2016 FMA Applied Finance Conference
Friday, May 13, 2016
St. John's University, Manhattan Campus

KEYNOTE ADDRESS
CORPORATE FINANCE PRACTICE IN 2016: IN SEARCH OF NEW ANSWERS TO OLD QUESTIONS
Marc Zenner
Co-Head, Corporate Advisory, Investment Banking
J.P. Morgan

PANEL SESSIONS ON …
- Capital Budgeting Procedures, Policy, and Practices
- Bank Stress Tests

RESEARCH PRESENTATIONS ON…
- Conflicts & Governance
- Investment Concerns
- Micro & Macro Corporate Finance Issues
- Contemporary Issues in Banking

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This year's program is complete with a number of timely papers, two special panel sessions on "Capital Budgeting Procedures, Policy, and Practices" and "Bank Stress Tests", and Marc Zenner's Keynote Address: "Corporate Finance Practice in 2016: In Search of New Answers to Old Questions". We hope you will find something on the program that is especially interesting to you. Over 100 papers were submitted for the program, of which only 10% were accepted.

Very special thanks go to Dean Victoria Shoaf of the Peter J. Tobin College of Business at St. John's University for her generous support of this year's conference.

Founded by the Vincentian Fathers in 1870, St. John's University is a private, Catholic university with campuses in Queens, Manhattan, Staten Island, Oakdale, Paris, France, and Rome, Italy. St. John's' unique programs include over 100 programs of study in Business, Education, Health Sciences, Liberal Arts and Sciences and Professional Studies; accelerated three-year bachelor's degrees; five-year bachelor's/master's degrees through the graduate schools; a six-year bachelor's/J.D. through the School of Law; and a six-year Pharm.D. Program.

St. John's is organized into five undergraduate and six graduate schools. The university has nearly 25,000 full- and part-time undergraduate and graduate students at the University's six locations, including non-resident students representing 47 states, the District of Columbia, Guam, Puerto Rico, the US Virgin Islands, and 123 countries. The Princeton Review named St. John's a Best Northeastern College. St. John's also appears in The Princeton Review's 2013 Edition of “The Best 377 Colleges.”

The Financial Management Association International (FMA) was established in 1970 to foster development in the field of finance with particular emphasis on financial management. Although the early emphasis was on financial management, FMA also serves those in the profession who conduct research, practice, and/or teach in all areas of finance including investments, markets and institutions, derivatives and risk management, international finance, and behavioral finance. This broader agenda is especially evident at FMA's conferences in North America, Europe, Asia, and Latin America.

FMA is a unique organization in many ways, in part due to our joint commitment to both quality and inclusiveness. In the past 40+ years, FMA has strived to do more to encourage research of the highest quality without abandoning inclusiveness. Among other things, FMA’s concept of inclusiveness encompasses providing the opportunity – by means of a fair and open process – for people of differing interests and needs to participate in presenting and discussing research.

### 2016 APPLIED FINANCE CONFERENCE PROGRAM CHAIRS

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
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<tr>
<td>Dr. Anna Martin</td>
<td>Alois J Theis Endowed Chair &amp; Professor of Finance</td>
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<td>Dr. Betty Simkins</td>
<td>Williams Companies Professor of Business &amp; Professor of Finance</td>
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<td>Oklahoma State University</td>
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2016 APPLIED FINANCE CONFERENCE PROGRAM

CONFERENCE REGISTRATION AND CONTINENTAL BREAKFAST

8:00 am - 8:30 am  Registration - main entrance in front of the security desk
Continental breakfast - concourse level

SESSION 1, CONFLICTS AND GOVERNANCE
8:30 am - 10:15 am, Room C06

Chairperson: Jacqueline Garner, Mississippi State University

The Bug at Volkswagen
Charles M Elson, University of Delaware
Craig K Ferrere, Harvard Law School
Nicholas J Goossen, University of Delaware

Non-rating Revenue and Conflicts of Interest
Ramin P Baghai, Stockholm School of Econ
Bo Becker, Stockholm School of Econ

Staggered Boards and the Value of Voting Rights
Oğuzhan Karakaş, Boston College
Mahdi Mohseni, Texas A&M University

Personal Trading by Employees of Financial Intermediaries
Henk Berkman, University of Auckland
Paul Koch, University of Kansas
P Joakim Westerholm, University of Sydney

Discussant
Sophia Longman, Pace University

Discussant
Jorida Papakroni, Franklin and Marshall College

Discussant
Ben Branch, University of Massachusetts

Discussant
Shan (Shine) Lei, West Texas A&M University

SESSION 2, INVESTMENT CONCERNS
8:30 am - 10:15 am, Room C07

Chairperson: Gregory Koutmos, Fairfield University

Credit Spreads and the Correlation in Default Probabilities
Siamak Javadi, Ohio University
Seoyoung Kim, Santa Clara University
Tim Krehbiel, Oklahoma State University
Ali Nejadmalayeri, Oklahoma State University

How do Global Investors Differentiate Between Sovereign Risks? The New Normal versus the Old
Marlene Amstad, Bank for Intl Settlements
Eli Remolona, Bank for Intl Settlements
Jimmy Shek, Bank for Intl Settlements

After-Tax Portfolio Value: The Missing Tax Option
Andrew Kalotay, Andrew Kalotay Assoc

Discussant
Hong-jen Abraham Lin
Brooklyn College, CUNY

Discussant
Thomas Shohfi
Rensselaer Polytechnic Institute

Discussant
Hongfei (Frank) Tang
Seton Hall University

COFFEE BREAK
10:15 AM - 10:30 AM, C06-07 Hallway

Presenters appear in bold type
SESSION 3, CAPITAL BUDGETING PROCEDURES, POLICIES AND PRACTICES
10:30 am -12:00 noon, Rooms 105 & 106

This panel session is structured around how the company manages within the four phases of capital investment: (1) planning, (2) project or capital evaluation, (3) status reporting, and (4) post completion reviews. The project or capital evaluation phase will be the main focus of this session as the presenters will discuss their organization’s internal policies and practices including capital project categories, impact of hurdles rates, evaluation thresholds, authorization limits, the contents of a typical capital proposal document, the presentation/approval procedures used at their organization, etc. The related technical methods and managerial aspects of post completion reviews may also be discussed.

There will be a planned 20-30 minute period to take questions at the end of the session.

Moderator & Panelist
Samuel Weaver
Professor of Practice, Lehigh University
Former Director, Financial Planning and Analysis, The Hershey Company

Panelists
James Breen, Vice President, Project Management Americas
Johnson & Johnson, Inc

Steven F. Hensley, Manager, Financial Planning, Analysis and Economics, Corporate Treasury
Air Products and Chemicals, Inc

KEYNOTE ADDRESS
Corporate Finance Practice in 2016: In Search of New Answers to Old Questions
Marc Zenner, Co-Head Corporate Advisory, Investment Banking
J.P. Morgan

12:15 pm - 1:15 pm, Rooms 105 & 106

Marc has advised and is currently advising many of the S&P 500 firms’ boards and senior executives on questions relating to financial policy, capital allocation, valuation, risk management, spinoffs, return of capital, and activism. His research has been published in Journal of Financial Economics, Journal of Finance, Review of Financial Studies, Financial Management, Journal of Financial and Quantitative Analysis, Journal of Applied Corporate Finance, and Journal of Corporate Finance, as well as an extensive number of practitioner-oriented reports at Citi and JP Morgan. He has received University wide teaching awards at the University of North Carolina at Chapel Hill for both the MBA and Ph.D. programs.


Marc received his Ph.D. from Purdue University (1989), his M.B.A. from City University London (1986), and his B.S. in Commercial Engineering from Katholieke Universiteit Leuven, Belgium (1985).

LUNCHEON
1:15 PM - 2:15 PM, Rooms 105 & 106
SESSION 4, MACRO AND MICRO CORPORATE FINANCE ISSUES
2:30 pm - 4:15 pm, Room C06

Chairperson: Niso Abuaf, Ramirez and Company & Pace University

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<tr>
<th>Corporate Twitter Use and Cost of Capital</th>
<th>Non-Financial Firms as Cross-Market Arbitrageurs</th>
<th>State Capitalism versus Private Enterprise</th>
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<td>Mohamed Al Guindy, Queen's University</td>
<td>Yueran Ma, Harvard University</td>
<td>Donghua Chen, Nanjing University</td>
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<td>Dequan Jiang, Wuhan University</td>
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<td>Alexander Ljungqvist, New York Univ &amp; NBER</td>
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<td>Haitian Lu, Hong Kong Polytechnic Univ</td>
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Discussant: Mikael Bergbrant, St. John's University
Discussant: Natalia Reisel, Fordham University
Discussant: An Hui, Dalian University of Technology

Practitioner Insights
Niso Abuaf, Ramirez and Company & Pace University
John McCormack, Journal of Applied Corporate Finance

SESSION 5, CONTEMPORARY TOPICS IN BANKING
2:30 pm - 4:15 pm, Room C07

Chairperson: Sunil Mohanty, Brooklyn College, CUNY

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<tr>
<th>Do Social Networks Encourage Risk Taking? Evidence from Bank CEOs</th>
<th>Bank Credit-Default-Swaps and Deposit Insurance Around the World</th>
<th>The Real Consequences of Bank Mortgage Standards</th>
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<tr>
<td>Yiwei Fang, Illinois Institute of Technology</td>
<td>Liuling Liu, Bowling Green State University</td>
<td>Cindy M Vojtech, Federal Reserve Board</td>
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<td>Iftekhar Hasan, Fordham University &amp; Bank of Finland</td>
<td>Gaiyan Zhang, Shenzhen University &amp; University of Missouri - St. Louis</td>
<td>Benjamin S Kay, Treasury Department, Office of Financial Research</td>
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<td>Yiwei Fang, Illinois Inst of Technology</td>
<td>John C Driscoll, Federal Reserve Board</td>
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<td>Haizhi Wang, Illinois Institute of Technology</td>
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Discussant: Sinan Cebenoyan, Hofstra University
Discussant: Nazli (Sila) Alan, Fairfield University
Discussant: Rong Qi, St. John's University

Practitioner Insights
Paul Bennett, Former Senior Vice President, Federal Reserve Bank of New York
Clinical Professor, Fordham University
Fellow, Columbia Law School

COFFEE BREAK
4:15 pm - 4:30 pm, C06-07 Hallway
SESSION 6, BANK STRESS TESTS
4:30 pm - 5:30 pm, Rooms 105 & 106

This session will focus on a deeper understanding of regulatory stress tests. Topics of discussion will include their role in guaranteeing financial stability, necessary conditions, evidence in the United States and Europe, proposals to improve the current stress test framework, understanding quantitative and qualitative aspects, and alignment of internal and regulatory scenarios to optimize capital adequacy.

Moderators
John Finnerty, Managing Director, Financial Advisory Services Group, Alix Partners & Professor, Fordham University
Laura Gonzalez, Assistant Professor
Fordham University

Panelists
Viral Acharya, C.V. Starr Professor of Economics
New York University
Paul Bennett, Former Senior Vice President, Federal Reserve Bank of New York
Clinical Professor, Fordham University
Fellow, Columbia Law School
Haibo Huang, Executive Director of Credit Risk Methodology
Morgan Stanley

RECEPTION
5:30 pm - 6:30 pm - Cullom Davis Library (2nd Floor)

PROGRAM CHAIRS
Dr. Anna Martin, Alois J Theis Endowed Chair & Professor of Finance
St. John’s University
Dr. Betty Simkins, Williams Companies Professor of Business & Professor of Finance
Oklahoma State University

PROGRAM COMMITTEE

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<tr>
<th>Aigbe Akhigbe</th>
<th>University of Akron</th>
<th>Rose Liao</th>
<th>Rutgers University</th>
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<td>Katya Bards</td>
<td>Fairfield University</td>
<td>Chris Pantzalis</td>
<td>University of South Florida</td>
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<td>Mikael Bergbrant</td>
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<td>Ilvina Popova</td>
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<td>Kelley Bergsma</td>
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<td>Rachel Pownall</td>
<td>Maastricht University</td>
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<td>Christa Bouwman</td>
<td>Texas A&amp;M University</td>
<td>Dan Rogers</td>
<td>University of Portland</td>
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<td>Ben Branch</td>
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<td>Joshua Rosett</td>
<td>Claremont McKenna Graduate School</td>
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<td>Edgar S Woolard Jr Chair in Corporate Governance &amp; Director, John L Weinberg Center for Corporate Governance</td>
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<td>Bank for International Settlements</td>
<td>Chief Representative, Asia and the Pacific</td>
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<td>Co-head, Corporate Finance Advisory, Investment Banking</td>
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Save the Date & Call for Papers

2017 Applied Finance Conference
May 12, 2017 | St. John’s University, New York, NY

Submission Deadline: Friday, January 6, 2017

FMA seeks high-quality papers from scholars and practitioners in the fields of finance and accounting that:

• Inform practice and advance the frontiers of academic research in directions relevant to practice.

• Address issues that are relevant to contemporary issues globally and for policy formation and assessment.

• Introduce new hypotheses that have the potential to stimulate additional research.

Looking for more?

Explore more on topics, such as Corporate Finance, Banking, Investments, by logging into the FMA Members’ Only section.

► New Frontiers in Portfolio Management
A panel discussing innovations in portfolio management from three different angles.

► Agency Costs: Imagined and Real
The 2015 Applied Finance Conference Keynote Address by Martin Fridson of Lehmann, Livian, Fridson Advisors LLC.

► And, many more!

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www.FMA.org

Upcoming Conferences

2016 European Conference*
June 9 - 10, 2016 | Helsinki, Finland

2016 Asia/Pacific Conference*
July 13 - 15, 2016 | Sydney, Australia

2016 Annual Meeting*
October 19 - 22, 2016 | Las Vegas, NV

Conference on Derivatives & Volatility
November 10 - 11, 2016 | Chicago, IL

*Conference includes a Doctoral Student Consortium for advanced doctoral students.

2017 Conferences

2017 Latin American Conference*
February 15 - 17, 2017
ITAM | Mexico City, Mexico
Submission Deadline: July 22, 2016

2017 Applied Finance Conference
May 12, 2017
St. John’s University | New York, NY
Submission Deadline: January 6, 2017

2017 Asia/Pacific Conference*
May 24 - 26, 2017
National Taiwan University | Taipei, Taiwan

2017 European Conference*
June 21 - 23, 2017
ISEG | Lisbon, Portugal

2017 Annual Meeting
October 11 - 14, 2017
Boston, Massachusetts