

# About the Authors

**Andrew Crockett** is special adviser to the chairman at JPMorgan Chase. Crockett previously served as general manager of the Bank for International Settlements (1993–2003) and as first chairman of the Financial Stability Forum (now the Financial Stability Board) (1999–2003). Earlier in his career, Crockett held positions at the Bank of England and the International Monetary Fund. His research interest is financial regulation. He was educated at Cambridge and Yale Universities and was knighted in 2003. He is a member of the Hoover Institution's Working Group on Economic Policy.

**Darrell Duffie** is the Dean Witter Distinguished Professor in Finance at the Graduate School of Business, Stanford University. Duffie is a member of the Financial Advisory Roundtable of the Federal Reserve Bank of New York and a member of the Board of Directors of Moody's Corporation. He serves on the boards of scholarly journals in finance, economics, and mathematics, and was elected president of the American Finance Association for 2009. He is a fellow and member of the Council of the Econometric Society, a fellow of the American Academy of Arts and Sciences, and a research associate of the National Bureau of Economic Research. Duffie is a coauthor of *The Squam Lake Report: Fixing the Financial System* (Princeton University Press, 2010). His other recent books include *How Big Banks Fail* (Princeton University Press, 2010), *Measuring Corporate Default Risk* (Oxford University Press, 2011), and *Dark Markets* (Princeton University Press, 2012). He received his PhD from Stanford in 1984.

**Thomas H. Jackson**, university professor at the University of Rochester, served as president of the university from 1994 to 2005. Before he became Rochester's ninth president, Jackson was vice president and provost of the University of Virginia, which he first joined in 1988 as dean of Virginia's School of Law. He had been professor of law at Harvard from 1986 to 1988 and served on the Stanford University faculty from 1977 to 1986. A 1972 graduate of Williams College, Jackson earned his law degree from Yale in 1975. He first clerked for U.S. District Court judge Marvin E. Frankel in New York in 1975–76, and then for Supreme Court Justice (later Chief Justice) William H. Rehnquist in 1976–77. The author of bankruptcy and commercial law texts used in law schools across the country, he served as Special Master for the U.S. Supreme Court in a dispute involving every state in the country over the disposition of unclaimed dividends held by brokerage houses.

**William F. Kroener III** is counsel at Sullivan & Cromwell LLP. He served as general counsel of the Federal Deposit Insurance Corporation from 1995 to 2006. His law practice focuses on the supervision and regulation of banks and other regulated financial institutions and their advisers. Kroener currently serves as cochair of the American Bar Association Presidential Task Force on Financial Markets Regulatory Reform, chair of the Banking Law Committee of the American Bar Association Business Law Section, an advisory member of the Financial Institutions Committee of the Business Law Section of the State Bar of California, and a member of the Regulatory Appeals Committee of the Dubai Financial Services Authority. He speaks and writes regularly on financial regulatory topics and has taught as an adjunct professor at Stanford, George Washington, and American University law schools. Kroener is a graduate of Yale and Stanford law and business schools.

**Kenneth E. Scott**, the Parsons Professor Emeritus of Law and Business at Stanford Law School and a Hoover Institution senior research fel-

low, is a leading scholar in the fields of corporate finance reform and corporate governance who has written extensively on federal banking regulation. His current research concentrates on legislative and policy developments related to the current financial crisis, comparative corporate governance, and financial regulation. Scott is the editor (with George Shultz and John Taylor) of the recent book *Ending Government Bailouts* (2010). He has extensive consulting experience, including work for the World Bank, the Federal Deposit Insurance Corporation, the Resolution Trust Corporation, and, most recently, the National Association of Securities Dealers (now FINRA). He is also a member of the Shadow Financial Regulatory Committee, the Financial Economists Roundtable, and the State Bar of California's Financial Institutions Committee. Before joining the Stanford Law School faculty in 1968, Scott served as general counsel to the Federal Home Loan Bank Board and as chief deputy savings and loan commissioner of California and worked in private practice in New York with Sullivan & Cromwell.

**David Skeel** is the S. Samuel Arsht Professor of Corporate Law at the University of Pennsylvania Law School. He is the author of *The New Financial Deal: Understanding the Dodd-Frank Act and Its (Unintended) Consequences* (Wiley, 2011), *Icarus in the Boardroom: The Fundamental Flaws in Corporate America and Where They Came From* (Oxford University Press, 2005), *Debt's Dominion: A History of Bankruptcy Law in America* (Princeton University Press, 2001), and numerous articles on bankruptcy, corporate law, Christianity and law, and other topics. Skeel has also written commentaries for the *New York Times*, *Wall Street Journal*, *Books & Culture*, *Weekly Standard*, and other publications.

**Kimberly Anne Summe** is the chief operating officer and general counsel of Partner Fund Management, a San Francisco-based investment adviser. She is also a lecturer in law at the Stanford Law School. Summe was previously a managing director in prime brokerage at Lehman Brothers, prior to which she served as general counsel of the

International Swaps and Derivatives Association. In the latter capacity, Summe was responsible for developing industry-standard contracts for the over-the-counter derivatives industry, as well as addressing regulatory issues in dozens of jurisdictions. She was a banking associate at Pillsbury Winthrop and Sullivan & Cromwell, and has published more than a dozen articles on various banking and securities law topics. Summe's interest in the capital markets has led her to establish a non-profit organization, Paladin Connect, which offers the pro bono services of leading global law firms to microfinance institutions. Summe received her law degrees from the University of Chicago and Cambridge University and a postgraduate degree from the London School of Economics.

**John B. Taylor** is the George P. Shultz Senior Fellow in Economics at the Hoover Institution and the Mary and Robert Raymond Professor of Economics at Stanford University. He is an award-winning teacher and researcher, specializing in macroeconomics, international economics, and monetary policy. Among other roles in public service, he served as a senior economist (1976–77) and as a member (1989–91) of the President's Council of Economic Advisers and as undersecretary of the Treasury for international affairs (2001–2005). Taylor's book *Getting Off Track: How Government Actions and Interventions Caused, Prolonged, and Worsened the Financial Crisis* was one of the first on the financial crisis; he has since followed up with two books on preventing future crises, coediting *The Road Ahead for the Fed* and *Ending Government Bailouts as We Know Them*, in which leading experts examine and debate proposals for financial reform and exit strategies. Before joining the Stanford faculty in 1984, Taylor held positions as a professor of economics at Princeton University and Columbia University. He received a BA in economics summa cum laude from Princeton and a PhD in economics from Stanford University in 1973.

**Kevin M. Warsh** is a distinguished visiting fellow at the Hoover Institution and a lecturer at the Stanford Graduate School of Business. He

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served as a member of the Board of Governors of the Federal Reserve System from 2006 to 2011. He focused on financial markets and the conduct of monetary policy. Warsh served as the Federal Reserve's representative to the Group of Twenty (G-20) and the board's emissary to the emerging and advanced economies in Asia. As the administrative governor, he managed and oversaw the board's operations, personnel, and financial performance. Before his appointment to the board (2002–2006), Warsh was the special assistant to the president for economic policy and executive secretary of the White House National Economic Council. Previously, he was a member of the Mergers and Acquisitions Department at Morgan Stanley & Co. in New York, serving as vice president and executive director. Warsh received his AB from Stanford University and his JD from Harvard Law School.





*About the Hoover Institution's*

**WORKING GROUP ON ECONOMIC POLICY**

THE WORKING GROUP ON ECONOMIC POLICY conducts research on current financial conditions as well as prevailing economic policies and issues, including domestic and global monetary, fiscal, and regulatory policies. Ideas that examine market and government dimensions of solutions are promoted, with the goal of increasing the extent and breadth of national and global prosperity.

For 25 years starting in the early 1980s, the U.S. economy experienced an unprecedented economic boom. Economic expansions were stronger and longer than in the past. Recessions were shorter, shallower, and less frequent. Gross domestic product (GDP) doubled and household net worth increased by 250 percent in real terms. Forty-seven million jobs were created.

This quarter-century boom strengthened as its length increased. Productivity growth surged by one full percentage point per year in the United States, creating an additional \$9 trillion of goods and services that would never have existed. And the long boom went global, with emerging-market countries from Asia to Latin America to Africa experiencing the enormous improvements in both economic growth and economic stability.

Economic policies that place greater reliance on the principles of free markets, price stability, and flexibility have been the key to these successes. Recently, however, several powerful new economic

forces have begun to change the economic landscape, and these principles are being challenged with far-reaching implications for U.S. economic policy, both domestic and international. A financial crisis flared up in 2007 and turned into a severe panic in 2008, leading to the Great Recession. How we interpret and react to these forces—and in particular whether proven policy principles prevail going forward—will determine whether strong economic growth and stability returns and again continues to spread and improve more people's lives or whether the economy stalls and stagnates.

Our Working Group organizes seminars and conferences, prepares policy papers and other publications, and serves as a resource for policy makers and interested members of the public.

### **THE RESOLUTION PROJECT**

When in 2009 Congress began considering financial reforms proposed by the U.S. Treasury, a “resolution project” group was established, under the auspices of the Working Group on Economic Policy at the Hoover Institution at Stanford, to focus on alternative ways to deal with failing financial institutions. The group's members are Andrew Crockett, Darrell Duffie, Richard Herring, Thomas Jackson, William F. Kroener III, Kenneth E. Scott, George P. Shultz, David Skeel, Kimberly Anne Summe, and John B. Taylor.

The group held a number of meetings in the fall of 2009, which led to several papers and a conference in December 2009, the results of which were published in 2010 as *Ending Government Bailouts As We Know Them*, edited by Kenneth Scott, George Shultz, and John Taylor. The group continues to meet and work further on members' analyses and proposals; relevant papers will be posted at

the Resolution Project website [<http://www.hoover.org/taskforces/economic-policy/resolution-project/publications>]. A proposal for modified bankruptcy procedures to better handle the failure of large, nonbank financial institutions, written by Tom Jackson, was the result of considerable discussions within the group.

