

Lawrence R. Glosten

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Personal Data

Born: February 24, 1951
Citizenship: U.S.A.

Education

Ph.D. in Managerial Economics and Decision Sciences, Northwestern University, June, 1980

M.S. in Managerial Economics and Decision Sciences, Northwestern University, September, 1977

State University of Stony Brook, Stony Brook, NY, 1973-74

A.B. Occidental College, June, 1973, Cum Laude with departmental honors in Economics

Employment

2010-11: Visiting Scholar, Columbia Law School

Fall, 2008: Visiting Scholar, Columbia Law School

2008-: Adjunct Professor, Columbia Law School

1996-: S. Sloan Colt Professor of Banking and International Finance, Columbia Business School, Columbia University, New York, NY, 10027

1995-96: Professor of Finance, Columbia Business School, Columbia University, New York, NY, 10027

1989-95: Associate Professor of Finance, Columbia Business School, Columbia University, New York, NY 10027 (tenure, 1994)

1992-93: Visiting Research Economist, New York Stock Exchange

- 1988-89: Visiting Assistant Professor of Finance, Kellogg Graduate School of Management, Northwestern University, Evanston, IL 60208
- 1980-88: Assistant Professor of Finance, Kellogg Graduate School of Management, Northwestern University, Evanston, IL, 60208
- 1986-87: Visiting Assistant Professor, Finance and Insurance Dept., Carlson School of Management, University of Minnesota, 271 19th Ave. S., Minneapolis, MN, 55455
- 1984-85: Visiting Assistant Professor, University of Chicago, Chicago, IL 60637
- 1979-80: Visiting Assistant Professor of Managerial Economics and Decision Sciences, Northwestern University
- 1978-79: Data Resources, Inc., Lexington, MA, Senior Analyst
- 1977-78: Instructor, Northwestern University
- 1975-76: Supermarket Institute, Chicago, IL, Consultant.

Grants and Awards

- Smith Breeden Distinguished Paper prize for "Is the Electronic Limit Order Book Inevitable?"
- Grant from The Institute for Quantitative Research in Finance, 1988 (with Ravi Jagannathan)
- Roger F. Murray Prize, 1987, for "Estimating the Components of the Bid/Ask Spread," The Institute for Quantitative Research in Finance
- First Chicago Chair, Northwestern University, Summer, 1987
- Grant from The Institute for Quantitative Research in Finance, 1985 (with Lawrence Harris)
- Kellogg Research Chair, Kellogg Graduate School of Management, Northwestern University, 1983

Publications

- Short Selling and the News: A Preliminary Report on an Empirical Study, with Merritt Fox and Paul Tetlock, *New York Law School Law Review*, 2010

Discriminatory Limit Order Books, Uniform Price Clearing and Optimality, *Advances in Quantitative Analysis of Finance and Accounting, Volume 3, ESSAYS IN MICROSTRUCTURE IN HONOR OF DAVID K. WHITCOMB*, April, 2006

A Reconsideration of Tax Shield Valuation, with Enrique Arzac, *European Financial Management Journal*, 2005

"Market Microstructure: A Surevey of Microfoundations, Empirical Results, and Policy Implications," with Bruno Biais and Chester Spatt, *Journal of Financial Markets*, May, 2005

"Is the Electronic Open Limit Order Book Inevitable?", *Journal of Finance*, September, 1994

"Relations between the Expected Nominal Stock Excess Return, the Volatility of the Nominal Excess Return and the Interest Rate: with R. Jagannathan and D. Runkle, *Journal of Finance*, December, 1993

"A Contingent Claim Approach to Performance Evaluation," (with Ravi Jagannathan), *Journal of Empirical Finance* I, 1994

"Challenges to Theory Development in Entrepreneurship Research," (with Raphael Amit and Eitan Muller), *Journal of Management Studies*, September, 1993

"Entrepreneurial Ability, Venture Investments and Risk Sharing" (with Raphael Amit and Eitan Muller), October, 1990, *Management Science*

"Economic Significance of Predictable Variations in Stock Index Returns," (with William Breen and Ravi Jagannathan), Dec., 1989, *Journal of Finance*; Reprinted in *Forecasting Financial Markets*, ed. By Terence C. Mills, Edward Elgar, 2001

"Insider Trading, Liquidity and the Role of the Monopolist Specialist," April, 1989, *Journal of Business*

"Estimating the Components of the Bid/Ask Spread", (with L. Harris) May, 1988, *Journal of Financial Economics*; reprinted in *Microstructure : The Organization of Trading and Short Term Behavior* (International Library of Critical Writings in Financial Economics Series, S02) by Hans R. Stoll (Editor), *Journal of Financial Economics* All Star Paper

"Components of the Bid-Ask Spread and the Statistical Properties of Transaction Prices", December, 1987, *Journal of Finance*

"Bid, Ask and Transaction Prices in a Specialist Market with Heterogeneously Informed Traders" (with P. Milgrom) March, 1985, *Journal of Financial Economics*; reprinted in *Microstructure : The Organization of Trading and Short Term Behavior* (International Library of Critical Writings in Financial Economics Series, S02) by Hans R. Stoll (Editor), *Journal of Financial Economics* All Star Paper

Book Reviews and Other Papers

Information and Learning in Markets: The impact of Market Microstructure, Reviewed in *Journal of Economic Literature*, September, 2009

“Glosten-Milgrom Models” entry for the *Encyclopedia of Quantitative Finance*, 2009

“The past, present and future of trading stocks” with Charles Jones *Financial Times*, 5/14/01
Reprinted in *Mastering Investment*, Financial Times, 2002

Introductory Comments: Bloomfield and O’Hara, and Flood, Huisman, Koedijk, and Mahieu, *Review of Financial Studies*, 12 (1) pp 1-3, 1999

The Microstructure of Securities Markets, Reviewed in *Journal of Economic Literature*,
September, 1988.

Equity Markets, Reviewed in *Journal of Finance*, December, 1988

"Does Venture Capital Foster the Most Promising Entrepreneurial Firms?" (with Raphael Amit and Eitan Muller), Spring, 1990, *California Management Review*

"Private Information" Essay in The New Palgrave Dictionary of Money and Finance

"The Economics of Market Making," Mid America Institute for Public Policy Research
position paper

Working Papers

“Day Trading: Making and Taking Liquidity and Manipulation on the National Stock
Exchange of India,” with manoj Dalvi, April, 2011

“Market Architecture Redux” Nov. 2002, revised July, 2003

“Precedence Rules” 1998, revised 2006, 2009

Welfare cost of informed trade, April, 2009

Work in Progress

Transaction costs and stock price anomalies (with Jialin Yu)

Editorial Positions

Advisory Editor: *Journal of Financial Markets*, 2000-

Editor: *Review of Financial Studies* 1996-1999

Associate Editor: *Journal of Finance*, 1991-1996

Associate Editor: *Review of Financial Studies*, 1991-1994

Associate Editor: *Review of Quantitative Finance and Accounting*, 1990-

Refereeing

Referee for the following journals: *Econometrica*, *Economic Inquiry*, *Empirical Economics*, *European Economic Review*, *International Economic Review*, *Journal of Banking and Finance*, *Journal of Business*, *Journal of Financial and Quantitative Analysis*, *Journal of Financial Economics*, *Journal of Political Economy*, *Quarterly Journal of Economics*, *Review of Financial Studies*, *Review of Quantitative Finance and Accounting*. Referee for National Science Foundation, Social Sciences and Humanities Research Council of Canada.

Significant Administrative Duties

Co-director, Program in the Law and Economics of Capital Markets 2007-
Chair, Finance and Economics Division, 2002-2008
Finance Sub-division Chair, 1994-2002
Recruiting Chair, 1996-7, 2000-01, 2001-02
Finance coordinator, PhD program, 1993-95

Outside Activities

Consultant to SEC, analysis of “Flash Crash” 2010
Consultant to SEC, and expert witness; stock price manipulation case 2010-present
Consultant to U. S. Attorney’s office; help with prosecution of cases against NYSE specialists
Consultant for Valometrics, Chicago, IL; help determine efficiency of particular stock markets
Consultant to Justice Department; evaluate effect on competition of option exchange mergers
Consultant for New York Stock Exchange, New York, NY; role of institutional share holders
Consultant for Mid-America Institute for Public Policy Research, Chicago, IL; Analysis of payment for order flow
Lecturer for First Boston Training Program
Consultant to Independent Consultant for Independent Research for Lehman Brothers (now Barclay’s Capital);
Consultant to Cornerstone; help with defence in IPO lawsuits
Nasdaq Economic Advisory Board 2002-2005