From the Department Head

Dear Alumni,

Our Applied Portfolio Management course is a real gem. We started this class seven years ago, when a retired CFO from Chicago came into my office and asked if there was anything he could do to help. I thought that Don Seeley (pictured on page 2) was a scholarly and thoughtful executive—a person from whom our students and faculty could learn a lot. Don and I developed a course that managed part of the University's endowment, and asked the UA Foundation for seed money. We established the Student Managed Portfolio as a balanced fund with about $620,000 in November 2000. The class that manages this fund typically has 20 undergrads, five Master's in Finance, and five MBA students. Under Don's leadership, MBA students get managerial experience, undergraduate students work as analysts, and MMF students work on quantitative modeling.

Over the years, Don and Chris Campisano (undergraduate alum, '82)—who has been on the portfolio’s investment advisory committee since inception—impressed on me that the course is not about stock picking. It is about client relationship management, communicating quantitative reasoning, working in teams, risk management, and dealing with a complex changing environment. It is literally where theory and analysis meet the ambiguities of the “real world,” and where a lot of learning and maturation take place.

Our students have been up to the task. The market value of the portfolio is currently approximately $830,000, and its return has slightly exceeded its benchmark for the period since inception. I am happy to recognize how important this program is in our department, and to express my heartfelt gratitude to Don Seeley for his invaluable contribution to our students and to our department.

Thank you,

Christopher Lamoureux
Professor

Welcome New Faculty Member

Assistant Professor Eric Kelley

Dr. Eric Kelley joined the Department as an Assistant Professor in Fall 2006. Professor Kelley obtained his Ph.D. from Texas A&M University (Finance, August 2004) and joins the faculty from Washington State University. Kelley’s research focuses on a variety of issues including predictability in stock returns, the role of institutional investors, and international corporate governance. In a recent paper, Kelley explores the relationship between weekly stock returns and future stock price movements. Specifically, he shows that weekly winners continue to perform well, while weekly losers continue to perform poorly. Professor Kelley currently teaches FIN 360, Quantitative Financial Management, the introductory finance course required for all finance, accounting, and business economics juniors at Eller College.

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In Memory

Lori Magloire passed away on Wednesday, February 28, 2007 in Tucson. Lori is survived by her loving husband, John, and her mother, Dorothy Wright. Lori worked as an administrative assistant for the Department of Finance at The University of Arizona from July 1993 until her retirement in January 2004.
Department News and Numbers

Undergraduate Programs
Approximately 105 juniors and 208 seniors are declared finance majors. Eighteen seniors graduated in August 2006 and 27 in December 2006, receiving bachelor's degrees. Over 80 students are expected to graduate on May 12, 2007.

Master's in Finance (MMF)
There are currently 26 active students in the master's program; 18 are studying in the Fixed Income track and eight in the Corporate Finance track. One recent master's project on a fixed income topic, completed under the supervision of Professor Chris Lamoureux, addressed the topic of the "The expectations hypothesis and asset-backed commercial paper." Graduates from last year's program were hired as financial analysts by companies such as Houlihan, Lokey, Howard and Zukin in Washington D.C. and Countrywide Bank in Phoenix, and as trainees in programs such as General Electric Company's global financial management training program.

Ph.D. Program
Four new students began the doctoral program last fall and the Department currently has 11 doctoral students in the program. Vince Intintoli will complete requirements for his degree in Spring 2007. Professor Kathleen Kahle is supervising Vince's dissertation, "Relays and Marathons: The effects of succession choice surrounding CEO turnover announcements." Starting Fall 2007, Vince is joining the Southern Illinois University Carbondale as an assistant professor of finance.

Faculty Awards

Professor Sharon Garrison is honored with the Eller College Tom Moses Award for Outstanding Student Organization Advisor for 2007 for her role as advisor of the Stocks and Securities Investments Club. This is a student-nominated award, presented to Dr. Garrison to honor her involvement and contributions to the club that have helped lead the organization to great achievements. In particular, the Club won 1st and 3rd place in this year's Junior Achievement Stock Market Challenge held at ASU.

Professor Don Seeley receives the Eller College 2007 Don Wells Outstanding Faculty Mentor Award for his service and teaching in the Applied Portfolio Management class. This student-nominated award is presented to Professor Seeley for his outstanding teaching and his exceptional efforts to engage students both inside and outside of the classroom. As one student wrote, Professor Seeley has made this "the most interesting class I have taken in all of my college career."
Student Awards

Ngoc Can was awarded the Outstanding Finance Senior Award for Spring 2007. Ngoc is completing a dual degree in finance and accounting and has accomplished many things at the Eller College, including achieving a 3.97 cumulative GPA, acting as teaching assistant for the business communications support lab and the undergraduate business math class as well as acting as a counselor for Credit-Wise Cats. She has actively participated in student associations such as the Eller Appropriation Board (secretary) and Students Consulting for Non-Profit Organizations (director of education). Ngoc was the winner of numerous scholarships and awards, including the Gerald Bott Family Scholarship and the Financial Executives International - Arizona Chapter Scholarship for 2006. Ngoc will represent the Finance Department and Eller College well as she begins her career as a financial analyst in the Corporate Finance Group of the Los Angeles office of Houlihan, Lokey, Howard & Zukin.

Brad Conrad received the Finance Department Head’s Award for Academic Distinction for Spring 2007. Brad is completing a degree in finance with an international business certificate and a 4.0 GPA. He is the recipient of several awards, including the Bott Family Scholarship for a finance major undergraduate. Brad was the vice president of International Business Student Organization, president of the Eller Pre-Professional Student Association, and an active volunteer at the Tucson Community Food bank since fall 2003. Brad plans to return to Canada to work in portfolio management.

Joseph Peccolo was awarded the $2,000 Fielding-Singh Award for a 2006-07 finance senior. Joseph (Joe) is completing a degree in finance with a 3.97 GPA. He received several scholarships, including the George Gregson Scholarship for a finance major and the CFA Level I exam scholarship for the June 2007 exam. After his graduation, Joe will be joining Edward Jones in the full-time rotational development program, starting in the equity traders group in Tempe, Arizona.

Kendall Prall was named the Outstanding Finance Senior for Fall 2006. Kendall’s myriad of accomplishments as a finance major at the Eller College include achieving a 3.93 cumulative GPA and participating in the 2006 Emerging Leaders Conference Case Competition. Kendall was an active representative of our top finance students in select internships such as the position with Edward Jones Investments in Tempe. Eventually, Kendall plans to join her family’s companies, helping them to grow and expand.

Focus on
Associate Professor Kathleen Kahle
Susan Bulkeley Butler Fellow in Finance

Dr. Kahle joined the Department of Finance at The University of Arizona in 2003 as an associate professor and was awarded tenure in 2004. She received her MBA in 1992 and her Ph.D. in Finance in 1996 from the Ohio State University, after completing her dissertation on “Insider Trading and New Security Issues” under the guidance of René Stulz. Kathy began her academic career as an assistant professor at the University of Pittsburgh in 1996.

In 2001, Dr. Kahle spent a year as a visiting economist for the U.S. Securities and Exchange Commission, where she was involved in rule changes related to insider transactions and 8-K disclosures that eventually became part of the Sarbanes-Oxley Act.

Recently, her work has focused on the cash holdings of U.S. corporations. In a joint study with Tom Bates and René Stulz, they found that the average cash-to-assets ratio for U.S. corporations more than doubled from 1980 to 2004, from 10.5 percent to 24 percent. In fact, publicly traded American companies hold so much cash that, on average, they could pay off all their debt and still have money left over. After analyzing multiple factors that could have played a role, they found that the biggest was an increase in risk, and concluded that the cash ratio increases because American firms change: their cash flow becomes riskier, they hold fewer inventories and accounts receivable, and they spend more on R&D.

Dr. Kahle currently teaches FIN 412, Corporate Financial Problems, as well as a doctoral research seminar. In 2006, she was honored with the Eller College Dean’s Award for Undergraduate Teaching Excellence. She is also the faculty advisor for the department’s Ph.D. program, and an Eller Honors Fellow.
Gerald (Jerry) Bott (‘64) donated funds for the Bott Family Scholarships to upper division finance majors demonstrating exceptional academic ability and dedication to careers in finance. This year’s recipients are Ngoc Can and Brad Conrad (both pictured on page 3).

George Gregson sponsored a scholarship for an upper division student in finance with a strong GPA. Joseph Peccolo (pictured on page 3) is this year’s recipient.

Through the generosity of Henry Dahlberg and RHL Realty, the department awarded two scholarships to Stefan Krizsa. Stefan plans to work as a financial analyst in real estate investment trust, working toward ownership of a commercial real estate service company. He spends his free time playing the piano, guitar, and drums.

The generous donations of Virginia and Mark Klafter and the Soboroff family allowed the department to award two scholarships to Kendall Prall (pictured on page 3).

Through the generosity of Dr. Thomas C. Moses’ widow, Dorothy Moses, and family members, the family has recognized Matthew Boltz with a scholarship for his academic success as a dual finance and entrepreneurship major. Matthew plans to work in the financial realm of portfolio management and equity/derivative trading. The Moses Scholarship is especially meaningful to the department as it honors our colleague Tom Moses, who died on June 20, 2004—just a few months after his retirement from the University. Tom was deeply committed to student success.

Established by Keaton McKenzie to recognize the accomplishments of his son, Logan McKenzie, the Logan Keaton McKenzie Scholarship recognizes Solomon Stewart for his academic ability and dedication to a career in finance. Solomon plans to attend graduate school, earn his CFA designation and become a portfolio manager. He loves trading stocks.

Federated Insurance Companies sponsored a scholarship for a senior finance student interested in the insurance industry. The recipient of this award is Daniel Bollum, who plans to work as a financial analyst. One of Dan’s best experiences while studying in finance was to bring a solid base of financial skills from his first two semesters of study into an internship.

Glen Stickler wishes to recognize a top finance major student with this scholarship. This year’s award recipient is Justin Cummins, a dual finance and entrepreneurship major, who plans a successful career in both fields. During college, he has mentored local high school and middle school students.
Yes! I/we would like to support the Department of Finance as follows:

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Email: financeinfo@eller.arizona.edu
Where are you?

ALUMNI UPDATE FORM

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’s website at www.finance.eller.arizona.edu/alumni/notes.aspx. You can bring us up to date on your activities by filling out the form at www.finance.eller.arizona.edu/alumni/updates.aspx, emailing the information to us at financeinfo@eller.arizona.edu, or mailing the department.

Department Website & Alumni News

Keep current with the Department’s news and activities at: www.finance.eller.arizona.edu

You’ll find the latest on faculty and student awards, faculty research, new courses, graduation, and much more. Comments and suggestions are welcome.

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