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BRIAN J. HALL

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PROFESSIONAL

Associate Professor of Business Administration, Harvard Business School, 1997 - present

Main areas: Executive compensation and incentives, stock option design, corporate governance and finance, labor economics, organizational economics.

Assistant Professor of Economics, Harvard Economics Department, 1993 - 1997

Promoted by Harvard economics department to Associate Professor in 1997

Faculty Research Fellow, National Bureau of Economic Research, 1997- present

Visiting Scholar, Federal Reserve Bank of Boston, 1992 - 1995

Council of Economic Advisers, Executive Office of the President, Junior Staff Economist, 1990-1991

EDUCATION

Ph.D. in Economics, Harvard University, 1993

MA. in Economics, Harvard University, 1991

Master's of Philosophy in Economics, Trinity College, University of Cambridge, England, 1988

Kennedy School of Government, Harvard University, completed one year in Masters of Public Policy Program, 1986-1987

A.B. Magna Cum Laude, Harvard University, 1986.

TEACHING

Compensation and Incentives: Second-year MBA course on the design and implementation of compensation, incentive and performance measurement systems in organizations. Includes a special focus on stock options, 2000.

Executive Compensation and Stock Options: Executive education (PMD program) elective on executive compensation and stock option design, 1999.

Coordination, Control and the Management of Organizations: Compensation and Incentives: Second-year MBA course on organization theory and the design and implementation of organizational systems including the allocation of decision rights, performance measurement, compensation systems and governance, 1999.

Economics of Markets: First-year required MBA course on the foundations of economic analysis, market performance, and the effects of market forces on firms and individuals, 1997- 1999.

Financial Institutions and Markets: Harvard College finance course (Economics Department elective) on corporate finance, financial markets and financial intermediation, 1995-1997.

American Economic Policy: Harvard College course (Economics Department elective) on economic policies including tax policy, monetary policy, fiscal policy, financial regulation policy, exchange rate policy and international trade policy, 1994-1997 (co-taught with Martin Feldstein).

Principles of Economics: Harvard College introductory course on micro- and macroeconomics, 1993 to 1995.

HONORS

Berol Faculty Fellow, named by the Directors of Research, Harvard Business School, 1999-2000.

Phi Beta Kappa Teaching Prize, college-wide award for excellence in teaching, Harvard University, 1997

Allyn Young Teaching Award for outstanding teaching in Principles of Economics, Harvard University, 1987 and 1990

Certificate of Distinction in Teaching, awarded by Harvard's Bok Center (1986, 1987, 1989, 1990)

Kennedy Fellow for outstanding scholarship, Kennedy School of Government, 1986-1987

Summa Cum Laude for undergraduate honors thesis, 1986

Public Policy Research Award, Kennedy School of Government, 1985

OTHER PROFESSIONAL

Consultant or advisor -- mostly in the area of executive compensation, incentives, and stock option design -- to companies including McKinsey, Towers Perrin, Vector (a Mexican Financial Services Firm) and Virtualis (an internet start-up).

Traveled to Hanoi, Vietnam to advise National Assembly on economics and financial systems, 1996.

Featured guest speaker at Bank of Japan, Harvard-Princeton-Yale Club, Stern Stewart's EVA Institute.

Presentations made at academic seminars or conferences at: Harvard University, MIT, University of Chicago, Stanford University, U.C. Berkeley, Northwestern University, University of Pennsylvania, Washington University, Brown University, NYU, University of Michigan, Rutgers University, American Economics Association, American Finance Association, National Bureau of Economic Research, American Risk and Insurance Association, American Compensation Association, Federal Reserve Board, the Federal Reserve Banks of Boston and Chicago, Society of Labor Economics, World Bank and the Manhatten Insitute.

Referee for: *American Economic Review, Quarterly Journal of Economics, Journal of Political Economy, Journal of Finance, Journal of Financial Economics, Rand Journal of Economics, Journal of Labor Economics, Journal of Risk and Insurance, Review of Economics and Statistics, Economic Letters, Journal of Economic Behavior and Organizations, Journal of Japanese and International Economies, Harvard Business Press.*

Member of the Board of Directors, International Justice Mission, 1995-1999

OTHER UNIVERSITY ACTIVITIES

Senior Common Room Fellow, Dunster House, Harvard University, 1994-present.

Faculty Advisor to Harvard undergraduate group, Harvard-Radcliffe Christian Fellowship, 1994-present.

Freshman Proctor and member, Board of Freshman Advisors, Harvard University, 1988-1989.

Non-resident Tutor in Economics, Eliot House, Harvard University, 1986-87.

PUBLICATIONS

The Taxation of Executive Compensation, forthcoming in Tax Policy and the Economy, edited by James Poterba, MIT Press, 2000 (with Jeffrey B. Liebman).

What You Need to Know About Stock Options, *Harvard Business Review*, March-April, 2000.

Optimal Exercise Prices for Executive Stock Options, forthcoming in the *American Economic Review*, May 2000. (with Kevin J. Murphy).

The Design of Multi-Year Stock Option Plans, *The Journal of Applied Corporate Finance*, pp. 97-106, Summer 1999.

CEO Incentives and Firm Size, Harvard Business School Working Paper 99-060, November 1998 and NBER Working Paper 6868, solicited by the *Journal of Labor Economics,* (with George P. Baker)

A Better Way to Pay CEOs? in Executive Compensation, Kluwer Academic Publishers, edited by D.Yermack and J. Carpenter, 1998, pp. 33-44.

Are CEOs Really Paid Like Bureaucrats? Lead article in the *Quarterly Journal of Economics*, August 1998, pp. 653-691 (with Jeffrey B. Liebman)

Bank-Based versus Market-Based Financial Systems, Bank Structure and Competition, Federal Reserve Bank of Chicago, 1997. (with David E. Weinstein)

Main Banks, Creditor Concentration, and the Resolution of Financial Distress in Japan, in Finance, Development and Competition in Japan, Oxford University Press, edited by Aoki, Masahiko and Gary Saxenhouse, 2000 (with David E. Weinstein)

Regulatory Free Cash Flow and the High Cost of Insurance Company Failures, forthcoming in the *Journal of Risk and Insurance*, 2000.

The Moral Hazard of Insuring the Insurers, in The Financing of Catastrophe Risk, University of Chicago Press, edited by Kenneth A. Froot, 1999 (with James G. Bohn)

Risk-Taking Incentives and the Cost of Insurance Company Failures, Alternative Approaches to Insurance Regulation, Robert W. Klein, ed., Kansas City MO, National Association of Insurance Commissioners (NAIC), 1999.

Risk-Based Capital Requirements and the Riskiness of Bank Portfolios, *Regional Science and Urban Economics*, volume 26, 1996 (with Steven R. Grenadier)

The Cost of P&C Insurance Company Failures, The Economics of Property-Casualty Insurance, University of Chicago Press, edited by David Bradford, 1998 (with James G. Bohn)

How has the Basle Accord Affected Bank Portfolios? *The Journal of Japanese and International Economies*, December, 1993.

Permanent Homelessness in America?, *Population Research and Policy Review*, volume 6, 1987. Reprinted in R.B. Freeman, Labor Markets in Action, 1989 (with Richard B. Freeman)

Papers in progress:

Stock Options for Undiversified Executives: Valuation and Incentives, (with Kevin J. Murphy)

Executive Stock Options: What if the Market Crashes?

Firm Risk and Executive Stock Options, (with Randy Cohen and Luis M. Viceira)

Cases and Teaching Notes:

"Al Dunlap at Sunbeam," Harvard Business School Case 9-899-218, 1999 (with Carleen Madigan and Rakesh Khurana, MIT).

"Gerald Weiss' Stock Options," Harvard Business School Case 9-899-258, 1999 (with Carleen Madigan).

Al Dunlap at Sunbeam Teaching Note, 1999.

Gerald Weiss' Stock Options Teaching Note, 1999.

Cases in progress:

"The Pay Performance Plan at Safelite" (with Carleen Madigan and Edward Lazear, Stanford)

"Compensation and Performance Evaluation at Arrow" (with Carleen Madigan)

"Briggs and Stratton" (with Carleen Madigan)

Unpublished papers and manuscripts:

Do Banking Relationships Reduce Financial Frictions? October, 1996 (with David E. Weinstein)

Financial Distress in Japan and the US, December, 1996 (with David E. Weinstein)

Are Bank Loans Really Special? Evidence from Maturity Mixes and Finance Company Mixes, June 1996 (with James D.C. Thomson)

The Lending View of the Monetary Transmission Mechanism, July 1995 (with James D.C. Thomson)