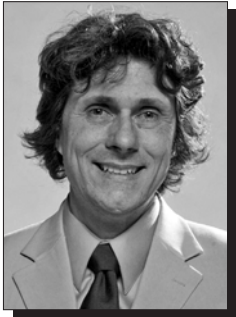


# FINANCIAL MATTERS

DEPARTMENT OF FINANCE ... *Adding Value*

Summer 2009 • ISSUE 6



## From the Department Head

Dear Alumni,

During this past year we rolled out a new track in our MBA and Master's in Finance curricula in Real Estate Finance. My colleague, Ed Dyl, taught a new course in Real

Estate Development this spring, which is central to this new track. This course is a very exciting sequel to the Real Estate Investment course that Ed teaches in the fall. The development course features many of our alumni and their professional activities, and brings current students in touch with them.

Some of the highlights of the class included a visit from Matt Dickey (MBA '01), a project manager with Bourn Partners. Matt joined the class discussion about BP Tangerine Investors, LLC's investment in a commercial site at Tangerine Road and I-10 in Marana. Ed Reading ('84), Vice President of Finance at Vestar Development, talked to the class about retail development and Vestar's Oro Valley Marketplace development. He also met with the class when they visited the Tempe Marketplace project. Jay Stein ('86, JD '88), President of Sandor Development Company's Scottsdale division, visited the class in April and discussed

Sandor's retail development strategy. Steve Hilton ('83), Chairman and CEO of Meritage Homes Corporation, met the class in Green Valley to show students Meritage's Madera Highlands project and to explain Meritage's overall strategy in response to the current turmoil in the housing markets.

Thanks to a generous gift from Roslyn and Lisle Payne ('64), owners of Jackson Street Partners in San Francisco, in April the class flew to Los Angeles where Steve Soboroff ('71, MSF '75), Chairman and CEO of Playa Vista, hosted them at the Playa Vista Community Development. Steve walked the students through specific aspects of the development that cemented a strong public-private partnership, without which the community could never have been built.

The class obviously has a "hands on" orientation. It cultivates students' imaginations as they see the extraordinary successes of our alums who have used their finance backgrounds to launch amazing entrepreneurial ventures. The course is a perfect example of our vision of the department as providing a link between past and future generations of Wildcats.

Thank you all for your continued support,

Christopher Lamoureux  
Diamond Professor of Finance

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## Did you know?

- ◆ The CFA Institute provided five scholarships to current students for the June 2009 CFA Level I exam. Three finance seniors took the CFA Level I exam in December, 2008, and all three passed!

## Welcome New Faculty Members

### Senior Lecturer Michael Bond and Senior Lecturer Alex Wilson



Senior Lecturer Michael Bond received his Ph.D. in Finance from Case Western Reserve University in 1985. Bond joined the department in 2008, leaving Cleveland State University where he was a professor of finance. His areas of interest include: banking, real estate, and public finance. He currently teaches undergraduate International Finance, Risk Management & Derivatives and Real Estate Finance, as well as master's-level Venture Capital Finance.



Senior Lecturer Alex Wilson received his Ph.D. in Finance with a minor in Accounting from Drexel University in 1999. Formerly an assistant professor at Rhode Island College, Wilson also joined the department last year. His areas of interest include: corporate finance, capital budgeting, real estate, and banking. Wilson currently teaches Financial Intermediaries, a finance undergraduate elective, the core MBA finance courses and a new accounting and finance preparatory course for the Master's in Finance program.

## Department News and Numbers

### Undergraduate Programs

Approximately 217 juniors and 83 seniors are declared finance majors. Sixteen seniors graduated in August 2008 and 38 in December 2008, receiving bachelor's degrees. Another 74 were expected to graduate on May 15, 2009. A total of 18 finance majors graduated with honors this year.

### Master's in Finance (MMF)

There are currently 36 active students in the master's program; 23 are studying in the Fixed Income track and 13 in the Corporate Finance track. One recent master's project topic, completed under the supervision of Ph.D. student Jordan Neyland, addressed the question: "What are the Present Day Factors in Institutional Investors' Investment Selections." Graduates from last year's program were hired as financial analysts by companies such as MSCI Barra in Berkeley and federal agencies such as the U.S. Securities and Exchange Commission in Washington, D.C.

### Ph.D. Program

Two doctoral candidates graduated in May 2009. Two new students began the doctoral program last fall and the Department currently has ten doctoral students in the program.



Shrikant Jategaonkar completed requirements for his degree in Spring 2009. Professor Kathy Kahle supervised Shrikant's dissertation, "Two Essays on Stock Repurchases and Insider Trading." Shrikant is joining Southern Illinois University-Edwardsville as an assistant professor of finance starting Fall 2009.



Qin Wang completed requirements for her degree in Spring 2009. Qin's dissertation, "Essays in Market Microstructure," was supervised by professor Chris Lamoureux. In Fall 2009, Qin is joining the University of Michigan-Dearborn as an assistant professor of finance.

## Spring 2009 Eller College visit to Warren Buffett

Eller College students were invited for an encore visit to Omaha, Nebraska, and Berkshire Hathaway headquarters in March 2009 for the opportunity of a lifetime – a chance to meet Warren Buffett. Courtney McAbee, Social Events Coordinator for the Financial Management Association (FMA) student chapter and a senior finance major, coordinated this year's trip.

Seven FMA board members and 20 Eller students were invited to attend, including freshman Eller E.L.I.T.E. members and upper-division business students. The students were selected from over 50 applicants. Eric Kelley, Assistant Professor of Finance, accompanied the group.

Buffett offered some tips to the seniors on their job search and prompted students to "do what they really enjoy (and worry less about a paycheck)," and encouraged them to act on their ideas for new ventures now.

McAbee had the opportunity to ride with Buffett from the auditorium to the luncheon held with Buffett and the students. After the luncheon, McAbee presented Buffett with a UA football autographed by Coach Mike Stoops as a gift. According to McAbee and Kelley, Buffett was favorably impressed with the students from Eller College.

Thanks to the work of Courtney McAbee and FMA, students were offered an amazing learning experience. FMA continues to be an active organization, with approximately 100 undergraduate members with a passion for finance.



Photos: Douglas Gunder



Courtney McAbee (left) with Warren Buffett, CEO of Berkshire Hathaway

## FACULTY NEWS



### Focus on Professor Thomas Bates

Professor Thomas Bates received his Ph.D. in Finance from the University of Pittsburgh in 2000. He joined The University of Arizona in 2005, leaving the University of Delaware where he served as an assistant professor of Finance. In 2008, Bates received tenure and appointment to associate professor and the McCoy-Rogers Fellowship at the Eller College of Management.

Bates' research interests include financial contracting in merger and acquisition bids, corporate governance choices and firm value, and the payout and liquidity decisions of corporations. His research has been published in the leading scholarly journals in the field of finance and is frequently cited by scholars, practitioners, and general news outlets including *The New York Times*.

In a paper forthcoming in the *Journal of Finance*, Bates, Kathy Kahle, and Rene Stulz (of The Ohio State University) are the first to document a dramatic increase in the cash holdings of U.S. corporations over the last three decades. This research shows that the increase in corporate liquidity is largely attributable to greater idiosyncratic risk, as well as an increasing reliance by U.S. firms on research and development and other intangible investments over time.

In another paper recently published in the *Journal of Financial Economics*, Bates examines the controversial role of staggered annual elections for boards of directors. While conventional wisdom suggests that staggered elections can make contested takeover bids prohibitively costly for an acquirer, the results of this study indicate that this governance feature does not have an economically meaningful impact on the likelihood of a firm receiving a takeover bid. Given this and other evidence, the study concludes that staggered board elections do not insulate incumbent managers from an active market for corporate control, and in fact, can increase the expected value of takeover bids for target shareholders.

Bates currently teaches Valuation Modeling (FIN 513) and Corporate Finance Strategy (FIN 532) to students in Eller's MBA and Masters in Finance programs, as well as the core business finance module in the Eller Executive MBA program.

## A Retrospective on the Current Financial Mess

On March 16, Department Head and Diamond Professor Chris Lamoureux spoke to a group of over 40 alumni and students at the Eller College Scottsdale Campus about the historical backdrop to the 2007/08 liquidity crunch. With the U.S. economy and financial markets continuing to be in an unprecedented state of turmoil, Lamoureux addressed what precipitated the crisis. To gain perspective, he took the group back to August 1998, and the collapse of Long Term Capital Management. Lamoureux explained that what we learned from that episode has had a big influence on current policies.

For more information, visit the Finance Department website at <http://finance.eller.arizona.edu/> and click on the link under News and Events to view Lamoureux's presentation.

## Faculty Awards

**Lecturer Don Seeley** received the Eller College 2009 Don Wells Outstanding Faculty Mentor Award for his service and teaching in the Applied Portfolio Management class. This student-nominated award was presented to Professor Seeley for his outstanding teaching and his exceptional efforts to engage students both in and out of the classroom. One student wrote, "Professor Seeley is one of the most influential professors that I have had throughout my four years at The University of Arizona."



**Associate Professor Sandy Klasa** received the 2008-09 Scrivner Teaching Award for excellence in teaching and service to the finance department. This award honors Gary Scrivner, who retired in 2006 from his position as Vice President of Finance and Administration with the UA Foundation. Dr. Klasa is a gifted and generous teacher. He teaches entrepreneurial finance to both undergraduate and master's students, and assists students in Entrepreneurship Program with the development of their business plans. He also teaches corporate finance in our doctoral curriculum.



## Undergraduate Scholarship Awards



Nicole Mallery

This year's recipient of the Joseph and Mary Cacioppo Scholarship in Business is **Nicole Mallery**. She was a finance major and spent two summers as a "College to Corporate Intern" with The Vanguard Group in Scottsdale.

With funds provided by Henry E. Dahlberg, the Dahlberg Scholarship recipients are **Zachary Bohlender**, **David Duffield**, **Ross Peterson** and **Daniel Zupnick**.



Ross Peterson

**Zachary Bohlender** was also the recipient of the Irving E. Soboroff Scholarship, offered through the generosity of Steven Soboroff in honor of his father. Bohlender's career goal is to become an attorney specializing in corporate law. The generous donation of Glen Stickler allowed the department to award **David Duffield** a second scholarship.

A finance and entrepreneurship major, **Ross Peterson** plans to attend law school in the future and volunteered for Habitat for Humanity and the Ronald McDonald House. He was also the recipient of the Joseph K. Eichenbaum Scholarship, established by Steven Soboroff to recognize the accomplishments of a finance major. **Daniel Zupnick** was a finance and entrepreneurship major. He was also the recipient of the Ned Zolman Scholarship and the Dr. Thomas C. Moses Memorial Scholarship. The Moses Scholarship is especially meaningful to the department as it commemorates our colleague Tom Moses, who was deeply committed to student success.



Daniel Zupnick

Federated Insurance sponsored two scholarships, awarded to finance majors **James Pohl** and **Harshil Seth**. Both James and Harshil completed double majors in finance and mathematics. James was also the recipient of the Weiler Scholarship and is interested in becoming an actuary or a financial officer. Harshil was also a student tutor at the UA SALT Center and plans to become an actuary.

George Gregson sponsored a scholarship for an upper division student in finance with a strong GPA. **Richard Colby Larson** was this year's recipient. Colby was a member of the Blue Chip Leadership Program and the Eller Scholars Society. He was also a recipient of the A.C. and Bernice P. Simon Memorial Scholarship.



James Pohl

Established by Keith McKenzie to recognize the accomplishments of his son, Logan McKenzie, the Logan Keaton McKenzie Scholarship recognizes **Zachary Fenton** for his academic ability and dedication to a career in finance. Zach was also the recipient of the Weiler Scholarship.

Lawrence J. Robbins ('62) donated funds for these scholarships to upper division finance majors pursuing careers in real estate and finance. This year's recipients were **Jaylene Candelaria** and **Ahmad (Al) Jen Jua Yang**. Jaylene is a finance major and plans to graduate in December 2009. Al majored in finance, business economics and entrepreneurship.



Harshil Seth

Through the generosity of The A.C. Simon Foundation and in memory of A.C. and Bernice P. Simon, long-time residents of Tucson, **Daniel Gamache** received this scholarship for a student interested in finance.

The Samuel H. Woods/Roy H. Long Realty Scholarship recipient was John Richards, a finance major. The generous donation of Virginia and Mark Klafter allowed the department to award a scholarship to **Katie Stuyvenberg**. **Matthew Baum** received a Glen Stickler Scholarship.



Colby Larson



Jaylene Candelaria



Al Yang



Daniel Gamache

## Undergraduate Student Awards

**Katie Stuyvenberg** was awarded the Outstanding Finance Senior Award for Spring 2009. Katie accomplished many things as an honors student and finance major at Eller College, including achieving a 3.88 cumulative GPA while pursuing a major in finance and a minor in Spanish. She actively participated in the Eller College Student Council and was selected for Beta Gamma Sigma. She was the recipient of the Virginia & Mark H. Klafter Memorial Scholarship and the Wildcat Excellence Scholarship. Katie plans to obtain a master's degree in a few years and will begin her career with GenSpring Family Offices, a wealth management firm in Phoenix.



**Zachary Fenton** was awarded the Finance Department Head's Award for Academic Distinction for Spring 2009. Zach had strong academic skills shown in his 4.0 GPA and his classroom success, as well as demonstrated service to the community. He helped develop a golf and dinner fundraising event for the Brandi Fenton Memorial Park and volunteered eleven consecutive years for the Susan G. Komen Race for the Cure, in honor of his mother and godmother. His career goal is to focus on real estate development and business acquisitions. Zach starts his career this summer with a private equity investment company in Beverly Hills.



**Matthew Baum** and **Courtney Ellis** were each awarded a \$1,000 Fielding-Singh Award – recognizing their passion for finance.

Matthew was a McCord Scholar and completed a degree in finance with a 3.94 GPA. He was the recipient of a number of awards, including the Tucson Alumni Club Scholarship, the Wildcat Excellence Scholarship and selection to Beta Gamma Sigma. He was the FMA Student Chapter president for 2008-09 and volunteered with Support for International Change, teaching HIV/AIDs education in rural Africa. Matt is a Level II CFA candidate, and starts a career with the OCC this summer.



Courtney was also a finance major with a 3.83 GPA and recipient of numerous scholarships, including the Martha Jane Garrett Kemble Memorial Scholarship, the Eller College Leland B. Groezinger Jr. Scholarship, and the Alpha Phi Fraternity Maxine English Scholarship. She was a founding member of Eller E.L.I.T.E. Program and Vice President of Finance on the Eller Leadership Board. Courtney joins IBM Global Business Services in July as a Financial Management Consultant based out of Boston, Massachusetts.



**David Duffield** was awarded the Outstanding Finance Senior Award for Fall 2008. David accomplished many things as a Finance major at Eller College, including achieving a 3.86 cumulative GPA and a 4.00 GPA in the major. While pursuing his degree, David was active in the U.S. Navy and Naval Reserve, including training and deploying as a Navy SEAL. During this time, he also assisted in implementing a challenging physical conditioning program for NROTC students at UA. Following graduation, David continued his career with the NROTC and deployed overseas.



**Zachary Bohlender** was awarded the Finance Department Head's Award for Academic Distinction for Fall 2008. Zach had strong academic skills shown in his 3.87 GPA as a finance major, as well as demonstrated service to the community. He was the recipient of several awards, including the Irving E. Soboroff Award and Henry E. Dahlberg Scholarship for a finance major undergraduate. His career goal is to become an attorney specializing in corporate law.



**Benefactors**

*Thank you to all of the alumni and friends who have supported the Finance Department, Eller College and The University of Arizona with donations. The Department directly raised over \$73,000 so far in Fiscal Year 2008-09 to support students and faculty.*

*We wish to thank the following individuals for their contributions to support departmental operations:*

**Platinum**  
(\$5,001 or more)

- Kevin Kneafsey
- Malcolm Persen
- James and Gail Peyton

**Gold**  
(\$1,001-\$5,000)

- Dan Fapp
- Thomas Hogan
- Payne Family Foundation
- Leo Roop
- Arvind Singh and Cynthia Fielding-Singh
- Tucson Society of CFA Institute
- Clark and Roni Woolston

**Silver**  
(\$501-\$1,000)

- David Cowen
- Don Seeley

**Bronze**  
(\$250-\$500)

- Tom McFarren

**Brass**  
(up to \$250)

- Chad Becker

Throughout the year, our alumni, donors, staff, faculty, students, and corporate partners contribute to the Eller College. These generous partnerships and commitments help us strengthen our mission, achieve excellence, and educate students.

As the College continues to advance and grow, we hope you will make a commitment to invest in the future of the Department of Finance.

Your gift provides opportunities for our students and faculty that would not otherwise be available. For more information, or to make your pledge online, visit [www.investineller.com](http://www.investineller.com). (Please be sure to select "Other" under "Designation" and type-in "Finance Department" to ensure that your online gift is delivered correctly.)

**Yes!** I/We would like to support the Department of Finance as follows:

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**Contribution**

I/We wish to make a tax-deductible gift of \$ \_\_\_\_\_ to Eller College of Management DEPARTMENT OF FINANCE

- (check enclosed) Make check payable to UAF/Department of Finance
- Charge to my/our credit card (authorization signature required at the end of this form)
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Signature \_\_\_\_\_ Date \_\_\_\_\_

Please mail this form to:

Eller College of Management  
**DEPARTMENT OF FINANCE**  
 McClelland Hall, Room 315R  
 P.O. Box 210108  
 Tucson, AZ 85721-0108

Phone: 520.621.7554  
 Fax: 520.621.1261  
 Email: [financeinfo@eller.arizona.edu](mailto:financeinfo@eller.arizona.edu)

[www.finance.eller.arizona.edu](http://www.finance.eller.arizona.edu)



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D E P A R T M E N T O F F I N A N C E

**What's New?**

A L U M N I U P D A T E F O R M

*Have you been promoted or changed jobs?*

Please share news of your work, family, and adventures with us.

We will include your news on our *Alumni Notes* page of the Department website at [www.finance.eller.arizona.edu/alumni/notes.asp](http://www.finance.eller.arizona.edu/alumni/notes.asp)

You can bring us up to date on your activities by filling out the form at

[www.finance.eller.arizona.edu/alumni/updates.asp](http://www.finance.eller.arizona.edu/alumni/updates.asp),

emailing the information to us at

[financeinfo@eller.arizona.edu](mailto:financeinfo@eller.arizona.edu), or mailing the department.

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**Department Website & Alumni News**

Learn more about department news and activities at:

[www.finance.eller.arizona.edu](http://www.finance.eller.arizona.edu)

Keep current on faculty and student awards, faculty research, new courses, graduation, and much more.

Comments and suggestions are welcome.

**Eller College Alumni Community!**

The Eller College Alumni Community, part of the UA Alumni Association's Wildcat Corner, features alumni-maintained class notes, directory, discussion groups, events calendar, career advisory network, and more. Register and log in at

[www.EllerCommunity.com](http://www.EllerCommunity.com).