

PROMOTION RECOMMENDATION  
The University of Michigan  
Stephen M. Ross School of Business

Catherine Shakespeare, assistant professor of accounting, Stephen M. Ross School of Business, is recommended for promotion to associate professor of accounting, with tenure, Stephen M. Ross School of Business.

Academic Degrees

PhD	2002	Accounting, University of Illinois, Urbana-Champaign
BA	1990	Accounting and Finance, Dublin City University, Dublin, Ireland Fellow of the Institute of Chartered Accountants in Ireland

Professional Record:

2010-2011	Sanford R. Robertson Assistant Professor of Business Administration, University of Michigan, Stephen M. Ross School of Business
2006-Present	Assistant Professor of Accounting, University of Michigan, Stephen M. Ross School of Business
2006-2010	PriceWaterhouseCoopers – Norm Auerbach Assistant Professor of Accounting, University of Michigan, Stephen M. Ross School of Business
2001-2002	Lecturer in Accounting, University of Michigan, Stephen M. Ross School of Business

Summary of Evaluation:

Teaching: Professor Shakespeare teaches financial accounting. She has taught three courses at Michigan in our BBA and MBA programs as well as a graduate research seminar. Her teaching evaluations are consistently high and her sections are often over-subscribed.

Research: The research questions Professor Shakespeare addresses (financial instruments and accounting policy) are both interesting and important areas of research. We also believe that research and teaching in accounting benefits from an understanding of the institutional environment, which forms the basis of much of her work.

The reviewers are remarkably consistent in summarizing the contributions Professor Shakespeare has made in the field of accounting. A theme throughout the letters is that she is a creative and influential scholar whose work, especially on asset securitization, is highly regarded. They support our assessment that Professor Shakespeare is a highly respected scholar in the field.

A majority of the letter writers comment on Professor Shakespeare's contribution to the accounting literature and the impact several of her papers have had. Virtually all of the reviewers mention her work on asset securitizations as making an important contribution to the field. They also indicate that her work impacts both the theory and practice of financial reporting. Given the importance of this topic, this is a strong endorsement of her work.

Professor Shakespeare has seven top-tier publications, which we agree is an excellent record for a junior faculty member in the accounting field. Roughly speaking, three of the publications deal with asset securitization, two with internal control, one with bond rating agencies, and one with accounting disclosure. She currently has seven working papers listed, with one under second-round review.

### Recent and Significant Publications:

“Bank Leverage and Credit Risk: What do fair values tell us?” with Elizabeth Blankespoor, Thomas J. Linsmeier and Kathy Petroni, revise and resubmit at *The Accounting Review*

“Do Managers Time Securitizations to Obtain Accounting Benefits?” with Patricia Dechow, *The Accounting Review*. January 2009, Vol. 84 No. 1 99-132.

“Market Reactions to Internal Control Weakness Disclosures and to the Characteristics of those Weaknesses under Section 302 of the Sarbanes Oxley Act of 2002”, with Linda Myers and Jacqueline Hammersley, *Review of Accounting Studies* 2008, 13:141-165.

“Are securitization transactions really off balance sheet?” with Wayne Landsman and Ken Peasnell, *The Accounting Review*. September 2008, Vol. 83, No. 5 1251-1272.

“Differential Properties in the Ratings of Certified vs. Non-Certified Bond Rating Agencies” with William Beaver and Mark Soliman, *Journal of Accounting and Economics*, 2006, Vol. 42:303-334 (*Lead article*).

Service: In general, junior faculty in accounting are not expected to engage heavily in service activities. However, Professor Shakespeare has contributed service to the group, the School, and the profession in several ways. In addition to serving on four PhD committees, she also participated in the redesign of the MBA financial accounting curriculum. She was a member of the BBA program enhancement committee and is active on committees designed to enhance the working environment at Ross. Finally, Professor Shakespeare serves on the editorial board of the *Accounting Review* and served as section liaison for the Financial and Reporting Section of the American Accounting Association. Her service to the profession is also recognized by one of the reviewers in terms of her work at the FASB/IASB (the organizations responsible for accounting standard setting) conference.

### External Reviewers:

Reviewer A: “...she is a serious and committed scholar and teacher. ...the set of three papers she has on securitizations are thoughtful, timely, and carefully executed. ...they certainly make an important contribution to our understanding of how and why firms use securitization vehicles... ...I believe it would merit tenure...”

Reviewer B: “She has been productive, and her research provides insights into a number of important and extremely topical questions facing accounting scholars and practitioners. Overall, I was favorably impressed with Cathy’s work. She is attracted to the most important and controversial problems. Her work contributes to our understanding of these problems. Cathy has a good case for promotion to Associate Professor with tenure.”

Reviewer C: “...I think that Professor Shakespeare’s record and ongoing potential exceeds any reasonable standard for promotion to associate with tenure at any school one could name, public or private. ...I enthusiastically support a favorable decision from your deliberations, without reservation. ...if you are lucky enough to retain her at the Ross School, please do so.”

Reviewer D: “...Catherine has produced a series of papers that speak to interesting and important accounting and regulatory issues. I have learned something from all four papers. ...one could make a case for tenure at very good schools.”

Reviewer E: "I think very highly of Professor Shakespeare's work and believe her record readily clears the bar for tenure at a top business school. I am not surprised to read of Professor Shakespeare's innovation and success in the classroom given what I have seen of her financial reporting research and presentations to academic audiences. She also has an impressive record of service to her school and the academic professional community. ...I enthusiastically endorse a promotion to tenured status for Professor Shakespeare."

Reviewer F: "I encourage you to promote Cathy to tenured Associate Professor, and to work hard to keep her, as I imagine other schools will start pursuing her given her high visibility and productivity. Because she is willing to put in the effort necessary to understand difficult topics and gain access to unique data, Cathy makes large contributions to the research literature, to practice and to public policy. This is a very strong case for promotion to tenured Associate. I recommend promotion with tenure, without reservation."

Reviewer G: "The papers are published in the top journals of the field... This is solid, insightful, and practical research. ...these are papers of a serious researcher. They deal with concrete, practical accounting issues and the craftsmanship is very good."

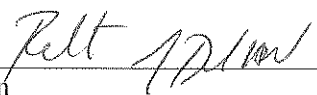
Reviewer H: "...she seems thoughtful, scholarly, intuitive and well-spoken. I view her scholarly trajectory as positive and her work done to date as making solid contributions to accounting research."

Reviewer I: "Cathy's work is viewed as academically rigorous, but at the same time, the evidence she provides addresses questions that are timely and of interest to practicing accounting professionals. Cathy's record surpasses that of the others on this list, which as noted are the best of her class. Moreover, I think Cathy has a unique advantage in her deep knowledge of practical accounting topics that surpasses that of most accounting academics."

Reviewer J: "Cathy is one of the leading experts on two of the most controversial and consequential accounting public policy issues of our time... ...Cathy is widely recognized by leading scholars, standard setters, and regulators for her significant contributions to academic research and policy debates. ...several of my colleagues have expressed an interest in extending an offer to her. Without any reservations, I strongly recommend her for promotion to Associate Professor with tenure at the University of Michigan."

Summary of Recommendation:

Professor Shakespeare is a creative and influential scholar in addition to an excellent teacher and citizen of the school and University. With this in mind, the Executive Committee and I strongly recommend Catherine Shakespeare for promotion to associate professor of accounting, with tenure, Stephen M. Ross School of Business.

  
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Robert J. Dolan  
Edward J. Frey Dean of Business  
Stephen M. Ross School of Business

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