Greetings from the Eller Finance Department

It has been another great year for the Department. I hope you enjoy reading about our students, faculty, and programs. Let me start with a few of this year’s highlights:

Demand for our students continues to increase. A special thank you to our many alumni who continue to help the next generation of Eller Finance students succeed:


- Goldman Sachs Operations (Salt Lake City) has greatly expanded their recruitment at Eller and hired 20+ of our students this year (either full-time or internships).

- Wall Street student placements at Deutsche Bank, Goldman Sachs, and UBS. We have nine students on Wall Street for internships, including at Blackrock, Brookfield Asset Management, Citigroup, Credit Suisse, Deutsche Bank, Fair Oaks Capital, and Goldman Sachs.

We awarded five Chartered Financial Analyst (CFA) scholarships and eight Chartered Alternative Investment Analyst (CAIA) exam scholarships to graduate and undergraduate finance students.

We awarded more than $50,000 in 41 scholarships to finance undergraduate and master’s students. Thank you for your support!

We continue to increase our students’ exposure to industry through events and experiential learning:


- Other experiential learning events include the year-long student run portfolio course (that manages approximately $1.4M of the UA Foundation money), Stock Trak simulated trading, Venture Capital Panel, Bank Executive Loan Panel, and the FinGame Simulation.

- Essentially every undergraduate and graduate finance student is Bloomberg certified by graduation.

Our award-winning faculty continue to extend the state of knowledge in finance. A few examples:

- Four faculty had papers accepted at the exclusive Western Finance Association Meetings (see page 7) and assistant professor Aazam Virani’s paper was accepted for presentation at the prestigious National Bureau of Economic Research (NBER) conference in Chicago. Professor Kathy Kahle was appointed as an Associate Editor at Financial Management. Rick Sias was appointed an associate editor at the Review of Financial Studies.

We also celebrated our third annual finance graduation breakfast with more than 100 guests. A special thank you to Meritage CEO Steve Hilton who served as our keynote speaker.

In short, it’s been another great year for the Eller finance community. Please reach out to me if you have comments, want to get involved, or give back. Go Cats!

RICK SIAS
Department Head
Tyler Family Chair in Finance
sias@eller.arizona.edu • 520.621.3462

Meetings (see page 7) and assistant professor Aazam Virani’s paper was accepted for presentation at the prestigious National Bureau of Economic Research (NBER) conference in Chicago. Professor Kathy Kahle was appointed as an Associate Editor at Financial Management. Rick Sias was appointed an associate editor at the Review of Financial Studies.

We also celebrated our third annual finance graduation breakfast with more than 100 guests. A special thank you to Meritage CEO Steve Hilton who served as our keynote speaker.

In short, it’s been another great year for the Eller finance community. Please reach out to me if you have comments, want to get involved, or give back. Go Cats!
“There is no passion to be found in playing small - in settling for a life less than the one you are capable of living.”
—Nelson Mandela

Currently a junior studying finance with a minor in global business, Marie Archibald plans to graduate in May 2016. She is the incoming president of the UA Investments Club and the founder of the Professional Women in Finance Brunch. Marie has accepted an internship this summer with the Investment Banking division of Deutsche Bank in New York City and hopes to work there full-time following graduation.

Marie shared 10 other things that are unique to her:

1. I am an ice-cream connoisseur.
2. I don’t have the accent to prove it, but I am from Texas.
3. My parents thought I would be a lawyer because I’m so sassy.
4. The Great Gatsby was my favorite book in high school.
5. Though I hate to admit it, I am a Game of Thrones fanatic.
6. I have traveled to 20 countries.
7. Last summer, I interned in Hong Kong.
8. I want to visit all seven continents.
9. I plan to be a mentor to those coming after me.
10. Life is short, buy the shoes.

Here are some things that make her, her:

1. Career: I was dead set on becoming a pediatrician until my parents told me it requires another 12 years of schooling.
2. High School: I received all-state honors in swimming and choir, and all-conference honors in soccer. I participated in just about every intramural sport, from basketball to inner tube water polo.
3. Sports: Football is my favorite sport to watch. I have been to three Denver Broncos games and I play fantasy football every year. I am very outdoorsy. I love to go dirt biking, fishing, camping, and snowboarding.
4. College: During my freshman year at UWyo in Laramie, the temperature got down to -46 degrees with the wind chill. I participated in a sales and marketing internship training program in North Carolina with students from over 200 college campuses.
5. Books: So far this year I’ve read 10 books. My favorite has been A Thousand Splendid Suns, by Khaled Hosseini.
6. UA: Tucson is, by far, the largest town I’ve ever lived in. The population of Tucson is almost equal to the entire population of Wyoming.
7. Achievements: I performed over 500 hours of volunteer service during the past four years.
Matthew Serfling received his Ph.D. under the guidance of Dr. Sandy Klasa from the University of Arizona in May 2015. Prior to joining the doctoral program, he completed an undergraduate degree in finance with a minor in mathematics from North Dakota State University. He will join the University of Tennessee in Knoxville as an assistant professor of finance in August. “I am looking forward to the new research and career opportunities that this new position will create.”

Matthew’s research interests are in understanding how corporate financial policy decisions and financing costs are related to labor market frictions, product market competition, nonfinancial stakeholders, laws and regulations, and a firm’s governance environment. His dissertation titled, “Firing Costs and Capital Structure Decisions,” shows that by increasing risk and financial distress costs, an increased threat of employee litigation can be an important determinant of how firms finance their operations. Matthew has an article published in the Journal of Corporate Finance and another forthcoming in the Journal of Accounting and Economics. His research has been presented at several national and international conferences, including the American Finance Association, European Finance Association, and American Accounting Association annual meetings.

As a Ph.D. student, Matthew had the opportunity to work closely with both finance and accounting researchers. “To me, collaborating and developing relationships with researchers in other disciplines has been valuable in progressing as an academic researcher.” Matthew added, “During this time, I have met several of my closest friends and lifelong coauthors that have provided invaluable support and guidance.” Matthew enjoys living in Tucson and working with the Finance department faculty and students.

Jim Peyton (BSBA Finance ’65) and his wife, Gail, (BFA Fine Arts Education ’68) are owners of winning race horses and a Kentucky farm. Jim found his time at the UA to be intellectually challenging and enlightening. Although they still felt the pressure of school, Jim and Gail had a fun group of people around while at the UA. Jim encourages students to “take advantage of the opportunities presented. UA is a wonderful place with a lot to experience.”

After his master’s coursework at UA, Jim started his first post-college position working at a bank in Phoenix—although it was a difficult job, he learned a lot. Jim advises students to “take a job after graduation with a difficult boss, where you will work harder than you thought possible. You’ll learn more than you can imagine. After a year, find a nurturing executive with a high quality company and work as an assistant. These mentors are hard to find, but what they teach you is immeasurable. Then, save as much money as you can so you can make your own decisions.” That’s what eventually led Jim to starting his own business and then the horse farm.

After a finance career in several different industries, Jim became treasurer, CFO and Senior VP at Farm Credit Bank. He began to look to buy a business that would give him the freedom he wanted. He bought a defunct company, Louisville Forge and Gearworks, and brought the company back to life. Over five years, he grew the company to $100 million in sales and 650 employees. According to Jim, he had fun and he worked with great people. He sold the company in 1999.

Since then, Jim has been busy with the farm, producing both winning race horses and high quality young horses for sale. Ticker Tape, a mare who won three “grade one” races, is now in Japan for breeding. Jim’s favorite mare, Passified, won the San Clemente Handicap in Del Mar, California, in 2007.

Jim continues to give back to the University of Arizona. He and Gail loved their time at UA and like to see young people presented with great opportunities.
The Finance Department attracts amazing students who excel at academics, giving back, and leadership. All award recipients are finance majors with top GPAs and numerous roles on campus and in the community. Here’s a quick introduction to these spectacular finance majors.

Nicolas Serventi
Outstanding Finance Senior Award, Fall 2014
Majors: Finance and Management Information Systems
Passion: Dreamed of one day becoming an All-Star 3rd baseman for the Arizona Diamondbacks
Accomplishment: Winning 1st place in the corporate finance and investment analysis group project competitions
Unique Experience: When he was growing up, picking up his father’s classical guitar and teaching himself how to play, read music, and tablature
Key Opportunity: Interning with MGM Resorts International in Las Vegas in summer 2014—experiencing world-class performances and touring all of MGM’s properties
First Career Step: Valuation Associate with BDO in Chicago

Kevin Johnson
2014-15 Fielding-Singh Award (Finance)
Majors: Finance and Entrepreneurship
Interesting Activity: Although he grew up in the desert, one of Kevin’s favorite things to do is snowboarding in Telluride, Colorado.
Defining Moment: Acting on the advice of an Eller ELITE speaker to take on leadership roles and truly get involved
Unique Experience: Participating in the Wall Street Journal Biz Quiz at Ohio State University, a jeopardy-style competition
Key Contribution: Starting a new chapter of Greek life on campus, Sigma Phi Epsilon
Next Step: Financial analyst with APS, assessing the value of solar power plant acquisitions and the development of new power lines

Ali Underhill
2014-15 Fielding-Singh Award (Finance)
Major: Finance
Defining Experience: Moving from Ohio to Tucson to attend UA, succeeding academically and professionally without an established support system
A Passion: Skiing and ski racing! Ali learned how to ski before she learned how to ride a bike.
Unique Experience: Growing up being prompted by her parents to try new things because it “might be a magic day”
Accomplishment: Competing in the CFA Investment Research Challenge with a team that valued a company’s stock price and issued an investment recommendation
Next Step: Starting full-time with Goldman Sachs in the equity derivatives operations in Salt Lake City following an internship last summer

Melissa Rose
Outstanding Finance Senior Award, Spring 2015
Major: Finance
Passions: Melissa loves to play billiards. She even has it on her resume under interests!
Defining moment: Speaking at Eller’s National Board of Advisors Luncheon in Phoenix in front of such distinguished leaders, including Karl Eller
Accomplishments: After several attempts, persuading a Goldman Sachs alumna to interview her on campus though she wasn’t on the schedule, and then interning in New York City last summer
Unique Experience: Living on both sides of the country for 10 years each, in New Jersey and then California
Next Step: Goldman Sachs Securities Division in New York City

Chelsea Channell
Finance Department Head’s Award for Academic Distinction, Spring 2015
Major: Finance
A Passion: During breaks, Chelsea loves escaping to Tanque Verde Guest Ranch in Tucson to horseback ride.
Unique Experience: Temporarily moving from Massachusetts to Arizona several times during high school, attending different schools in Tucson, and making new friends
Accomplishment: Helping a wide range of students in their transition to Eller as a preceptor in both a finance and a management course
Key Opportunity: The chance to prove herself with a project to improve factory utilization during an internship at Intel
Next Step: Financial analyst with Intel in Chandler, Arizona

Sean Luther
2015 FEI-McGladrey Academic Excellence Award
Major: Finance (junior) – Honors College
Unique Experience: Traveling to Germany with his brothers
Accomplishment: Maintaining a 4.0 GPA in college
Interesting Activity: Annual camping road trip at the end of the summer with 10 friends from high school
Key Opportunity: Underwriting internship with STORE Capital (REIT) in Scottsdale
Next Step: Real estate financing summer internship with Goldman Sachs in Dallas, Texas
Congratulations to finance alumna Kerry Tyler who won the UA Alumni Professional Achievement Award.

Kerry graduated *Summa Cum Laude* from the Eller College of Management with a double major in finance and accounting. While at the University of Arizona, Kerry won the 1991 Finance Major of the Year (awarded by the *Wall Street Journal*), was a member of Beta Gamma Sigma Honor Society (the premier honor society for business majors), was awarded the Phi Kappa Phi Honor Society Certificate of Merit and the Sherwood Carr Scholarship, and was on the Dean’s List with Distinction, the Dean’s List, and the National Dean’s List.

She began her career as an auditor with KPMG Peat Marwick in San Francisco before moving to Ernst & Young in Stamford, Connecticut. Within two years of graduating from the University of Arizona, Kerry was appointed controller of SoundView Financial Group and soon (within four years of graduation) promoted to vice president of finance. In 1997, Kerry moved to Lone Pine Capital as chief financial officer and managing director. In 2003, Kerry was appointed chief operating officer and managing director. She is also a member of the firm’s management committee which oversees the firm’s entire team of investment and operating professionals.

In just over 20 years since graduating from the University of Arizona, she is serving as the chief operating officer at one of the largest, most well-respected, hedge funds in the world. Kerry’s impressive rise in finance and business is truly exceptional. Lone Pine Capital is one of the largest and most successful hedge funds in the world.

Lone Pine Foundation—a private foundation that supports education and youth development programs for low-income children and families.

*Congratulations Kerry!*
Ed Dyl, retired faculty member and former head of the Department of Finance, passed away on March 7 following a long illness. Ed was recruited to the UA in 1987 to serve as head of the finance department, a position he held for 12 years. Before joining Eller, he was on the faculty of the University of Wyoming, where he had been Dean of the College of Business from 1979-1984. Ed received his doctorate in finance from Stanford University in 1973.

“Ed was a warm and welcoming person, tremendous colleague and exceptional professor,” said Rick Sias, department head. “I was very saddened to hear the news about Ed, because I was a beneficiary of his thoughtfulness, energy and mentorship,” said Linda Price, Underwood Family Professor of Marketing. “When I was an MBA student at the University of Wyoming, he was a force in my decision to pursue a Ph.D.”

Ed educated thousands of undergraduate and graduate students during his time at the UA, in subjects such as corporate finance, real-estate finance and development, using case studies and field trips to apply financial theories. He mentored numerous doctoral students and, with his students, co-authored many papers published in leading finance journals. He also served as president of both the Western Finance Association and the Financial Management Association.

In recent years, Ed published papers on a variety of topics, including listing choices of initial public offerings, valuing illiquid common stock, share repurchases and lottery jackpots. Ed continued his research after retirement, with several projects including a study of trading volume as U.S. stock markets evolved from pre-decimalization in 1996-2000, to post-decimalization in 2001-2005, to electronic trading in 2006-2010.

A world traveler, Ed visited destinations from New Zealand and the Galapagos to Russia and Finland, sampling local cuisine and wines in restaurants around the world. He also hiked, golfed, biked and played tennis.

The department welcomed Mihai Ion as assistant professor in Fall 2014. He earned his Ph.D. in finance from Purdue University. Mihai teaches investments and empirical methods in finance. His research interests include asset pricing anomalies, investment-based asset pricing, and the effect of economic uncertainty on corporate decisions.

The finance department welcomes Mitch Towner as an assistant professor starting Fall 2015. He earned his Ph.D. in finance from the University of Texas at Austin. Mitch will be teaching Investments in fall 2015. His research interests include corporate finance, corporate governance, capital structure, and healthcare finance.

Aazam Virani joined the finance department as an assistant professor in fall 2014 after completing his doctoral studies at the University of Toronto. Aazam teaches quantitative financial management in the fall and spring semesters. Aazam’s research interests include corporate governance, institutional investors, and takeovers.

### In Memoriam

**Dr. Edward Dyl**

Professor Emeritus

Ed Dyl, retired faculty member and former head of the Department of Finance, passed away on March 7 following a long illness.

Ed was recruited to the UA in 1987 to serve as head of the finance department, a position he held for 12 years. Before joining Eller, he was on the faculty of the University of Wyoming, where he had been Dean of the College of Business from 1979-1984. Ed received his doctorate in finance from Stanford University in 1973.

“Ed was a warm and welcoming person, tremendous colleague and exceptional professor,” said Rick Sias, department head. “I was very saddened to hear the news about Ed, because I was a beneficiary of his thoughtfulness, energy and mentorship,” said Linda Price, Underwood Family Professor of Marketing. “When I was an MBA student at the University of Wyoming, he was a force in my decision to pursue a Ph.D.”

Ed educated thousands of undergraduate and graduate students during his time at the UA, in subjects such as corporate finance, real-estate finance and development, using case studies and field trips to apply financial theories. He mentored numerous doctoral students and, with his students, co-authored many papers published in leading finance journals. He also served as president of both the Western Finance Association and the Financial Management Association.

In recent years, Ed published papers on a variety of topics, including listing choices of initial public offerings, valuing illiquid common stock, share repurchases and lottery jackpots. Ed continued his research after retirement, with several projects including a study of trading volume as U.S. stock markets evolved from pre-decimalization in 1996-2000, to post-decimalization in 2001-2005, to electronic trading in 2006-2010.

A world traveler, Ed visited destinations from New Zealand and the Galapagos to Russia and Finland, sampling local cuisine and wines in restaurants around the world. He also hiked, golfed, biked and played tennis.
Sharon Garrison, faculty adviser for finance minors, died on Feb. 14 of injuries she sustained after being struck by a vehicle the night before.

During her 17 years with the UA, Sharon taught the introductory finance course to thousands of students. After retiring in spring 2014, she stayed involved as the driving force behind development of the finance minor, leading and teaching three classes in that program. She was also an expert in online learning and developed the website studyfinance.com, featured on Money 101 as a top resource for finance majors.

Before joining the UA, Sharon was a full professor at East Tennessee State University and Florida Gulf Coast University. At the latter, she also served as chair of the finance department and MBA director. She also served as an associate professor at East Tennessee State and an assistant professor at North Texas State.

She earned her undergraduate degree in marketing at Texas A&M University in 1967, began her career working in accounting, ran her own wholesale auto parts firm, and then started teaching at Texas Christian University. She completed her MBA in 1981 and her Ph.D. in 1983, both with University of Texas at Arlington.

The Financial Management Association and the Investment Club have established a memorial fund in Sharon’s name to support scholarships for finance majors.

Liz Kuehn, central investment manager with Intel Corporation and a 2002 finance graduate, met Professor Garrison 15 years ago. “Professor Garrison always inspired me to aim higher. She encouraged me to take the prestigious portfolio management course, guided me in landing an internship at Goldman Sachs, and sat next to me as I graduated as the Outstanding Senior for the Eller College in December 2002,” Kuehn said. “When I think back, I’m reminded of her constant positive attitude and her loyalty to her students. Her legacy lives on in the thousands of students whose lives she touched.”

Four faculty had papers accepted at the exclusive Western Finance Association Meetings. WFA accepts less than 10% of the papers submitted.

- Dr. Sandy Klasa’s co-authored paper titled “Protection of trade secrets and capital structure decisions” finds that companies choose more conservative capital structures when the risk of losing trade secrets to rivals is higher.

- A study by assistant professor David Brown presents a theory of IPO underpricing, i.e. the “first day price pop,” that frequently accompanies IPOs. His study shows that firms can increase their values by using underpricing to influence institutional investors’ behaviors. David supports his theory by presenting empirical evidence: research-active investors are associated with more under-pricing and rewarded with allocations in future IPOs.

- Dr. Lubo Litov’s study on staggered boards, in which only one-third of director seats open up every year, finds companies’ value increased over a five year period when they moved from annual elections of directors to staggered ones. His results contradict past studies showing staggered boards harm shareholder wealth.

- The dissertation of incoming assistant professor Mitch Towner tests a prominent theory in finance: Do firms issue debt strategically to increase their bargaining power during negotiations with employees, customers, and suppliers? Using the healthcare sector, Mitch’s study finds that hospitals with higher debt receive better reimbursement rates from insurance companies.

“Sharon was a truly exceptional person and a great colleague,” said Rick Sias, department head. “Losing Sharon is huge for the department and the University, but most of all, the students.”
When you make a gift to Eller’s Finance Department, you help finance students place into top careers, facilitate real-world learning, and ensure that our students are taught by top faculty. Visit MakeEllerGreater.com for more information and easy online giving.