long Term’ in Corporate Law,” *Business Lawyer*, Vol. 72, 353-366 (Spring 2017).

“Event Studies in Securities Litigation: Low Power, Confounding Effects, and Bias,” 93 *Washington University Law Review* pp. 583-614 (2015) (with Alon Brav).

“Overconfidence, Compensation Contracts, and Capital Budgeting,” *Journal of Finance*, Vol. 66, No. 5, pp. 1725-77 (2011) (with Simon Gervais and Terry Odean).

“The Limits of the Limits of Arbitrage,” *Review of Finance*, 14(1):157-187 (2010) (with Alon Brav and Si Li), runner-up for the 2010 Deutsche Bank Prize in Financial Economics for Best Paper in the Review of Finance.

“Solvency Tests,” *Business Lawyer*, Vol. 62, No. 3, 983-1006 (2007).

“Settlement Pressure,” *International Review of Law and Economics*, Vol. 25, pp. 264-275 (2005).

“Deepening Insolvency,” *The Journal of Corporation Law*, Vol. 30, No. 3, pp. 465-500 (2005).

“The Rational-Behavioral Debate in Financial Economics,” *Journal of Economic Methodology*, 11(4) 2004 (Lead Article) (with Alon Brav and Alexander Rosenberg).

“Market Indeterminacy,” *The Journal of Corporation Law*, Vol. 28, No. 4, pp. 517-539 (2003) (with Alon Brav, Duke University).

“Managerial Optimism and Corporate Finance,” *Financial Management*, Vol. 31, pp. 33-45 (Summer 2002); Reprinted in Richard H. Thaler (Ed.), *Advances in Behavioral Finance, Volume II (The Roundtable Series in Behavioral Economics)*, Princeton University Press (2005).

“Competing Theories of Financial Anomalies,” *The Review of Financial Studies*, Vol. 15, No. 2, pp. 475-506 (2002) (with Alon Brav, Duke University). Winner, Barclays Global Investors (BGI) Michael Brennan Award for the best paper published in *The Review of Financial Studies*.

“Incomplete Financial Contracts and Non-Contractual Legal Rules: The Case of Debt Capacity and Fraudulent Conveyance Law,” *Journal of Financial Intermediation*, Vol. 9, pp. 169-183 (2000).

OTHER PUBLICATIONS

“Hedge Fund Activism Delivers Unimpressive Impact,” *Law360.com*, March 6, 2019.

“Cutting in Line: The Social Costs of Dividends and Share Buybacks,” Amazon e-Book for Kindle, February 20, 2019.

“The Problem With ‘Optimal’ Diversity,” *Law360.com*, February 19, 2019.

“Sanders And Schumer (Mostly) Right On Share Repurchases,” *Law360.com*, February 8, 2019.

“Law Schools Should Be More Like Medical Centers,” *Law360.com*, January 24, 2019.

“Market Evidence Will Likely Be Key in Sears Bankruptcy,” *Law360.com*, October 15, 2018.

“Just This Once: A More Plausible Model of Addiction and Its Policy Implications,” *UMKC Law Review* (forthcoming).

“Sex, Drugs, and Rock 'N' Roll: Some Observations of Life on a Trial Team,” *South Dakota Law Review* (forthcoming).

“One Pill Makes You Larger: Flaws in Sisk's Westlaw Methodology Illustrated with Leiter's Citations,” 2018 *Wisconsin Law Review Forward*, 27-33 (2018).

“Akorn Could Alter ‘Material Adverse Effect’ Law in Delaware,” *Law360.com*, October 4, 2018.

“The Challenges of Valuing Litigation-Driven Equities,” *Law360.com*, August 30, 2018 (with Alexander Burger).

“Judges Shouldn’t Force Attorneys on Absent Class Members,” *Law360.com*, August 3, 2018.

“It’s Not All About the Benjamins, Baby (Lawyer),” *Law360.com*, July 13, 2018.

“Analyzing the Economics Of Litigation Funding,” *Law360.com*, May 29, 2018.

“Alternative Fees: My Experience at Bartlit Beck,” *Law360.com*, December 15, 2017.

“Why Stock Prices of Insolvent Firms Can Still Be Positive,” *Law360.com*, December 5, 2017.

“The Psychology of Hourly Fee Arrangements,” *Law360.com*, August 31, 2017.

“Petrobras Strikes Heavy Blow Against Use of Event Studies,” *Law360.com*, July 11, 2017.

“Returns, Risk, and Financial Due Diligence,” Chapter 5 in *Finance Ethics: Critical Issues in Theory and Practice*, J. Boatright, ed. (Robert W. Kolb Series) (with Christopher L. Culp).

“CSX Corporation v. The Children's Investment Fund: Total Return Swaps as Evasions of Section 13(d) Reporting,” *Securities Litigation Journal*, pp. 16-18 (Summer 2009).

“The Economics of Naked Short Selling,” *Regulation*, Vol. 31, No. 1, 46-51 (2008) (with Christopher L. Culp).

“The Uses and Abuses of Finite Risk Reinsurance,” *Journal of Applied Corporate Finance*, Vol. 17, No. 3, pp. 18-31 (2005) (with Christopher L. Culp).

RECENT PRESENTATIONS

Understanding Short Sales of Common Stock and Securities Regulation in Hedge Fund Activism ~ New York Bar Association Business Law Section Securities Regulation Committee Meeting, New York City, November 14, 2018.

Why Indexing is Hard to Beat, and Why Investors Don't Believe It ~ Chicago Quantitative Alliance Fall 2018 Annual Conference, Chicago, September 12, 2018.

Litigation Funding: An Economics Analysis ~ American Law & Economics Association Annual Meeting, Boston, May 11, 2018.

Hedge Fund Activists: Pessimists in a World of Managerial Optimism ~ Harvard Business School and Harvard Law School, February 27 & 28, 2018.

PROFESSIONAL AFFILIATIONS

American Bar Association
American Finance Association
American Law & Economics Association
American Statistical Association

UNIVERSITY TEACHING

University of Chicago Booth School of Business, 2000-2001, 2005

Duke University Fuqua School of Business, 2001-2003 (Winner,
Excellence in Teaching Award in the Weekend Executive M.B.A. Program)

Northwestern University Pritzker School of Law, 2008

University of Chicago Law School, 2008-2010

Duke University School of Law, 2016
